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

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

**If you have sold or transferred** all your shares in the Company, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**中國山東高速金融集團有限公司**  
CHINA SHANDONG HI-SPEED FINANCIAL GROUP LIMITED

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 412)**

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS,  
PROPOSED ADOPTION OF NEW BYE-LAWS,  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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Capitalised terms used on this cover page have the same meanings as defined in this circular.

A notice convening the AGM to be held at Plaza 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 10 August 2018 at 10:00 a.m. or any adjournment thereof is set out on pages 101 to 139 of this circular. A form of proxy for use at the AGM is also enclosed herewith. Whether or not you intend to attend the AGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or at any adjourned meeting should you so wish.

11 July 2018

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## DEFINITIONS

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

“Act”	means the Companies Act 1981 of Bermuda
“AGM”	the annual general meeting of the Company to be held at Plaza 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 10 August 2018 at 10:00 a.m. or any adjournment thereof
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company (as amended from time to time)
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	China Shandong Hi-Speed Financial Group Limited (中國山東高速金融集團有限公司) (formerly known as “China Innovative Finance Group Limited”), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Designated Stock Exchange”	means a stock exchange which is 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
“Director(s)”	the director(s) of the Company

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## DEFINITIONS

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“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the unconditional general mandate to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares and other securities up to a maximum of (a) 20% of the aggregate number of Shares of the Company in issue on the date of the resolution approving such mandate, plus (b) (if the Directors are so authorised by a separate resolution of the Shareholders) the aggregate number of Shares of the Company repurchased by the Company pursuant to the Repurchase Mandate
“Latest Practicable Date”	5 July 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Bye-laws”	the amended and restated bye-laws of the Company proposed to be adopted by the Company at the AGM as set out in Appendix III to this circular
“Repurchase Mandate”	the proposed general mandate to be granted to the Directors to permit the repurchase of Shares of up to a maximum of 10% of the aggregate number of the issued Shares of the Company as at the date of passing of the relevant resolution granting such mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

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## DEFINITIONS

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“Share(s)”	the ordinary share(s), currently with par value of HK\$0.00025 each, in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s) from time to time
“Statutes”	means the Act and all other legislation of Bermuda for the time being in force concerning or affecting the Company, the Memorandum of Association and/or the Bye-laws
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

*In the event of any inconsistency, the English text of this circular and the accompanying form of proxy shall prevail over the Chinese text.*

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## LETTER FROM THE BOARD

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**中國山東高速金融集團有限公司**  
CHINA SHANDONG HI-SPEED FINANCIAL GROUP LIMITED

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 412)**

*Non-Executive Director and Chairman:*

Mr. Li Hang

*Non-executive Director and Vice Chairman*

Dr. Lam Lee G.

*Executive Directors:*

Mr. Ji Kecheng (*Chief Executive Officer*)

Mr. Wang Zhenjiang (*Vice President*)

Mr. Yau Wai Lung

Mr. Li Zhen Yu

*Non-executive Directors:*

Mr. Qiu Jianyang

Mr. Lo Man Tuen

*Independent Non-executive Directors:*

Mr. To Shing Chuen

Mr. Cheung Wing Ping

Mr. Wang Huixuan

Mr. Guan Huanfei

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head Office and Principal Place of*

*Business in Hong Kong:*

Rooms 1405-1410, 14/F.,

China Resources Building,

26 Harbour Road, Wanchai,

Hong Kong

11 July 2018

*To the Shareholders*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS,  
PROPOSED ADOPTION OF NEW BYE-LAWS,  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**(A) GENERAL MANDATE TO ISSUE SHARES**

Ordinary resolution will be proposed at the AGM to grant an unconditional and general mandate to the Directors to allot, issue and deal with new Shares and other securities up to 20% of the aggregate number of the issued Shares of the Company as at the date of the AGM and adding to the Issue Mandate any Shares repurchased by the Company pursuant to the Repurchase Mandate mentioned below (up to a maximum number equivalent to 10 % of the aggregate number of Shares of the Company in issue at the date of passing of the Repurchase Mandate).

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## **LETTER FROM THE BOARD**

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As at the Latest Practicable Date, there were in issue an aggregate of 24,551,714,002 Shares. Assuming that no Shares are issued or repurchased by the Company prior to the date of the AGM, such 20% will represent 4,910,342,800 Shares.

The Issue Mandate shall remain in force until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws of Bermuda to be held; and (iii) the revocation or variation of the authority given by the Shareholders by an ordinary resolution in general meeting.

### **(B) GENERAL MANDATE TO REPURCHASE SHARES**

Ordinary resolution will be proposed at the AGM to grant an unconditional and general mandate to the Directors to repurchase Shares on the Stock Exchange up to a maximum of 10% of the aggregate number of the issued Shares of the Company as at the date of the AGM. An explanatory statement as required under the Listing Rules is set out in Appendix I hereto.

As at the Latest Practicable Date, there were in issue an aggregate of 24,551,714,002 Shares. Assuming that no Shares are issued or repurchased by the Company prior to the date of the AGM, such 10% will represent 2,455,171,400 Shares.

The Repurchase Mandate shall remain in force until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws of Bermuda to be held; and (iii) the revocation or variation of the authority given by the Shareholders by an ordinary resolution in general meeting.

### **(C) RETIREMENT AND RE-ELECTION OF DIRECTORS**

Pursuant to Bye-law 91, Mr. Li Zhen Yu, being a Director appointed by the Board on 25 October 2017 and Mr. Ji Kecheng, Dr. Lam Lee G., Mr. Lo Man Tuen, Mr. Wang Huixuan and Mr. Guan Huanfei, being the Directors appointed by the Board on 10 November 2017, will be subject to re-election as Directors at the AGM, and shall then be eligible for re-election but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

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## LETTER FROM THE BOARD

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Bye-Law 99(B) of the Bye-Laws provides that one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. In accordance with Bye-law 99(B) of the Bye-laws, Mr. Qiu Jianyang and Mr. To Shing Chuen, being Directors who have been longest in office since their last election, shall retire from office by rotation at the AGM.

Mr. To Shing Chuen has been an Independent Non-Executive Director of the Company since 31 January 2002 and is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. The Board noted the positive contribution of Mr. To to the development of the Company's strategy and policies through independent, constructive and informed contributions supported by his skills, expertise and varied backgrounds and qualifications and from his regular attendance and his active participation at meetings. Mr. To has confirmed that he meets the independence guidelines set out in Rule 3.13 of the Listing Rules and that there are no factors that may affect his independence as an Independent Non-Executive Director of the Company. Having considered the factors affecting the independence of a non-executive director under the Listing Rules, the Board believed that Mr. To would continue to be independent and has proposed his re-election as an Independent Non-Executive Director of the Company, subject to the approval by a separate resolution at the AGM pursuant to code provision A.4.3 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

Each of the retiring Directors, being eligible, has offered himself for re-election and the Board has recommended each of the retiring Directors for re-election at the AGM. Biographical details of the Directors who are proposed to be re-elected at the AGM are set out in Appendix II.

### **(D) PROPOSED ADOPTION OF NEW BYE-LAWS**

Reference is made to the announcement of the Company dated 21 June 2018. There have been changes to the Listing Rules and the Act since our last amendments to the Company's Bye-laws in 2010. The Board will propose at the AGM a special resolution approving certain amendments to the existing Bye-laws of the Company to, inter alia, reflect certain amendments to the Listing Rules and the laws of Bermuda and to make other consequential and housekeeping changes.



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## LETTER FROM THE BOARD

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A summary of the major changes to the Bye-laws are set out below:

- (a) To replace the term “associate” with “close associate”;
- (b) To define clearly the terms “business day”, “clear days” and “substantial shareholder”;
- (c) To elaborate on the requirements of resolution in writing of the Shareholders of the Company;
- (d) To relax the obligation of the Directors of the Company to make available any offer, option or shares or other securities to shareholders or others with registered addresses in any particular territory where, in the absence of a registration statement or other special formalities, would or might, in the opinion of the Directors, be unlawful or impracticable;
- (e) To allow the interest payment for certain share capital and charge the same to capital as part of the cost of construction of the works or buildings, or the provision of the plant;
- (f) To allow the Directors to make arrangement to deal with fractional entitlements arising on an offer of any unissued shares or other securities;
- (g) To allow the Directors to offer to all existing holders of any class of shares in proportion as nearly as may be to be number of shares of such class held by them respectively;
- (h) To allow the Company to, in accordance with an employees’ share scheme (whether the same is approved by the members in general meeting or not), provide money on such terms as the Directors think fit for the acquisition of shares in the Company or its holding company;
- (i) To allow the Company to make loans to persons employed or formerly employed in good faith by the Company with a view to enabling those persons to acquire shares in the Company or its holding company;

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## LETTER FROM THE BOARD

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- (j) To allow the Company may in accordance with the Act and all other legislation of the legislature of Bermuda give such financial assistance for the purpose of an acquisition of its shares or other securities or any derivative securities on the Company's securities in such manner as the Directors think fit;
- (k) To provide that where the Company purchases redeemable shares, if purchases are not made through by tender shall be limited to a maximum price; and if purchases are by tender, tenders shall be available to all holders of such shares;
- (l) To elaborate on the requirements of the designation of certificates of shares of different classes;
- (m) To clarify the procedures for the forfeiture of shares to the effect that no forfeiture of shares shall be invalidated by omission to give notice or make any entry in the register;
- (n) To allow any form for transfer of shares to be effected by hand or by machine imprinted signature or by such other means of execution as the Directors may approve from time to time if the transferor or transferee is a clearing house or its nominee(s);
- (o) To allow notice of suspension of registration of transfers to be given by any electronic mean in such manner as may be accepted by the Designated Stock Exchange;
- (p) To allow the Company by ordinary resolution to increase its share capital by creation of new shares of different currency and make provision for the issue of shares with such rights, privileges or restrictions as the Directors shall determine;
- (q) To allow the Company by ordinary resolution to:
  - (i) divide its shares into several classes and attach thereto any preferential, deferred, qualified or special rights, privileges or conditions;
  - (ii) make provision for the issue and allotment of shares which do not carry any voting rights;
  - (iii) change the currency of denomination of its share capital;

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## LETTER FROM THE BOARD

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- (r) To provide that the Company may by special resolution reduce its share capital or other undistributable reserve;
- (s) To provide that, if the rules of the Designated Stock Exchange do not prohibit the same, a meeting of the shareholders may be held by means of telephone, electronic or other communication facilities;
- (t) To provide that an annual general meeting of the Company shall be called by notice of not less than 21 clear days and not less than 20 clear business days and all other special general meetings shall be called by notice of not less than 14 clear days and not less than 10 clear business days;
- (u) To provide that if at an adjourned general meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the Shareholders present or by proxy shall be a quorum and may transact the business for which the meeting was called;
- (v) To provide that a resolution put to the vote of the meeting shall be decided by a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands;
- (w) To provide that the poll shall be taken in such manner and at such time and place not being more than 30 days from the date of the meeting or adjourned meeting;
- (x) To provide that a proposed amendment to any resolution which is ruled out by the chairman in good faith shall not be invalidated by any error in such ruling and no amendment to a special resolution (other than a mere clerical amendment to correct a patent error) may be considered or voted upon;
- (y) To elaborate on the validity of the appointment of a proxy and the formality of the instrument of proxy and the powers of the Directors to decline admission of any person or reject any vote in connection thereto;
- (z) To provide that any Director appointed by ordinary resolution to fill a casual vacancy or as an addition to the existing Directors or as a replacement to a Director being removed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election;

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## LETTER FROM THE BOARD

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- (aa) To elaborate the treatment of Directors' interests and those of his close associates in case of conflict of interests;
- (bb) To provide that a resolution in writing of the Directors shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest;
- (cc) To further elaborate the duties of the secretary;
- (dd) To allow, where any asset, business or property is bought by the Company as from a past date, the profits and losses thereof as from such date may at the discretion of the Directors be carried to revenue account and treated as profits or losses of the Company and be available for dividend accordingly;
- (ee) To reflect the current legal position under the Act in relation to payment of dividends and to elaborate the currency for dividends and distributions and provide that for shares denominated in Hong Kong dollars, the Directors may determine any distribution that Shareholders may elect to receive the same in United States dollars or any other currency selected by the Directors;
- (ff) To allow the Directors certain flexibility in the currency of payment involving small amount of dividend or other distribution or other payment to be made by the Company;
- (gg) To provide that no dividend shall bear interest as against the Company;
- (hh) To elaborate on the treatment of fractional entitlements;
- (ii) To provide that the Company in general meeting may resolve that any surplus moneys in the hands of the Company representing capital profits or contributed surplus arising from moneys received or recovered from the realisation of any capital assets of the Company be, subject to satisfaction of certain prerequisites, distributed amongst its shareholders;
- (jj) To provide that summarised financial statements of the Company can be provided to the Shareholders of the Company;

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## LETTER FROM THE BOARD

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- (kk) To provide that the Company shall at each annual general meeting appoint auditors and the Directors may fill a casual vacancy in the office of auditors;
  
- (ll) To elaborate the procedures of appointment of auditors to the effect that notice of intention to nominate a person as auditors shall be given to the Company not less than 21 clear days before the annual general meeting and the Company shall give notice in respect of the same to the shareholders not less than 7 days before the annual general meeting;
  
- (mm) To elaborate the arrangements on Directors' indemnity;
  
- (nn) To add certain provisions on resident representative required under the Act;
  
- (oo) To make other miscellaneous amendments to update or clarify provisions of the Bye-laws where it is considered desirable or to better align the wordings with the Listing Rules and the Act.

Other housekeeping amendments to the Bye-laws are also proposed, including making consequential amendments in connection with the above amendments to the Bye-laws and for clarity and consistency with the other provisions of the Bye-laws where it is considered desirable and to better align the wordings with those of the Listing Rules and the Act.

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## LETTER FROM THE BOARD

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In view of the number of amendments proposed to be made, the Board will also propose that the New Bye-laws be adopted to replace the existing Bye-laws, instead of carrying out piecemeal modifications on the existing Bye-laws.

A copy of the New Bye-Laws is set out in Appendix III to this circular. Shareholders are advised that the New Bye-Laws are written in English only and there is no official Chinese translation. The Chinese translation of the New Bye-Laws is for reference purpose only. In case of any inconsistency, the English version shall prevail.

The legal advisers to the Company as to Hong Kong laws and Bermuda laws have respectively confirmed to the Company that the Bye-Laws Amendment complies with the requirements of the Listing Rules and the applicable laws of Bermuda. The Company confirms that there is nothing unusual about the Bye-Laws Amendment for a Bermuda company listed on the Stock Exchange. In addition, the Company confirms that there is nothing unusual about the New Bye-Laws.

### **(E) ANNUAL GENERAL MEETING**

A notice convening the AGM to be held at Plaza 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 10 August 2018 at 10:00 a.m. is set out on pages 101 to 139 of this circular. A form of proxy for use at the AGM is also enclosed herewith. Whether or not you intend to attend the AGM, you are urged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or at any adjourned meeting should you so wish.

The register of members will be closed from Tuesday, 7 August 2018 to Friday, 10 August 2018, both days inclusive, during which period no transfer of Shares will be registered. In order to determine the entitlement to attend and vote at the AGM, all transfer of Shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 6 August 2018.

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## LETTER FROM THE BOARD

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According to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

As far as the Board is aware, there is no Shareholder who is required to be abstained from voting under the Listing Rules.

### **(F) RECOMMENDATION**

The Directors consider that the proposals described in this circular relating to the grant of the general mandates to repurchase and issue Shares, re-election of the retiring Directors and the proposed adoption of the New Bye-laws are in the interest of the Company and the Shareholders as a whole. The Directors therefore recommend you to vote in favour of the resolutions at the AGM.

### **(G) RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By order of the Board

**China Shandong Hi-Speed Financial Group Limited**

**Li Hang**

*Chairman*

*This Appendix serves as an explanatory statement, as required by the Listing Rules, to be included in this circular concerning the Repurchase Mandate.*

**(a) Share capital**

As at the Latest Practicable Date, the issued share capital of the Company comprised 24,551,714,002 Shares.

Subject to the passing of the relevant ordinary resolution granting the Repurchase Mandate at the AGM and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 2,455,171,400 Shares, representing not more than 10% of the issued share capital of the Company as at the date of the AGM.

**(b) Reasons for repurchases**

The Directors have no present intention to repurchase any Shares but believe that it is in the best interest of the Company and its Shareholders as a whole that they should be granted the Repurchase Mandate, thus enabling the Company to repurchase Shares in the market at any appropriate time. Such repurchases may, depending on market conditions and funding arrangements at the material time, lead to an enhancement of the net asset value and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

**(c) Funding of repurchases**

The Directors propose that repurchases of Shares will be funded entirely from the Company's available cash flow or working capital, which will be funds legally available for the repurchases in accordance with the Bye-laws, the Listing Rules and the applicable laws of Hong Kong and Bermuda.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the Company's audited financial statements for the year ended 31 March 2018) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.



**(d) Share repurchase made by the Company**

As at the Latest Practicable Date, no repurchases of Shares have been made by the Company during the preceding six (6) months (whether on the Stock Exchange or otherwise).

**(e) General**

None of the Directors, or to the best of their knowledge, having made all reasonable enquiries, their close associates, has any present intention to sell any Shares held by them to the Company in the event that the Repurchase Mandate is approved by the Shareholders. None of the core connected persons of the Company has notified the Company that they have a present intention to sell Shares held by them to the Company, or has undertaken not to do so in the event that the Company is authorised to make repurchases of Shares.

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

**(f) Effect of the Takeovers Code**

If as a result of a repurchase of Shares by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, could be deemed to have thereby obtained or consolidated control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Shandong Hi-Speed Group Co., Ltd.\* (山東高速集團有限公司), Shandong Hi-Speed (BVI) Capital Management Limited, Shandong Hi-Speed (Hong Kong) International Capital Limited, Shandong Province Rural Economic Development Investment Company\* (山東省農村經濟開發投資公司) and Shandong International (Hong Kong) Limited, acting in concert, held 10,459,648,350 Shares representing approximately 42.6% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, and assuming that there is no change in the shareholdings since the Latest Practicable Date, the shareholding of Shandong Hi-Speed Group Co., Limited and parties acting in concert with it, in the Company would be increased to approximately 47.34% of the issued share capital of the Company and such an increase would give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

Save as aforesaid, the Board is not aware of any consequences which would arise under the Takeovers Code as a result of an exercise of the Repurchase Mandate.

In any event, the Directors have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Mandate to such an extent as would result in the number of Shares being held by the public falling below the relevant minimum prescribed percentage of 25% of the entire issued share capital of the Company.

**(g) Share prices**

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

	<b>Highest Traded Price</b> <i>HK\$</i>	<b>Lowest Traded Price</b> <i>HK\$</i>
<b>2017</b>		
July	0.360	0.295
August	0.320	0.275
September	0.380	0.300
October	0.520	0.350
November	0.430	0.315
December	0.350	0.305
<b>2018</b>		
January	0.355	0.315
February	0.345	0.285
March	0.350	0.280
April	0.320	0.280
May	0.295	0.239
June	0.295	0.244
July (up to the Latest Practicable Date)	0.280	0.260

\* For identification purpose only

*The following information is given to all Shareholders relating to the biographical details and attendance records at Board meetings, committee meetings (if any) and general meetings of each of the retiring Directors eligible for election or re-election to be proposed at the forthcoming AGM.*

**Mr. Li Zhen Yu**, aged 46, was appointed as an executive Director and a member of the executive committee of the Company on 25 October 2017. He is also a director of certain subsidiaries of the Group. He has been general manager of Beijing Jingyu Investment Company Limited\* (北京京宇投資有限公司) since March 2015. From April 2011 to February 2015, he served as executive director, chief executive officer and chief operating officer of Gemini Investments (Holdings) Limited, a listed company on the Hong Kong Stock Exchange (stock code: 174), as well as general manager of Sino Prosperity Real Estate Fund, a fund jointly established by Gemini Investments and KKR. Since May 2007, he has been joint secretary of the board, general manager of the secretary administration department, general manager of the investment department, general manager of the corporate finance division and deputy general manager of the real estate financial affairs division of Sino-Ocean Group Holding Limited, a listed company on the Hong Kong Stock Exchange (stock code: 3377), responsible for board affairs, property investment, finance as well as real estate financial affairs. From 1994 to 2007, he served as division chief or department head of the finance department, the president office, the planning department and the strategic development division of China Ocean Shipping (Group) Company\* (中國遠洋運輸(集團)總公司), engaged in the financial affairs, secretary administration, strategic planning, structural reform, capital operation and other business. Mr. Li obtained a Bachelor's Degree in Accounting from the Central University of Finance and Economics in June 1994. He obtained Finance EMBA from the PBC School of Finance at Tsinghua University in 2015.

Mr. Li attended 4 of 5 Board meetings and 15 of 16 executive committee meetings since his appointment as an executive Director of the Company.

Mr. Li has entered into a formal service contract with the Company for a term of three years commencing from 25 October 2017 and he is subject to retirement from the Board by rotation and re-election in accordance with the Bye-laws of the Company. The annual emolument of Mr. Li was HK\$1,200,000 per year, and since Dec 2017, a total of HK\$1,950,000 per year, which are determined with reference to his duties and responsibilities of the Company, his qualifications, experience and the prevailing market conditions. In addition, Mr. Li may be entitled under the said service contract to a bonus as determined at the discretion of the Board with reference to his performance.

Save as disclosed above, Mr. Li (i) has not held any other directorships in any public companies the securities of which are listed in Hong Kong or overseas in the last three years; (ii) does not hold other positions in the Company or any of its subsidiaries; (iii) does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; (iv) does not have any interest in the listed securities of the Company within the meaning of Part XV of the SFO; and (v) there is no information relating to Mr. Li that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the shareholders of the Company in relation to his re-election.

**Mr. Ji Kecheng**, aged 46, was appointed as an executive Director and chief executive officer of the Company and the chairman of the executive committee on 10 November 2017. He is currently the chief accountant of Shandong Hi-Speed Group Co., Ltd. and serves as a director of Taishan Property & Casualty Insurance Co., Ltd. and a supervisor of Bohai Ferry Group Co., Ltd. Mr. Ji has accumulated extensive experience in corporate financial management and capital operation from his long-term work in financial management. Previously, Mr. Ji held a position with the Department of Communications of the Shandong Provincial Government. In 2001, he joined Shandong Hi-Speed Group Co., Ltd. and held a number of important management posts including deputy director of accounting division of Shandong Hi-Speed Group Co., Ltd., chief accountant of Shandong Hi-Speed Rail Transit Group Co., Ltd.\* (山東高速軌道交通集團有限公司), director of financial planning division and chief accountant of Shandong Hi-Speed Group Co., Ltd.. Mr. Ji holds an MBA from Shandong University and is a certified public accountant of China, senior accountant, management accounting advisory counsellor of the Shandong Provincial Government and asset valuation specialist for the enterprises administered by the Shandong Provincial Government.

Mr. Ji attended both of 2 Board meetings and 14 of 15 executive committee meetings since his appointment as an executive Director of the Company.

Mr. Ji has entered into a formal service contract with the Company for a term of three years and he is subject to retirement from the Board by rotation and re-election in accordance with the bye-laws of the Company. Mr. Ji is entitled to an annual emolument HK\$3,600,000 per year, which is determined with reference to his duties and responsibilities of the Company, his qualifications, experience and the prevailing market conditions. In addition, Mr. Ji may be entitled under the said service contract to a bonus as determined at the discretion of the Board with reference to his performance.

Save as disclosed above, Mr. Ji (i) has not held any other directorships in any public companies the securities of which are listed in Hong Kong or overseas in the last three years; (ii) does not hold other positions in the Company or any of its subsidiaries; (iii) does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; (iv) does not have any interest in the listed securities of the Company within the meaning of Part XV of the SFO; and (v) there is no information relating to Mr. Ji that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the shareholders of the Company in relation to his re-election.

**Dr. Lam Lee G**, aged 58, was appointed as a non-executive director and the vice chairman of the Company on 10 November 2017. Dr. Lam holds Bachelor Degree in Sciences and Mathematics, Master Degrees in Systems Science and Business Administration from the University of Ottawa in Canada, Post-graduate Diploma in Public Administration from Carleton University in Canada, Post-graduate Diploma in English and Hong Kong Law and Honour Degree in Law from Manchester Metropolitan University in the United Kingdom, Master Degree in Law from the University of Wolverhampton in the United Kingdom, Post-graduate Certificate in Law from The City University of Hong Kong, Certificate in Professional Accountancy from the School of Continuing and Professional Studies of The Chinese University of Hong Kong, Master Degree in Public Administration and Doctoral Degree in Philosophy from The University of Hong Kong. As a former member of the Hong Kong Bar Association, Dr. Lam is a Solicitor of the High Court of Hong Kong, an Honorary Fellow of CPA Australia, a Fellow of CMA Australia, a Fellow of the Hong Kong Institute of Arbitrators, an Accredited Mediator of the Centre for Effective Dispute Resolution (CEDR), a Fellow of the Hong Kong Institute of Directors, and an Honorary Fellow of the University of Hong Kong School of Professional and Continuing Education (HKU SPACE).

Dr. Lam is Chairman of Hong Kong Cyberport Management Company Limited, Non-Executive Chairman – Hong Kong and ASEAN Region and Chief Adviser to Macquarie Infrastructure and Real Assets Asia, a member of the Hong Kong Special Administrative Region Government’s Committee on Innovation, Technology and Re-Industrialization, the Hong Kong Council on Smoking and Health, the Council on Professional Conduct in Education (CPC), and the Court of the City University of Hong Kong, Convenor of the Panel of Advisors on Building Management Disputes of the Hong Kong Special Administrative Region Government Home Affairs Department, President of the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) Sustainable Business Network (ESBN) Executive Council and Chairman of its Task Force on Banking and Finance, Chairman of the Permanent Commission on Economic and Financial Issues of World Union of Small and Medium Enterprises (WUSME), a Board member of Pacific Basin Economic Council (PBEC), a member of the Hong Kong Trade Development Council Belt and Road Committee and the Sir Murray MacLehose Trust Fund Investment Advisory Committee, Honorary Advisor to the Hong Kong Business Angel Network (HKBAN), Honorary Chairman – Asia Pacific of CMA Australia, Chairman of Monte Jade Science and Technology Association of Hong Kong, President of Hong Kong-ASEAN Economic Cooperation Foundation, a Vice President of the Hong Kong Real Property Federation, Special Adviser to the Asia Pacific Real Estates Association, a Board member of the Chinese General Chamber of Commerce of Hong Kong and the Australian Chamber of Commerce in Hong Kong and Macau, a founding Board member and the Honourary Treasurer of the Hong Kong Vietnam Chamber of Commerce, Vice Chairman of the Hong Kong Myanmar Chamber of Commerce, a founding member of the Hong Kong-Korea Business Council, and a member of the Hong Kong-Thailand Business Council.

Dr. Lam has over 30 years of international experience in general management, strategy consulting, corporate governance, direct investment, investment banking and fund management across the telecommunications/media/technology, consumer/healthcare, infrastructure/real estates, energy/resources and financial services sectors. Dr. Lam previously held a number of posts including General Manager of Hong Kong Telecom, a member of the Senior Management of CP Group in Thailand and Chairman/Director/Chief Executive Officer of several companies affiliated to the group, Managing Director of BOC International and Vice Chairman and COO of Investment Banking Division of BOC International, Executive Director of Singapore Technologies Telemedia (a member of Temasek Holdings, a sovereign fund of Singapore), and Chairman – Hong Kong/Vietnam/Cambodia/Laos/Myanmar/Thailand and Senior Adviser – Asia of Macquarie Capital.

Dr. Lam is an independent non-executive director of each of CSI Properties Limited (Stock Code: 497), Glorious Sun Enterprises Limited (Stock Code: 393), Vonggroup Limited (Stock Code: 318), Mei Ah Entertainment Group Limited (Stock Code: 391), Elife Holdings Limited (Stock Code: 223), Haitong Securities Company Limited (Stock Code: 6837 and it is also listed on the Shanghai Stock Exchange with Stock Code: 600837), Huarong Investment Stock Corporation Limited (Stock Code: 2277), Xi'an Haitiantian Holdings Company Limited (Stock Code: 8227), Hua Long Jin Kong Company Limited (Stock Code: 1682) and Kidsland International Holdings Limited (Stock Code: 2122) and a non-executive Director of each of Sunwah Kingsway Capital Holdings Limited (Stock Code: 188), China LNG Group Limited (Stock Code: 931), National Arts Entertainment and Culture Group Limited (Stock Code: 8228) and Tianda Pharmaceuticals Limited (Stock Code: 455), the shares of all of which are listed on The Stock Exchange of Hong Kong Limited. He is an independent non-executive director of each of Asia-Pacific Strategic Investments Limited (Stock Code: 5RA) and Top Global Limited (Stock Code: BHO), and non-executive director of Singapore eDevelopment Limited (Stock Code: 40V), the shares of all of which are listed on the Singapore Exchange. Dr. Lam is also an independent non-executive director of Sunwah International Limited (Stock Code: SWH) whose shares are listed on the Toronto Stock Exchange, an independent non-executive director of AustChina Holdings Limited (Stock Code: AUH) whose shares are listed on the Australian Securities Exchange, and non-executive director of Adamas Finance Asia Limited (Stock Code: ADAM) whose shares are listed on the London Securities Exchange.

Dr. Lam was a non-executive director of ZH International Holdings Limited (Stock Code: 185), DTXS Silk Road Investment Holdings Company Limited (Stock Code: 620) and Roma Group Limited (Stock Code: 8072), and he was also an independent non-executive director of Imagi International Holdings Limited (Stock Code: 585) and Mingyuan Medicare Development Company Limited (Stock Code: 233), the shares of all of which are listed on the Hong Kong Stock Exchange, and an independent non-executive director of Vietnam Equity Holding (Stock Code: 3MS) whose shares are listed on the Stuttgart Stock Exchange, and an independent non-executive director of Rowsley Limited (Stock Code: A50) whose shares are listed on the Singapore Stock Exchange.

Dr. Lam attended 1 of 4 Board meetings since his appointment as a non-executive director of the Company.

Dr. Lam has entered into a formal service contract with the Company for a term of three years commencing from 10 November 2017 and he is subject to retirement from the Board by rotation and re-election in accordance with the Bye-laws of the Company. The annual emolument of Dr. Lam is HK\$1,500,000 per year as recommended by the remuneration committee and approved by the Board, with reference to the qualification, experience, duties and responsibilities of Dr. Lam in the Company.

Save as disclosed above, Dr. Lam (i) has not held any other directorships in any public companies the securities of which are listed in Hong Kong or overseas in the last three years; (ii) does not hold other positions in the Company or any of its subsidiaries; (iii) does not have any relationship with any directors, senior management or substantial or controlling Shareholders of the Company; (iv) does not have any interest in the listed securities of the Company within the meaning of Part XV of the SFO; and (v) there is no information relating to Dr. Lam that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

**Mr. Lo Man Tuen**, *G.B.S., JP*, aged 69, was appointed as a non-executive Director of the Company on 10 November 2017. Mr. Lo is currently the chairman of Wing Li Group (International) Ltd.. Mr. Lo also hosts a number of posts such as the chairman of Wing Li Packaging Limited, the chairman of Glory Sign International Limited and the independent non-executive director of Hanergy Thin Film Power Group Limited (0566.HK), a company listed on the Main Board of the Stock Exchange. In respect of public offices, Mr. Lo is a member of the 9th to 12th National Committee of the Chinese People's Political Consultative Conference. In addition, Mr. Lo is the vice chairman of Sub-committee of 12th Foreign Affairs of CPPCC National Committee and the vice-chairman of 12th All-China Federation of Industry and Commerce. In 2013, Mr. Lo was also appointed as the executive director of Hong Kong Association for the Promotion of Peaceful Reunification of China. In 2015, Mr. Lo was appointed as the president of China Peaceful Development General Summit of Hong Kong Macao Taiwan Diaspora. Mr. Lo was also nominated as the honorary life chairman of Chinese General Chamber of Commerce of Hong Kong in 2016. In recognition of his years-long contribution to the society, Mr. Lo was awarded the Gold Bauhinia Star, Silver Bauhinia Star, Bronze Bauhinia Star, Medal of Honour and Justice of the Peace.

Mr. Lo has entered into a formal service contract with the Company for a term of three years commencing from 10 November 2017 and he is subject to retirement from the Board by rotation and re-election in accordance with the Bye-laws of the Company. The annual emolument of Mr. Lo is HK\$1,000,000 per year as recommended by the remuneration committee and approved by the Board, with reference to the qualification, experience, duties and responsibilities of Mr. Lo in the Company.

As at the date of this circular, Mr. Lo holds 30,000,000 Shares in the Company.



Save as disclosed above, Mr. Lo (i) has not held any other directorships in any public companies the securities of which are listed in Hong Kong or overseas in the last three years; (ii) does not hold other positions in the Company or any of its subsidiaries; (iii) does not have any relationship with any directors, senior management or substantial or controlling Shareholders of the Company; (iv) does not have any interest in the listed securities of the Company within the meaning of Part XV of the SFO; and (v) there is no information relating to Mr. Lo that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

**Mr. Wang Huixuan**, aged 52, was appointed as an independent non-executive Director of the Company and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee on 10 November 2017. He holds a doctorate degree in business administration and holds the title of senior economist. He is currently the executive director and co-president of Tsinghua Unigroup. Mr. Wang earlier served as the chairman of the board of directors of Unisplendour Technology (Holdings) Limited (0365.HK), and the director of Unigroup Guoxin Co., Ltd. Mr. Wang has extensive experience in management, finance and investment from his long-term work in the macro-economic management and finance field. He has published two books on economics and a number of articles in core journals, and has won provincial level and ministry level awards for technological advancement. From 1987 to 2006, Mr. Wang was engaged in macro-economic and social management in local governments, holding a number of posts including secretary to the Communist Party committee of Urumqi, head of the technology division, secretary of the municipal Party committee of Urumqi, secretary of the Communist Party committee of Dongshan District of Urumqi and head of the Administration Committee of Midong New District of Urumqi. From 2006 to 2009, Mr. Wang was the head official of China Life Insurance's Xinjiang Branch, PICC Life Insurance's Guangdong Branch and Shandong Branch. From 2009 to 2015, Mr. Wang served as the executive director, vice president and a member of the investment committee of PICC Life Insurance. From 2015 to 2016, Mr. Wang served as the chairman, CEO and the chairman of the investment committee of PICC Capital.

Mr. Wang attended 1 of 4 Board meetings and 1 audit committee meeting since his appointment as an independent non-executive director of the Company.

Mr. Wang has entered into a formal service contract with the Company for a term of three years commencing from 10 November 2017 and he is subject to retirement from the Board by rotation and re-election in accordance with the Bye-laws of the Company. The annual emolument of Mr. Wang is HK\$1,500,000 per year as recommended by the remuneration committee and approved by the Board, with reference to the qualification, experience, duties and responsibilities of Mr. Wang in the Company.

Save as disclosed above, Mr. Wang (i) has not held any other directorships in any public companies the securities of which are listed in Hong Kong or overseas in the last three years; (ii) does not hold other positions in the Company or any of its subsidiaries; (iii) does not have any relationship with any directors, senior management or substantial or controlling Shareholders of the Company; (iv) does not have any interest in the listed securities of the Company within the meaning of Part XV of the SFO; and (v) there is no information relating to Mr. Wang that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

**Mr. Guan Huanfei**, aged 61, was appointed as an independent non-executive Director of the Company and a member of the Audit Committee on 10 November 2017. He obtained a doctor's degree in Economics in 2000 from Wuhan University and was a post-doctoral researcher in Theoretical Economics with Fudan University from 2000 to 2002. Mr. Guan has been a part-time researcher of the Insurance Research Centre of Fudan University since 2004. He has been appointed as a part-time lecturer of professional degree of Fudan University since 2013. Mr. Guan is an economic and technical consultant of Jilin Provincial Government (吉林省人民政府經濟技術顧問). Mr. Guan is also currently an independent non-executive director of each China Nonferrous Mining Corporation Limited (1258.HK), Huarong International Financial Holdings Limited (0993.HK) and Sunwah Kingsway Capital Holdings Limited (0188.HK) (both companies are listed on the Main Board of the Stock Exchange). Mr. Guan was appointed as a non-executive director of Ping An Securities Group (Holdings) Limited (0231.HK) in December 2017. Mr. Guan had been the chairman emeritus of Culturecom Holdings Limited (0343.HK) (a company listed on the Main Board of the Stock Exchange) and the chairman of the board of directors of UCAN.COM Group Limited, a subsidiary of Culturecom Holdings Limited from July 2013 to March 2016. Mr. Guan has been an executive director of CCT Land Holdings Limited (0261.HK) since May 2015 and had resigned in September 2017. Mr. Guan was an independent non-executive director of Silver Base Group Holdings Limited (0886.HK) (a company listed on the Main Board of the Stock Exchange) for the period from March 2008 to January 2011. He was an executive director and president of the said company from January 2011 to December 2012. Mr. Guan has extensive experience in the finance and insurance industry in Hong Kong and the People's Republic of China. He held various senior managerial positions in the People's Insurance Company of China (Jilin Branch), the business department of Hong Kong and Macao Regional Office of China Insurance Group, Ming An Insurance Company (Hong Kong) Limited and China Pacific Insurance Co., (HK) Ltd. He also held offices at the Bank of Communications, including the deputy chairman of the risk asset management committee (風險資產管理委員會副主任委員), deputy chairman of credit asset management committee (信貸資產管理委員會副主任委員), chairman of loan verification committee (貸款審查委員會主任委員), deputy general manager of the Bank of Communications Hong Kong Branch, the director of Bank of Communications Trustee Limited, the chairman and chief executive of China BOCOM Insurance Co., Ltd. and an executive director and general manager of BoCommLife Insurance Company Limited.

Mr. Guan attended 1 of 4 Board meetings and 1 audit committee meeting since his appointment as an independent non-executive director of the Company..

Mr. Guan has entered into a formal service contract with the Company for a term of three years commencing from 10 November 2017 and he is subject to retirement from the Board by rotation and re-election in accordance with the Bye-laws of the Company. The annual emolument of Mr. Guan is HK\$180,000 per year as recommended by the remuneration committee and approved by the Board, with reference to the qualification, experience, duties and responsibilities of Mr. Guan in the Company.

Save as disclosed above, Mr. Guan (i) has not held any other directorships in any public companies the securities of which are listed in Hong Kong or overseas in the last three years; (ii) does not hold other positions in the Company or any of its subsidiaries; (iii) Mr. Guan does not have any relationship with any directors, senior management or substantial or controlling Shareholders of the Company; (iv) does not have any interest in the listed securities of the Company within the meaning of Part XV of the SFO; and (v) there is no information relating to Mr. Guan that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

**Mr. Qiu Jianyang**, aged 55, has been a non-executive Director of the Company since 2015. He graduated from Hunan University (Hunan College of Finance and Economics) in 1985 with a major in Financial Accounting. Mr. Qiu has extensive experience in finance and investment. Mr. Qiu is currently the president of the Investment Department of 世紀金源投資集團有限公司 (Century Golden Resources Group\*), responsible for investment feasibility analysis and review on business plans and strategic investments. Mr. Qiu was also a director of 中信建投證券股份有限責任公司 (China Securities Co., Ltd.\*). Prior to these, Mr. Qiu served as vice president of 中信資訊科技投資有限公司 (CITIC Information Technology Investment Co., Ltd\*) and financial manager of 中國聯通第一分公司 (the First Branch of China Unicom\*). Mr. Qiu is a certified public accountant in the PRC, having held various positions such as a financial manager with rich investment experience in the global financial markets. Mr. Qiu has a wealth of theoretical knowledge, and has co-published a treatise entitled “Corporate Financial Accounting Practice” 《公司財務會計實務》.

Mr. Qiu attended 5 of 12 Board meetings during the financial year ended 31 March 2018.

Mr. Qiu entered into a formal letter of appointment with the Company for a term of three years commencing from 11 September 2015 and he is subject to retirement from the Board by rotation and re-election in accordance with the Bye-laws. Mr. Qiu will be entitled to receive an annual emolument of HK\$500,000, which was determined with reference to his duties and responsibilities of the Company, his qualifications, experience and the prevailing market conditions.

Save as disclosed above, Mr. Qiu (i) has not held any other directorships in any public companies the securities of which are listed in Hong Kong or overseas in the last three years; (ii) does not hold other positions in the Company or any of its subsidiaries; (iii) Mr. Qiu does not have any relationship with any directors, senior management or substantial or controlling Shareholders of the Company; (iv) does not have any interest in the listed securities of the Company within the meaning of Part XV of the SFO; and (v) there is no information relating to Mr. Qiu that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

**Mr. To Shing Chuen**, aged 67, has been an independent non-executive Director since 2002 and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. He has a Bachelor's of Arts degree and has over 20 years' experiences in trading, garment and leather industries. Mr. To is currently an independent non-executive director of China Touyun Tech Group Limited (formerly known as "China Opto Holdings Limited") (Stock Code: 1332), which is a publicly listed company in Hong Kong.

Mr. To attended 8 of 12 Board meetings, all of 2 audit committee meetings, all of 3 remuneration committee meeting and 2 of 3 nomination committee meeting during the financial year ended 31 March 2018.

Mr. To entered into a formal letter of appointment with the Company for a term of three years commencing from 21 June 2018 and he is subject to retirement by rotation and re-election in accordance with the Bye-laws. Mr. To will be entitled to receive an annual director's fee of HK\$120,000 per year and HK\$180,000 per year since December 2017 as recommended by the remuneration committee and approved by the Board, with reference to the qualification, experience, duties and responsibilities of Mr. To in the Company.

Save as disclosed above, Mr. To (i) has not held any other directorships in any public companies the securities of which are listed in Hong Kong or overseas in the last three years; (ii) does not hold other positions in the Company or any of its subsidiaries; (iii) Mr. To does not have any relationship with any directors, senior management or substantial or controlling Shareholders of the Company; (iv) does not have any interest in the listed securities of the Company within the meaning of Part XV of the SFO; and (v) there is no information relating to Mr. To that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

According to paragraph A.4.3 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, any further appointment of Mr. To as an independent non-executive director of the Company should be subject to a separate resolution to be approved by the Shareholders given that Mr. To has been an independent non-executive director of the Company since 2002 and has served on the Board for more than nine (9) years. However, given the reasons set out in the Letter from the Board, the Board recommends the Shareholders to vote in favour of the resolution to re-elect Mr. To as an independent non-executive director of the Company for a further term at the AGM.

Mr. To has never held any executive or management position in the Group nor has he throughout such period been under the employment of any member of the Group. There is no evidence that the independence of Mr. To, especially in terms of exercising independent judgment and objective challenges to the management, has been or will be in any way compromised or affected by his length of service to the Board. Besides, Mr. To has also provided an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board therefore recommends the re-election of Mr. To as an independent non-executive director of the Company for a further term at the AGM.

\* *For identification purpose only*

**Bye-laws**  
**of**  
**China Shandong Hi-Speed Financial Group Limited**  
**中國山東高速金融集團有限公司**

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**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;

“Bermuda” means the Islands of Bermuda;

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

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

“capital” means the share capital from time to time of the Company;

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

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

“close associate” in relation to any Director, shall have the same meaning as defined in the rules of the Designated Stock Exchange (“Listing Rules”) as modified from time to time, except that for purposes of Bye-law 112(E) where the transaction or arrangement to be approved by the Board is a connected transaction referred to in the Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules;

“the Company” or “this Company” means China Shandong Hi-Speed Financial Group Limited 中國山東高速金融集團有限公司;



“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;

“Board” or “Directors” means the board of directors of the Company or the directors present at a meeting of Directors at which a quorum is present;

“dollars” and “HK\$” means Hong Kong Dollars;

“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;

“office” means the registered office for the time being of the Company;

“paid up” or “paid” includes credited as paid up or paid;

“published in the newspaper” 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, and also in English in at least one English language newspaper published daily and circulating generally in Bermuda;

“the register” means 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 express or implied;

“shareholders” or “members” means the duly registered holders of shares;

“Statutes” means the Act and all other legislation of the legislature of Bermuda for the time being in force concerning or affecting the Company, the Memorandum of Association and/or the Bye-laws;

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

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

“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.
- (D) In these Bye-laws, unless there be something within the subject or context inconsistent with such construction:
  - (i) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing words or figures in a visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the member’s election comply with all applicable Statutes, rules and regulations; and

- (ii) references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.
  - (E) A resolution shall be a Special Resolution when it has been passed by a majority of not less than three-fourths of the votes cast by such shareholders as, being entitled so to do, vote in person or by proxy or in the cases of shareholders which are corporations, by their respective duly authorised representatives at a general meeting of which Notice has been given in accordance with Bye-law 58.
  - (F) A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of the votes cast by such shareholders as, being entitled so to do, vote in person or, in the case of any shareholder being a corporation, by its duly authorised representative or where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Bye-law 58.
  - (G) A resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of the persons for the time being entitled to receive notice of and to attend and vote at general meetings of the Company shall, for the purpose of these Bye-laws, be treated as an Ordinary Resolution duly passed at a general meeting of the Company duly convened and held and, where relevant as a Special Resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last person to sign, and where the resolution states a date as being the date of his signature thereof by any shareholder the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, and signed by one or more relevant shareholders. Notwithstanding any provisions contained in these Bye-laws, a resolution in writing shall not be passed for the purpose of removing a Director before the expiration of his term of office under Bye-law 90 or in relation to the removal and appointment of the auditors pursuant to section 89(5) of the Act.
  - (H) A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Bye-laws.
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 or to change the name of the Company.

**CAPITAL AND SHARES**

4. (A) The share capital of the Company at the date on which these Bye-laws come into effect shall be divided into shares of HK\$0.00025 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.
- (C) Neither the Company nor the Directors shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares or other securities of the Company, to make, or make available, and may resolve not to make, or make available, any such offer, option or shares or other securities to shareholders or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Directors, be unlawful or impracticable, or the existence or extent of the requirement for such registration statement or special formalities might be expensive (whether in absolute terms or in relation to the rights of the shareholder(s) who may be affected) or time consuming to determine. The Directors shall be entitled to make such arrangements to deal with fractional entitlements arising on an offer of any unissued shares or other securities as they think fit, including the aggregation and the sale thereof for the benefit of the Company. Shareholders who may be affected as a result of any of the matters referred to in this paragraph (C) shall not be, and shall be deemed not to be, a separate class of shareholders for any purposes whatsoever.
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) If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable within a period of one (1) year, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and, subject to any conditions and restrictions mentioned in the Act, may charge the sum so paid by way of interest to capital as part of the cost of construction of the works or buildings, or the provision of the plant.
- (C) Subject to the provisions of the Act, the Directors may 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 sections 42 and 43 of the Act any preference share may, with the sanction of an ordinary resolution, be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by such ordinary resolution determine.
- (B) The Directors may, before the issue of any new shares, determine that the same, or any of them, shall be offered in the first instance, and either at par or at a premium, to all the existing holders of any class of shares in proportion as nearly as may be to the number of shares of such class held by them respectively, or make any other provisions as to the allotment and issue of such shares, but in default of any such determination or so far as the same shall not extend, such shares may be dealt with as if they formed part of the capital of the Company existing prior to the issue of the same.

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 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 authorised 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 authorized representative may demand a poll and that at any adjourned meeting of such holders two holders present in person or by proxy or authorized representative (whatever the number of shares held by them) shall be a quorum.
- (B) The provisions of this Bye-law shall apply to the variation or abrogation of the rights attached to the shares of any class as if each group of shares of the class differently treated formed a separate class the rights whereof are to be varied or abrogated.
- (C) 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 or in priority thereto.
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. (A) Subject to the Statutes, and without prejudice to paragraph (D) of this Bye-law, the Company may in accordance with an employees' share scheme provide money on such terms as the Directors think fit for the acquisition of fully or partly paid shares in the Company or its holding company. For the purposes of this Bye-law, an employees' share scheme is a scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of bona fide employees or former employees of the Company (including any such bona fide employee or former employee who is or was a Director), the Company's subsidiary or holding company or a subsidiary of the Company's holding company, or the wives, husbands, widows, widowers or children or step-children under the age of twenty-one (21) of such employees or former employees (including as aforesaid).
- (B) Subject to the Statutes, the Company may make loans to persons (including directors) employed or formerly employed in good faith by the Company with a view to enabling those persons to acquire fully or partly paid shares in the Company or its holding company to be held by them by way of beneficial ownership.
- (C) The conditions subject to which money and loans are provided under paragraphs (A) and (B) of this Bye-law may include a provision to the effect that when an employee ceases to be employed by the Company, a subsidiary or holding company of the Company or a subsidiary of the holding company of the Company, the shares bought with such financial assistance shall or may be sold to the Company on such terms as the Directors think fit.
- (D) The Company may otherwise in accordance with the Statutes give such financial assistance for the purpose of an acquisition of its shares and other securities and any derivative securities on the Company's securities in such manner and on such terms as the Directors shall think fit.

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 provided that, in respect of a purchase of redeemable shares:
- (i) the price per share for purchases proposed to be made otherwise than by tender in the manner prescribed in (ii) below or on or through a stock exchange on which such shares are listed with the consent of the Company shall not exceed one hundred (100) per cent. of the average closing prices for dealings in one or more board lots of such shares on the principal stock exchange on which the shares are traded for the five (5) trading days immediately before the date on which the purchase is made (whether conditionally or otherwise); and
  - (ii) where any such purchase is proposed to be made by tender, tenders shall be made available to all holders of such shares on the same terms.

**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 register and any branch register shall during business hours be opened 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) Any member may require a copy of the register, or of any part thereof, on payment of HK\$0.25, or such lesser sum as the Company may prescribe, for every 100 words or fractional part thereof required to be copied. 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 is received by the Company.
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 stock exchange board lot, upon payment, in the case of a transfer, of HK\$2 for every certificate after the first or such lesser sum as the Directors shall from time to time determine, such number of certificates for shares in stock exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders.
- (B) Every certificate for shares, warrants or debentures or representing any other form of securities of the Company shall be issued under the seal of the Company a facsimile thereof or with the seal printed thereon.
- (C) Every share certificate hereafter issued shall specify the number and class of shares in respect of which it is issued and the amount paid thereon and may otherwise be in such form as the Directors may from time to time prescribe. A share certificate shall relate to only one class of shares, and where the capital of the Company includes shares with different voting rights, the designation of each class of shares, other than those which carry the general right to vote at general meetings, must include the words “voting” or “restricted voting” or “limited voting” or some other appropriate designation which commensurates with the rights attaching to the relevant class of shares.

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 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 on such time, 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.
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 shareholder, whether singly or jointly with any other person or persons, 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 fulfillment 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 the 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 share sold) be paid to the person who was the holder of such shares immediately before the sale of such shares. For giving effect 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 newspaper.
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 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 authorised 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.
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 the 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, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry.

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.
- (D) In the event of a forfeiture of shares the shareholder shall be bound to deliver and shall forthwith deliver to the Company the certificate or certificates held by him for the shares so forfeited and in any event the certificates representing shares so forfeited shall be void and of no further effect.

#### **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) Subject to the Act, all transfers of shares shall be effected by transfer in writing in the usual or common form or in such standard form prescribed by the Designated Stock Exchange or in such other form as the Directors may accept and may be under hand only or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other means of execution as the Directors may approve from time to time.
- (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 or accept mechanically executed transfers 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) a 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 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;
  - (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 newspaper or by any electronic means in such manner as may be accepted by the Designated Stock Exchange, 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. The provisions of this Bye-law shall apply to certificates of and other documents or evidence of title to, and proceeds of realisation of, distributions on shares other than money.

- (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 or 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 newspaper 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 class or classes of such amounts in Hong Kong dollars or United States dollars or such other currency as the shareholders may think fit and as the resolution shall prescribe.

- 52A. Any new shares shall be issued upon such terms and conditions and with such rights, privileges or restrictions attached thereto as the general meeting subject to the provisions of the Statutes and of these Bye-laws, as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a special right or without any right of voting. The Company may, subject to the provisions of the Statutes, issue shares which are, or at the option of the Company or the holders are liable, to be redeemed.
53. Except so far as otherwise provided by the conditions of issue or by these Bye-laws, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company and such shares shall be subject to the provisions contained in these Bye-laws with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.
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) 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;

- (iii) 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;
  - (iv) increase its share capital as provided in Bye-law 52;
  - (v) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;
  - (vi) make provision for the issue and allotment of shares which do not carry any voting rights; and
  - (vii) change the currency of denomination of its share capital.
55. The Company may by special resolution reduce its share capital or any share premium account or other undistributable reserve in any manner authorised and subject to any conditions prescribed by law.

#### **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 unless a longer period would not infringe the rules of any Designated Stock Exchange. The annual general meeting shall be held at such time and place as the Directors shall appoint. If the rules of the Designated Stock Exchange do not prohibit the same, a meeting of the shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting. 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 in 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 in writing of not less than twenty-one (21) clear days and not less than twenty (20) clear business days. All other general meetings (including special general meetings) must be called by notice in writing of not less than fourteen (14) clear days and not less than ten (10) clear business days. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such and the notice convening a meeting to pass a special resolution shall specify the intention to propose the relevant resolution as a special resolution.
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 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.
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, and if at such adjourned meeting a quorum is not present within fifteen (15) minutes from the time appointed for holding the meeting, the shareholder or his representative or proxy present (if the Company has only one shareholder), or the shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and entitled to vote shall be a quorum and may transact the business for which the meeting was called.
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. (1) At any general meeting a resolution put to the vote of the meeting shall be decided by a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every shareholder present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a shareholder which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Bye-law, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its shareholders; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all shareholders a reasonable opportunity to express their views.



- (2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:
- (a) by at least three shareholders present in person or in the case of a shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
  - (b) by a shareholder or shareholders present in person or in the case of a shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one tenth of the total voting rights of all shareholders having the right to vote at the meeting; or
  - (c) by a shareholder or shareholders present in person or in the case of a shareholder being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all shares conferring that right.

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

70. Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.
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 whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.
72. The poll shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty (30) days from the date of the meeting or adjourned meeting, as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

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

#### **VOTES OF MEMBERS**

74. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person or by a representative duly authorised under Section 78 of the Act shall have one vote, and on a poll every member present in person or by proxy or by authorised 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 and shall have for every partly paid share of which he is the holder the fraction of one vote equal to the proportion which the nominal amount due and paid up or credited as paid up thereon bears to the nominal value of the share (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.
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. (1) In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy or by 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.
- (2) Where the Company has knowledge that any member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

77. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by that court and any such committee, receiver, curator bonis or other person may on a poll vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be delivered to such place or one of such places (if any) as is specified in accordance with these Bye-laws for the deposit of instruments of proxy or, if no place is specified, at the office, not later than the latest time at which an instrument of proxy must, if it is to be valid for the meeting, be delivered.
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 entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member. A proxy shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member.

- 79A. No appointment of a proxy shall be valid unless it names the person appointed and his appointor. The Directors may, unless they are satisfied that the person purporting to act as proxy is the person named in the relevant instrument for his appointment and the validity and authenticity of the signature of his appointor, decline such person's admission to the relevant meeting, reject his vote or demand for a poll and no shareholder who may be affected by any exercise by the Directors of their power in this connection shall have any claim against the Directors or any of them nor may any such exercise by the Directors of their powers invalidate the proceedings of the meeting in respect of which they were exercised or any resolution passed or defeated at such meeting.
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 and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- 81A. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Directors may from time to time approve, provided that any form issued to a shareholder for use by him for appointing a proxy to attend and vote at a special general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the shareholder, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business.
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 and on a poll demanded at a meeting or adjourned meeting provided that in all these cases the meeting was originally held within 12 months from such date.

83. The instrument appointing a proxy to vote at a general meeting shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit and unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
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. (1) Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.
- (2) Where a shareholder is a clearing house (or its nominee and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of shareholders provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee) in respect of the number and class of shares specified in the relevant authorisation including, where a show of hands is allowed, the right to vote individually on a show of hands.

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

#### **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. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.
89. No person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless notice in writing by some member (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company at the head office or at the office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the dispatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the dispatch 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.
90. The Company may at a 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 only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

91. Without prejudice to the power of the Company in pursuance of the provisions of the Bye-laws 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 annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.
92. Provided that such is permitted by the Statutes, 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 an ordinary resolution of the Company under Bye-law 90; or
  - (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.

#### **ROTATION OF DIRECTORS**

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 who 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 their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A Director retiring at a meeting shall retain office until the close of the meeting. The Directors to retire shall, subject as aforesaid, be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The Directors to retire on each occasion, (both as to number and identity) shall be determined by the composition of the Directors at the date of the notice convening the annual general meeting and no Director shall be required to retire or be relieved from retiring by reason of any change in the number and identity of the Directors after the date of such notice but before the close of the meeting. The retiring Directors shall be eligible for re-election.
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; or
  - (iv) the retiring Directors or any of them have/has held office for three (3) years or more since his last election or re-election, in which case such Director(s) shall accordingly retire in compliance with Bye-law 99(B).
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 may keep at its office (or such other place as the Directors may decide) a register in which there shall be entered such particulars in respect of the Directors and secretaries as the Directors deem fit.

#### **POWERS AND DUTIES OF DIRECTORS**

104. (A) The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by these Bye-laws expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Statutes expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Statutes and of these Bye-laws and to any regulations from time to time made by the Company in general meeting not being inconsistent with such provisions or these Bye-laws, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

- (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 any 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. 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 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 exercise of such voting rights in the manner aforesaid.

- (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 as required by and subject to the provisions of the Act and the Bye- laws. A Director may vote 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) A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or any other proposal in which he or any of his close associates is materially interested, but this prohibition shall not apply to any of the following matters namely:
- (i) any contract or arrangement for the giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of the Company or any of its subsidiaries;
  - (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/ themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
  - (iv) any contract or arrangement in which the Director or his close associate(s) is/ are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or
  - (v) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to Directors or his close associates and to employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

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

#### **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. The Directors or any committee of the Directors may participate in a meeting of the Directors or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.



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. Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.
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 fulfilment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as if done by the Directors and the Directors shall have power, with the consent of the Company in general meeting, to remunerate the members of any special committee and charge such remuneration to the current expenses of the Company.
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. Provided such is permitted by the Statutes, an alternate Director shall not be required to hold any qualification share.
- (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 by 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.

- 127A. The Secretary shall attend all meetings of the shareholders and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the Act and these Bye-laws, together with such other duties as may from time to time be prescribed 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 authorised 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 (such profits being ascertained in accordance with the provision of the Act) but no dividend shall exceed the amount recommended by the Directors. The Company in general meeting may also make a distribution to the members out of any contributed surplus (as ascertained in accordance with the Act).
138. (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.
- (C) The Directors may in addition from time to time declare and pay special dividends of such amounts and on such dates and out of such distributable funds of the Company and as they think fit, and the provisions of paragraph (A) of this Bye-law as regards the power and exemption from liability of the Directors as relate to the declaration and payment of interim dividends shall apply, mutatis mutandis, to the declaration and payment of any such special dividends.

139. (A) No dividend shall be declared or paid and no distribution of contributed surplus as ascertained in accordance with the Act shall be made otherwise than in accordance with the Statutes.
- (B) Subject to the provisions of the Act (but without prejudice to paragraph (A) of this Bye-law), where any asset, business or property is bought by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses thereof as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company, and be available for dividend accordingly. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof or to apply the same towards reduction of or writing down the book cost of the asset, business or property acquired.
- (C) Subject to paragraph (D) of this Bye-law all dividends and other distributions in respect of shares in the Company shall be stated and discharged, in the case of shares denominated in Hong Kong dollars, in Hong Kong dollars, and in the case of shares denominated in United States dollars, in United States dollars, provided that, in the case of shares denominated in Hong Kong dollars, the Directors may determine in the case of any distribution that shareholders may elect to receive the same in United States dollars or any other currency selected by the Directors, converted at such rate of exchange as the Directors may determine.
- (D) If, in the opinion of the Directors, any dividend or other distribution in respect of shares or any other payment to be made by the Company to any shareholder is of such a small amount as to make payment to that shareholder in the relevant currency impracticable or unduly expensive either for the Company or the shareholder then such dividend or other distribution or other payment may, at the absolute discretion of the Directors, be, if this be practicable, converted at such rate of exchange as the Directors may determine and paid or made in the currency of the country of the relevant shareholder (as indicated by the address of such shareholder on the register).
- (E) No dividend or other moneys payable on or in respect of a share shall bear interest as 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. The Directors may resolve that no such assets shall be made available or made to shareholders with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Directors, be unlawful or impracticable or the legality or practicality of which may be time consuming or expensive to ascertain whether in absolute terms or in relation to the value of the holding of shares of the shareholder concerned and in any such event the only entitlement of the shareholders aforesaid shall be to receive cash payments as aforesaid. Shareholders affected as a result of exercise by the Directors of their discretion under this Bye-law shall not be, and shall be deemed not to be, a separate class of shareholders for any purposes whatsoever.
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 capitalisation pursuant to the provisions of paragraph (A) of this Bye-law with full power to the Directors to make such provisions as they think fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Directors may authorised 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 or other moneys payable or bonuses, rights or other distributions in respect of any share may be paid or satisfied by cheque or warrant or certificate or other documents or evidence of title sent through the post to the registered address of the shareholder entitled, or, in the case of joint holders, to the registered address of that one whose name stands first in the register in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque, warrant, certificate or other document or evidence of title so sent shall be made payable to the order of the person to whom it is sent or, in the case of certificates or other documents or evidence of title as aforesaid, in favour of the shareholder(s) entitled thereto, and the payment on any such cheque or warrant by the banker upon whom it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or other moneys represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Every such cheque, warrant, certificate or other document or evidence of title as aforesaid shall be sent at the risk of the person entitled to the dividend, money, bonus, rights and other distributions represented thereby.
149. All dividends, bonuses or other distributions or the proceeds of the realisation of any of the foregoing unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and, notwithstanding any entry in any books of the Company or otherwise howsoever, the Company shall not be constituted a trustee in respect thereof. All dividends, bonuses or other distributions or the proceeds of the realisation of any of the foregoing unclaimed for six (6) years after having been declared may be forfeited by the Directors and, upon such forfeiture, shall revert to the Company and, in the case where any of the same are securities of the Company, may be re-allotted or re-issued for such consideration as the Directors think fit and the proceeds thereof shall accrue to the benefit of the Company absolutely.

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

- (C) The provisions of paragraph (E) of Bye-law 141 shall apply to the power of the Company to capitalise under this Bye-law as it applies to the grant of election thereunder mutatis mutandis and no shareholder who may be affected thereby shall, and they shall be deemed not to be, a separate class of shareholders for any purpose whatsoever.

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 capitalised and applied in paying up in full such additional nominal amount of shares which shall forthwith be allotted credited as fully paid to the exercising warrant holder;

- (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 therefor and other matters in relation thereto as the Directors may think fit and adequate particulars thereof shall be made known to each relevant exercising warrant holder upon the issue of such certificate.
- (B) Shares allotted pursuant to the provisions of this Bye-law shall rank *pari passu* in all respects with the other shares allotted 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 resolution passed by the holders of three-fourths of the subscription rights represented by the outstanding warrants of the Company present in person (or, in the case of a warrant holder being a corporation, by its duly authorised representative) or by proxy and voting on such resolution of a meeting duly convened and held in accordance with the terms and conditions of such warrants.

(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 and shareholders.

151A. The Company in general meeting may at any time and from time to time resolve that any surplus moneys in the hands of the Company representing capital profits or contributed surplus arising from moneys received or recovered in respect of or arising from the realisation of any capital assets of the Company or any investments representing the same and not required for the payment or provision of any fixed preferential dividend instead of being applied in the purchase of any other capital assets or for other capital purposes be distributed amongst its shareholders on the footing that they receive the same as capital and in the shares and proportions in which they would have been entitled to receive the same if it had been distributed by way of dividend, provided that no such surplus moneys as aforesaid shall be so distributed unless the Company will remain solvent after the distribution, or the net realisable value of the assets of the Company will after the distribution be greater than its liabilities.

#### **RECORD DATES**

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

**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 an office of the Company in Bermuda 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. (A) Every balance sheet of the Company shall be signed on behalf of the Directors by two of the Directors and a copy of every balance sheet (including every document required by law to be comprised therein or annexed thereto) and profit and loss account which is to be laid before the Company at its annual general meeting, together with a copy of the Directors' report and a copy of the auditors' report thereon, shall not less than twenty-one (21) days before the date of the meeting be sent to every shareholder of, and every holder of debentures of, the Company and every other person entitled to receive notices of general meetings of the Company under the provisions of the Act and/or these Bye-laws, provided that this Bye-law shall not affect the operation of paragraph (B) of this Bye-law, or require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures, but any shareholder or holder of debentures to whom a copy of those documents has not been sent shall be entitled to receive a copy free of charge on application at the office. If all or any of the shares or debentures or other securities of the Company shall for the time being be (with the consent of the Company) listed or dealt in on any stock exchange or market, there shall be forwarded to such stock exchange or market such number of copies of such documents as may for the time being be required under its regulations or practice.
- (B) Subject to due compliance with the Statutes and the rules of the stock exchange in the Relevant Territory, and to obtaining all necessary consents, if any, required thereunder and such consents being in full force and effect, the requirements of Bye-law 158(A) shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes and instead of such copies, a summary financial statement derived from the Company's annual financial statements and the directors' report thereon, which shall be in the form and containing the information required by applicable laws and regulation, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

**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 register to any branch register or any share on any branch register to the register or any other branch register. In the event of any such transfer, the shareholder requesting such transfer shall bear the cost of effecting the transfer.

Unless the Board otherwise 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 register shall be transferred to any branch register nor shall shares on any branch register be transferred to the register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant registration office, appointed by the Directors and, in the case of any shares on the register, at the office or such other place in Bermuda at which the register is kept in accordance with the Act.

**AUDIT**

160. Auditors shall be appointed and their duties regulated in accordance with the Bye-laws and the provisions of the Act.

161. The Company shall at each annual general meeting appoint one or more firms of auditors to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Directors, but if an appointment is not made, the auditors in office shall continue in office until a successor is appointed. A Director, officer or employee of the Company or of any of its subsidiaries or a partner, officer or employee of any such Director, officer or employee shall not be appointed auditors of the Company. The Directors may fill any casual vacancy in the office of auditors, but while any such vacancy continues the surviving or continuing auditor or auditors (if any) may act. Save as otherwise provided by the Act, the remuneration of the auditors shall be fixed by or on the authority of the Company in the annual general meeting except that in any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors and the remuneration of any auditors appointed to fill any casual vacancy may be fixed by the Directors.
- 161A. The auditors of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information as may be necessary for the performance of his or their duties, and the auditors shall make a report to the shareholders on the accounts examined by them and on every balance sheet, consolidated balance sheet and consolidated profit and loss account intended to be laid before the Company in the annual general meeting during their tenure of office as required by the Statutes.
- 161B. No person other than the retiring auditors shall be appointed as auditors at an annual general meeting unless notice of an intention to nominate that person to the office of auditors has been given to the Company not less than twenty-one (21) clear days before the annual general meeting, and the Company shall send a copy of any such notice to the retiring auditors and shall give notice thereof to the shareholders not less than seven (7) days before the annual general meeting provided that the above requirement for sending a copy of such notice to the retiring auditors may be waived by notice in writing by the retiring auditors to the Secretary.
- 161C. Subject to the provisions of the Act, all acts done by any person acting as auditors shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in their appointment or that they were at the time of their appointment not qualified for appointment or subsequently became disqualified.

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. Any notice or document (including any "corporate communication" within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Bye-laws from the Company to a member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such notice and document may be served or delivered by the Company on or to any member either personally or by sending it through the post in a prepaid envelope addressed to such member at his registered address as appearing in the register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of notice or document to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the notice being duly received by the member or may also be served by advertisement in appointed newspapers (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company's website or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the member by any of the means set out above other than by posting it on a website.
164. Any notice or other document:
- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the secretary or other officer of the Company or other person appointed by the Directors that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;



- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company's website or the website of the Designated Stock Exchange is deemed given by the Company to a member on the day following that on which a notice of availability is deemed served on the member;
  - (c) if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the secretary or other officer of the Company or other person appointed by the Directors as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof; and
  - (d) may be given to a member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.
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 person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice 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 authorised 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.

169. Any notice or other document delivered or sent by post to or left at the registered address of any member in pursuance of these Bye-laws shall, notwithstanding that such member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the register as the holder of the share(s), and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.
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 it 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 realisation 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 newspaper 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. (Save and except so far as the provisions of this Bye-law shall be avoided by any provisions of the Statutes, the Directors, managing directors, alternate Directors, auditors, secretary and other officers for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company, and their respective executors or administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own fraud or dishonesty, and none of them shall be answerable for the acts, receipts, neglects or defaults of any other of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effects of the Company shall be lodged or deposited for safe custody, or for the insufficiency or deficiency of any security upon which any moneys of the Company shall be placed out or invested, or for any other loss, misfortune or damage which may arise in the execution of their respective offices or trusts, or in relation thereto, except as the same shall happen by or through their own fraud or dishonesty. The Company may take out and pay the premium and other moneys for the maintenance of insurance, bonds and other instruments for the benefit either of the Company or the Directors (and/or other officers) or any of them to indemnify the Company and/or the Directors (and/or other officers) named therein for this purpose against any loss, damage, liability and claim which they may suffer or sustain in connection with any breach by the Directors (and/or other officers) or any of them of their duties to the Company.

**RESIDENT REPRESENTATIVE**

178. (A) Where the Company has its shares listed upon an appointed stock exchange and does not have two Directors ordinarily resident in Bermuda, a Director and a Secretary ordinarily resident in Bermuda or a Secretary ordinarily resident in Bermuda and a resident representative, the Company shall in accordance with the Act appoint and retain solely a resident representative ordinarily resident in Bermuda as its resident representative. The resident representative shall maintain an office in Bermuda and comply with the provisions of the Act. The resident representative shall be entitled to have notice of, attend and be heard at any Directors' meetings and general meetings of the Company.

- (B) The Directors shall provide the resident representative with such documents and information as the resident representative may require in order to be able to comply with the provisions of the Act which shall include:
- (i) minutes of all proceedings of general meetings and directors' meetings of the Company;
  - (ii) all financial statements required to be prepared by the Company under the Act together with the auditors' report thereon;
  - (iii) all records of account required by section 83 of the Act to be kept in Bermuda;  
and
  - (iv) all such documents as may be required in order to provide evidence of the continued listing of the Company on an appointed stock exchange within the meaning of the Act.

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## NOTICE OF ANNUAL GENERAL MEETING

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**中國山東高速金融集團有限公司**  
CHINA SHANDONG HI-SPEED FINANCIAL GROUP LIMITED

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 412)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of China Shandong Hi-Speed Financial Group Limited (the “**Company**”) will be held at Plaza 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 10 August 2018 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditor of the Company for the financial year ended 31 March 2018.
2. To consider the re-election of the directors, each as a separate resolution:
  - (i) To re-elect Mr. Li Zhen Yu as an executive director of the Company;
  - (ii) To re-elect Mr. Ji Kecheng as an executive director of the Company;
  - (iii) To re-elect Dr. Lam Lee G as a non-executive director of the Company;
  - (iv) To re-elect Mr. Lo Man Tuen as a non-executive director of the Company;
  - (v) To re-elect Mr. Qiu Jianyang as a non-executive director of the Company;
  - (vi) To re-elect Mr. Wang Huixuan as an independent non-executive director of the Company;
  - (vii) To re-elect Mr. Guan Huanfei as an independent non-executive director of the Company; and
  - (viii) To re-elect Mr. To Shing Chuen as an independent non-executive director of the Company.
3. To authorise the board of directors of the Company to fix the directors’ remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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4. To re-appoint HLB Hodgson Impey Cheng Limited as auditor of the Company and to authorise the board of directors of the Company to fix its remuneration.

As special business, to consider and, if thought fit, pass (with or without modification) the following resolutions:

### ORDINARY RESOLUTIONS

5. **“THAT:**
  - (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company to grant rights to subscribe for, or convert any security into, shares of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) of this resolution shall authorise the directors of the Company during the Relevant Period to make and grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
  - (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to a Rights Issue (as defined below) or the exercise of subscription rights under any share option scheme or an issue of shares upon the exercise of the subscription rights attached to any existing warrants, bonds, debentures, notes, deeds or other securities which are convertible into shares of the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the Bye-laws of the Company, shall not exceed 20% of the aggregate number of the issued shares of the Company as at the date of this resolution and the said approval shall be limited accordingly; and



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(d) for the purpose of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

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

6. **“THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as may be amended from time to time, be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the directors of the Company;
- (c) the aggregate number of shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the aggregate number of the issued shares of the Company as at the time of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

7. “**THAT** conditional upon the passing of the ordinary resolutions numbered 5 and 6 set out in the notice of meeting of which this resolution forms part, the aggregate number of the issued shares of the Company which are repurchased by the Company pursuant to and in accordance with the said ordinary resolution numbered 6 shall be added to the aggregate number of the issued shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with ordinary resolution numbered 5.”

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### SPECIAL RESOLUTION

8. (A) THAT the existing Bye-laws of the Company be and are hereby amended in the following manner:

a. Bye-law 1

- i. By deleting the words “, as modified from time to time” in the existing definition of “the Act”;
- ii. By deleting the existing definition “associate” in its entirety;
- iii. By adding the following new definition before the definition “the Bye-laws”:

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

- iv. By adding the following new definition before the definition “clearing house”:

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

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## NOTICE OF ANNUAL GENERAL MEETING

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- v. By deleting the existing definition “the Directors” in its entirety and replacing therewith the following:

“Board” or “Directors” the board of directors of the Company or the directors present at a meeting of directors of the Company at which a quorum is present;

- vi. By adding the following new definition before the definition “the Company” or “this Company”:

“close associate” in relation to any Director, shall have the same meaning as defined in the rules of the Designated Stock Exchange (“Listing Rules”) as modified from time to time, except that for purposes of By-law 112(E) where the transaction or arrangement to be approved by the Board is a connected transaction referred to in the Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules;

- vii. By deleting the existing definition “the Company” or “this Company” in its entirety and replacing therewith the following:

“the Company” or “this Company” means China Shandong Hi-Speed Financial Group Limited 中國山東高速金融集團有限公司;

- viii. By deleting the existing definition of “ordinary resolution” in its entirety;

- ix. By deleting the existing definition of “special resolution” in its entirety;

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## NOTICE OF ANNUAL GENERAL MEETING

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- x. By adding the following new definition after the definition “Statutes”:

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

- b. Bye-law 2

- i. By inserting the following after the existing Bye-law 2(D):

“(E) A resolution shall be a Special Resolution when it has been passed by a majority of not less than three-fourths of the votes cast by such shareholders as, being entitled so to do, vote in person or by proxy or in the cases of shareholders which are corporations, by their respective duly authorised representatives at a general meeting of which Notice has been given in accordance with Bye-law 58.

(F) A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of the votes cast by such shareholders as, being entitled so to do, vote in person or, in the case of any shareholder being a corporation, by its duly authorised representative or where proxies are allowed, by proxy at a general meeting of which’ Notice has been duly given in accordance with Bye-law 58.

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## NOTICE OF ANNUAL GENERAL MEETING

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(G) A resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of the persons for the time being entitled to receive notice of and to attend and vote at general meetings of the Company shall, for the purpose of these Bye-laws, be treated as an Ordinary Resolution duly passed at a general meeting of the Company duly convened and held and, where relevant as a Special Resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last person to sign, and where the resolution states a date as being the date of his signature thereof by any shareholder the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, and signed by one or more relevant shareholders. Notwithstanding any provisions contained in these Bye-laws, a resolution in writing shall not be passed for the purpose of removing a Director before the expiration of his term of office under Bye-law 90 or in relation to the removal and appointment of the auditors pursuant to section 89(5) of the Act.

(H) A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Bye-laws.”

c. Bye-law 3

By adding the words “or to change the name of the Company” at the end of the existing Bye-law 3.

d. Bye-law 4

i. By deleting the existing Bye-law 4(A) in its entirety and replacing therewith the following:

“The share capital of the Company at the date on which these Bye-laws come into effect shall be divided into shares of HK\$0.00025 each.”

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## NOTICE OF ANNUAL GENERAL MEETING

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- ii. By inserting the following after the existing Bye-law 4(B):

“(C) Neither the Company nor the Directors shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares or other securities of the Company, to make, or make available, and may resolve not to make, or make available, any such offer, option or shares or other securities to shareholders or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Directors, be unlawful or impracticable, or the existence or extent of the requirement for such registration statement or special formalities might be expensive (whether in absolute terms or in relation to the rights of the shareholder(s) who may be affected) or time consuming to determine. The Directors shall be entitled to make such arrangements to deal with fractional entitlements arising on an offer of any unissued shares or other securities as they think fit, including the aggregation and the sale thereof for the benefit of the Company. Shareholders who may be affected as a result of any of the matters referred to in this paragraph (C) shall not be, and shall be deemed not to be, a separate class of shareholders for any purposes whatsoever.”

- e. Bye-law 5

- i. By inserting the following after the existing Bye-law 5(A):

“(B) If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable within a period of one (1) year, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and, subject to any conditions and restrictions mentioned in the Act, may charge the sum so paid by way of interest to capital as part of the cost of construction of the works or buildings, or the provision of the plant.”

- ii. By renumbering the existing Bye-law 5(B) as Bye-law 5(C).

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f. Bye-law 6

- i. By deleting the words “a special resolution” immediately after the words “with the sanction of” and replacing therewith the words “a ordinary resolution” and by deleting the words “special resolution” immediately after the words “issue or conversion may be such” and replacing therewith the words “ordinary resolution” in the existing Bye-law 6(A).
- ii. By deleting the existing Bye-law 6(B) in its entirety and replacing therewith the following:

“The Directors may, before the issue of any new shares, determine that the same, or any of them, shall be offered in the first instance, and either at par or at a premium, to all the existing holders of any class of shares in proportion as nearly as may be to the number of shares of such class held by them respectively, or make any other provisions as to the allotment and issue of such shares, but in default of any such determination or so far as the same shall not extend, such shares may be dealt with as if they formed part of the capital of the Company existing prior to the issue of the same.”

g. Bye-law 7

- i. By inserting the following after the existing Bye-law 7(A):

“(B) The provisions of this Bye-law shall apply to the variation or abrogation of the rights attached to the shares of any class as if each group of shares of the class differently treated formed a separate class the rights whereof are to be varied or abrogated.”
- ii. By adding the words “or in priority thereto” at the end of the existing Bye-law 7(B) and by renumbering the existing Bye-law 7(B) as Bye-law 7(C).



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h. Bye-law 9

- i. By deleting the existing Bye-law 9 in its entirety and replacing therewith the following:

“(A) Subject to the Statutes, and without prejudice to paragraph (D) of this Bye-law, the Company may in accordance with an employees’ share scheme provide money on such terms as the Directors think fit for the acquisition of fully or partly paid shares in the Company or its holding company. For the purposes of this Bye-law, an employees’ share scheme is a scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of bona fide employees or former employees of the Company (including any such bona fide employee or former employee who is or was a Director), the Company’s subsidiary or holding company or a subsidiary of the Company’s holding company, or the wives, husbands, widows, widowers or children or step-children under the age of twenty-one (21) of such employees or former employees (including as aforesaid).

(B) Subject to the Statutes, the Company may make loans to persons (including directors) employed or formerly employed in good faith by the Company with a view to enabling those persons to acquire fully or partly paid shares in the Company or its holding company to be held by them by way of beneficial ownership.

(C) The conditions subject to which money and loans are provided under paragraphs (A) and (B) of this Bye-law may include a provision to the effect that when an employee ceases to be employed by the Company, a subsidiary or holding company of the Company or a subsidiary of the holding company of the Company, the shares bought with such financial assistance shall or may be sold to the Company on such terms as the Directors think fit.

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

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## NOTICE OF ANNUAL GENERAL MEETING

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i. Bye-law 10

By deleting the words “. Where the Directors exercise the power of the Company to purchase for redemption of 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” from the existing Bye-law 10 and replacing therewith the following:

“provided that, in respect of a purchase of redeemable shares:

(i) the price per share for purchases proposed to be made otherwise than by tender in the manner prescribed in (ii) below or on or through a stock exchange on which such shares are listed with the consent of the Company shall not exceed one hundred (100) per cent. of the average closing prices for dealings in one or more board lots of such shares on the principal stock exchange on which the shares are traded for the five (5) trading days immediately before the date on which the purchase is made (whether conditionally or otherwise); and

(ii) where any such purchase is proposed to be made by tender, tenders shall be made available to all holders of such shares on the same terms.”

j. Bye-law 12

i. By deleting the existing Bye-law 12(B) in its entirety and replacing therewith the following:

“Every certificate for shares, warrants or debentures or representing any other form of securities of the Company shall be issued under the seal of the Company a facsimile thereof or with the seal printed thereon.”

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## NOTICE OF ANNUAL GENERAL MEETING

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- ii. By deleting the existing Bye-law 12(C) in its entirety and replacing therewith the following:

“Every share certificate hereafter issued shall specify the number and class of shares in respect of which it is issued and the amount paid thereon and may otherwise be in such form as the Directors may from time to time prescribe. A share certificate shall relate to only one class of shares, and where the capital of the Company includes shares with different voting rights, the designation of each class of shares, other than those which carry the general right to vote at general meetings, must include the words “voting” or “restricted voting” or “limited voting” or some other appropriate designation which commensurates with the rights attaching to the relevant class of shares.”

- k. Bye-law 15

By deleting the words “a single member” immediately before the words “for all the debts and liabilities” and replacing therewith the words “a shareholder, whether singly or jointly with any other person or persons,” in the existing Bye-law 15.

- l. Bye-law 35

By adding the words “, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry” immediately after the words “forthwith be made in the register” in the existing Bye-law 35.

- m. Bye-law 36

By inserting the following after the existing Bye-law 36(C):

“(D) In the event of a forfeiture of shares the shareholder shall be bound to deliver and shall forthwith deliver to the Company the certificate or certificates held by him for the shares so forfeited and in any event the certificates representing shares so forfeited shall be void and of no further effect.”

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n. Bye-law 41

- i. By deleting the existing Bye-law 41(A) in its entirety and replacing therewith the following:

“Subject to the Act, all transfers of shares shall be effected by transfer in writing in the usual or common form or in such standard form prescribed by the Designated Stock Exchange or in such other form as the Directors may accept and may be under hand only or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other means of execution as the Directors may approve from time to time.”

- ii. By adding the words “or accept mechanically executed transfers” immediately before the words “in any case which they think fit” in the existing Bye-law 41(B).

o. Bye-law 46

By adding the words “or by any electronic means in such manner as may be accepted by the Designated Stock Exchange” immediately after the words “in the newspaper” in the existing Bye-law 46.

p. Bye-law 47

By adding the following at the end of the existing Bye-law 47(A):

“The provisions of this Bye-law shall apply to certificates of and other documents or evidence of title to, and proceeds of realisation of, distributions on shares other than money.”

q. Bye-law 52

By deleting the words “respective amounts” immediately after the words “to be divided into shares of such” and replacing therewith the words “class or classes and of such amounts in Hong Kong dollars or United States dollars or such other currency as the shareholders may think fit and” in the existing Bye-law 52.

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r. Bye-law 52A

By inserting the following as the new Bye-law 52A immediately after the existing Bye-law 52:

“Any new shares shall be issued upon such terms and conditions and with such rights, privileges or restrictions attached thereto as the general meeting subject to the provisions of the Statutes and of these Bye-laws, as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a special right or without any right of voting. The Company may, subject to the provisions of the Statutes, issue shares which are, or at the option of the Company or the holders are liable, to be redeemed.”

s. Bye-law 53

By deleting the existing Bye-law 53 in its entirety and replacing therewith the following:

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

t. Bye-law 54

- i. By deleting the word “and” at the end of the existing Bye-law 54(ii);
- ii. By deleting the “.” At the end of the existing Bye-law 54(iii) and replacing therewith “;”
- iii. By adding the following at the end of the existing Bye-law 54(iii):

“(iv) increase its share capital as provided in Bye-law 52;

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(v) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;

(vi) make provision for the issue and allotment of shares which do not carry any voting rights; and

(vii) change the currency of denomination of its share capital.”

u. Bye-law 55

By deleting the existing Bye-law 55 in its entirety and replacing therewith the following:

“The Company may by special resolution reduce its share capital or any share premium account or other undistributable reserve in any manner authorised and subject to any conditions prescribed by law.”

v. Bye-law 56

By adding the following immediately after the second sentence of the existing Bye-law 56:

“If the rules of the Designated Stock Exchange do not prohibit the same, a meeting of the shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.”

w. Bye-law 58

By deleting the first sentence of the existing Bye-law 58 and replacing therewith the following:

“An annual general meeting shall be called by notice in writing of not less than twenty-one (21) clear days and not less than twenty (20) clear business days. All other general meetings (including special general meetings) must be called by notice in writing of not less than fourteen (14) clear days and not less than ten (10) clear business days.”

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x. Bye-law 64

By adding the following immediately after the words “shall be decided by the Directors” in the existing Bye-law 64:

“, and if at such adjourned meeting a quorum is not present within fifteen (15) minutes from the time appointed for holding the meeting, the shareholder or his representative or proxy present (if the Company has only one shareholder), or the shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and entitled to vote shall be a quorum and may transact the business for which the meeting was called”

y. Bye-law 69

By deleting the existing Bye-law 69 in its entirety and replacing therewith the following:

“(1) At any general meeting a resolution put to the vote of the meeting shall be decided by a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every shareholder present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a shareholder which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Bye-law, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its shareholders; and (ii) relate to the chairman’s duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all shareholders a reasonable opportunity to express their views.

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(2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:

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

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

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

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

z. Bye-law 70

By deleting the existing Bye-law 70 in its entirety and replacing therewith the following:

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



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aa. Bye-law 72

By deleting the existing Bye-law 72 in its entirety and replacing therewith the following:

“The poll shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty (30) days from the date of the meeting or adjourned meeting, as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.”

bb. Bye-law 73

By deleting the existing Bye-law 73 in its entirety and replacing therewith the following:

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

cc. Bye-law 77

By adding the following at the end of the existing Bye-law 77:

“Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be delivered to such place or one of such places (if any) as is specified in accordance with these Bye-laws for the deposit of instruments of proxy or, if no place is specified, at the office, not later than the latest time at which an instrument of proxy must, if it is to be valid for the meeting, be delivered.”

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dd. Bye-law 79A

By inserting the following as the new Bye-law 79A immediately after the existing Bye-law 79:

“No appointment of a proxy shall be valid unless it names the person appointed and his appointor. The Directors may, unless they are satisfied that the person purporting to act as proxy is the person named in the relevant instrument for his appointment and the validity and authenticity of the signature of his appointor, decline such person’s admission to the relevant meeting, reject his vote or demand for a poll and no shareholder who may be affected by any exercise by the Directors of their power in this connection shall have any claim against the Directors or any of them nor may any such exercise by the Directors of their powers invalidate the proceedings of the meeting in respect of which they were exercised or any resolution passed or defeated at such meeting.”

ee. Bye-law 81

By adding the words “and, in such event, the instrument appointing a proxy shall be deemed to be revoked” immediately after the words “at the meeting or poll concerned” in the existing Bye-law 81.

ff. Bye-law 81A

By insert the following as the new Bye-law 81A immediately after the existing Bye-law 81:

“Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Directors may from time to time approve, provided that any form issued to a shareholder for use by him for appointing a proxy to attend and vote at a special general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the shareholder, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business.”

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gg. Bye-law 83

By adding the words “and unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates” immediately after the words “as the proxy thinks fit” in the existing Bye-law 83.

hh. Bye-law 86

By deleting the existing Bye-law 86(2) in its entirety and replacing therewith the following:

“Where a shareholder is a clearing house (or its nominee and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of shareholders provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee) in respect of the number and class of shares specified in the relevant authorisation including, where a show of hands is allowed, the right to vote individually on a show of hands.”

ii. Bye-law 88

By adding the following at the end of the existing Bye-law 88:

“Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.”

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jj. Bye-law 90

By deleting the last sentence in the existing Bye-law 90 and replacing therewith the following:

“Any person so elected shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.”

kk. Bye-law 104

By deleting the existing Bye-law 104(A) in its entirety and replacing therewith the following:

“The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by these Bye-laws expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Statutes expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Statutes and of these Bye-laws and to any regulations from time to time made by the Company in general meeting not being inconsistent with such provisions or these Bye-laws, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.”

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II. Bye-law 112

- i. By deleting the existing Bye-law 112(E) in its entirety and replacing therewith the following:

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

- (i) any contract or arrangement for the giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/ themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or

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(v) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to Directors or his close associates and to employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.”

ii. By deleting the existing Bye-law 112(F) and Bye-law 112(G) in their entirety.

iii. By renumber the existing Bye-law 112(H) as Bye-law 112(G).

mm. Bye-law 114

By adding the following at the end of the existing Bye-law 114:

“Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.”

nn. Bye-law 127A

By inserting the following as the new Bye-law 127A immediately after the existing Bye-law 127:

“The Secretary shall attend all meetings of the shareholders and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the Act and these Bye-laws, together with such other duties as may from time to time be prescribed by the Directors.”

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oo. Bye-law 138

By inserting the following immediately after the existing Bye-law 138 (B):

“(C) The Directors may in addition from time to time declare and pay special dividends of such amounts and on such dates and out of such distributable funds of the Company and as they think fit, and the provisions of paragraph (A) of this Bye-law as regards the power and exemption from liability of the Directors as relate to the declaration and payment of interim dividends shall apply, mutatis mutandis, to the declaration and payment of any such special dividends.”

pp. Bye-law 139

By deleting the existing Bye-law 139 in its entirety and replacing therewith the following:

“(A) No dividend shall be declared or paid and no distribution of contributed surplus as ascertained in accordance with the Act shall be made otherwise than in accordance with the Statutes.

(B) Subject to the provisions of the Act (but without prejudice to paragraph (A) of this Bye-law), where any asset, business or property is bought by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses thereof as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company, and be available for dividend accordingly. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof or to apply the same towards reduction of or writing down the book cost of the asset, business or property acquired.

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(C) Subject to paragraph (D) of this Bye-law all dividends and other distributions in respect of shares in the Company shall be stated and discharged, in the case of shares denominated in Hong Kong dollars, in Hong Kong dollars, and in the case of shares denominated in United States dollars, in United States dollars, provided that, in the case of shares denominated in Hong Kong dollars, the Directors may determine in the case of any distribution that shareholders may elect to receive the same in United States dollars or any other currency selected by the Directors, converted at such rate of exchange as the Directors may determine.

(D) If, in the opinion of the Directors, any dividend or other distribution in respect of shares or any other payment to be made by the Company to any shareholder is of such a small amount as to make payment to that shareholder in the relevant currency impracticable or unduly expensive either for the Company or the shareholder then such dividend or other distribution or other payment may, at the absolute discretion of the Directors, be, if this be practicable, converted at such rate of exchange as the Directors may determine and paid or made in the currency of the country of the relevant shareholder (as indicated by the address of such shareholder on the register).

(E) No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.”



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qq. Bye-law 140

By adding the following at the end of the existing Bye-law 140:

“The Directors may resolve that no such assets shall be made available or made to shareholders with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Directors, be unlawful or impracticable or the legality or practicality of which may be time consuming or expensive to ascertain whether in absolute terms or in relation to the value of the holding of shares of the shareholder concerned and in any such event the only entitlement of the shareholders aforesaid shall be to receive cash payments as aforesaid. Shareholders affected as a result of exercise by the Directors of their discretion under this Bye-law shall not be, and shall be deemed not to be, a separate class of shareholders for any purposes whatsoever.”

rr. Bye-law 148

By deleting the existing Bye-law 148 in its entirety and replacing therewith the following:

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“Unless otherwise directed by the Directors, any dividend or other moneys payable or bonuses, rights or other distributions in respect of any share may be paid or satisfied by cheque or warrant or certificate or other documents or evidence of title sent through the post to the registered address of the shareholder entitled, or, in the case of joint holders, to the registered address of that one whose name stands first in the register in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque, warrant, certificate or other document or evidence of title so sent shall be made payable to the order of the person to whom it is sent or, in the case of certificates or other documents or evidence of title as aforesaid, in favour of the shareholder(s) entitled thereto, and the payment on any such cheque or warrant by the banker upon whom it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or other moneys represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Every such cheque, warrant, certificate or other document or evidence of title as aforesaid shall be sent at the risk of the person entitled to the dividend, money, bonus, rights and other distributions represented thereby.”

ss. Bye-law 149

By deleting the existing Bye-law 149 in its entirety and replacing therewith the following:

“All dividends, bonuses or other distributions or the proceeds of the realisation of any of the foregoing unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and, notwithstanding any entry in any books of the Company or otherwise howsoever, the Company shall not be constituted a trustee in respect thereof. All dividends, bonuses or other distributions or the proceeds of the realisation of any of the foregoing unclaimed for six (6) years after having been declared may be forfeited by the Directors and, upon such forfeiture, shall revert to the Company and, in the case where any of the same are securities of the Company, may be re-allotted or re-issued for such consideration as the Directors think fit and the proceeds thereof shall accrue to the benefit of the Company absolutely.”

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tt. Bye-law 150

By deleting the exiting Bye-law 150 in its entirety and replacing therewith the following:

“(A) The Company in general meeting may, upon the recommendation of the Directors, resolve to capitalise any sum standing to the Company’s reserves (including any contributed surplus account and also including any share premium account or undistributable reserve, but subject to the provisions of the law with regard to unrealised profits) or any undivided profits not required for the payment or provision of the dividend on any shares with a preferential right to dividend, by appropriating such sum or profits to the holders of shares on the register at the close of business on the date of the relevant resolution (or such other date as may be specified therein or determined as provided therein) in the proportion in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend on shares either in or towards paying up any amounts for the time being unpaid on any shares held by such shareholders respectively or paying up in full unissued shares or debentures or other securities of the Company to be allotted and distributed credited as fully paid to and amongst such shareholders in the proportion aforesaid, or partly in one way and partly in the other provided that for the purpose of this Bye-law, any amount standing to the credit of any share premium account may only be applied in the paying up of unissued shares to be issued to shareholders of the Company as fully paid shares and other purposes allowed or not prohibited under the Statutes.

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(B) Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the reserves or profits and undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, debentures, or other securities and generally shall do all acts and things required to give effect thereto. For the purpose of giving effect to any resolution under this Bye-law, the Directors may settle any difficulty which may arise in regard to a capitalisation issue as they think fit, and in particular may disregard fractional entitlements or round the same up or down and may determine that cash payments shall be made to any shareholders in lieu of fractional entitlements or that fractions of such value as the Directors may determine may be disregarded in order to adjust the rights of all parties or that fractional entitlements shall be aggregated and sold and the benefit shall accrue to the Company rather than to the shareholders concerned, and no shareholders who are affected thereby shall be deemed to be, and they shall be deemed not to be, a separate class of shareholders for any purposes whatsoever. The Directors may authorise any person to enter on behalf of all shareholders interested in a capitalisation issue any agreement with the Company or other(s) providing for such capitalisation and matters in connection therewith and any agreement made under such authority shall be effective and binding upon all concerned. Without limiting the generality of the foregoing, any such agreement may provide for the acceptance by such persons of the shares, debentures or other securities to be allotted and distributed to them respectively in satisfaction of their claims in respect of the sum so capitalised.

(C) The provisions of paragraph (E) of Bye-law 141 shall apply to the power of the Company to capitalise under this Bye-law as it applies to the grant of election thereunder *mutatis mutandis* and no shareholder who may be affected thereby shall, and they shall be deemed not to be, a separate class of shareholders for any purpose whatsoever.”

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uu. Bye-law 151

- i. By deleting the words “special resolution of such warrant holders or class of warrant holders” immediately after the words “with the sanction of a” and replacing therewith the words “resolution passed by the holders of three-fourths of the subscription rights represented by the outstanding warrants of the Company present in person (or, in the case of a warrant holder being a corporation, by its duly authorised representative) or by proxy and voting on such resolution of a meeting duly convened and held in accordance with the terms and conditions of such warrants” in the existing Bye-law 151(D).
- ii. By adding the words “and shareholders” immediately after the words “binding upon the Company and all warrant holders” in the existing Bye-law 151(E).

vv. Bye-law 151A

By adding the following as the new Bye-law 151A immediately after the existing Bye-law 151:

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

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ww. Bye-law 152

By deleting the existing Bye-law 152 in its entirety and replacing therewith the following:

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

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xx. Bye-law 158

By deleting the existing Bye-law 158 in its entirety and replacing therewith the following:

“(A) Every balance sheet of the Company shall be signed on behalf of the Directors by two of the Directors and a copy of every balance sheet (including every document required by law to be comprised therein or annexed thereto) and profit and loss account which is to be laid before the Company at its annual general meeting, together with a copy of the Directors’ report and a copy of the auditors’ report thereon, shall not less than twenty-one (21) days before the date of the meeting be sent to every shareholder of, and every holder of debentures of, the Company and every other person entitled to receive notices of general meetings of the Company under the provisions of the Act and/or these Bye-laws, provided that this Bye-law shall not affect the operation of paragraph (B) of this Bye-law, or require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures, but any shareholder or holder of debentures to whom a copy of those documents has not been sent shall be entitled to receive a copy free of charge on application at the office. If all or any of the shares or debentures or other securities of the Company shall for the time being be (with the consent of the Company) listed or dealt in on any stock exchange or market, there shall be forwarded to such stock exchange or market such number of copies of such documents as may for the time being be required under its regulations or practice.

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(B) Subject to due compliance with the Statutes and the rules of the stock exchange in the Relevant Territory, and to obtaining all necessary consents, if any, required thereunder and such consents being in full force and effect, the requirements of Bye-law 158(A) shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes and instead of such copies, a summary financial statement derived from the Company's annual financial statements and the directors' report thereon, which shall be in the form and containing the information required by applicable laws and regulation, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company's annual financial statement and the directors' report thereon."

yy. Bye-law 161

By deleting the existing Bye-law 161 in its entirety and replacing therewith the following:

"The Company shall at each annual general meeting appoint one or more firms of auditors to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Directors, but if an appointment is not made, the auditors in office shall continue in office until a successor is appointed. A Director, officer or employee of the Company or of any of its subsidiaries or a partner, officer or employee of any such Director, officer or employee shall not be appointed auditors of the Company. The Directors may fill any casual vacancy in the office of auditors, but while any such vacancy continues the surviving or continuing auditor or auditors (if any) may act. Save as otherwise provided by the Act, the remuneration of the auditors shall be fixed by or on the authority of the Company in the annual general meeting except that in any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors and the remuneration of any auditors appointed to fill any casual vacancy may be fixed by the Directors."



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## NOTICE OF ANNUAL GENERAL MEETING

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zz. Bye-law 161A

By inserting the following as the new Bye-law 161A immediately after the existing Bye-law 161:

“The auditors of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information as may be necessary for the performance of his or their duties, and the auditors shall make a report to the shareholders on the accounts examined by them and on every balance sheet, consolidated balance sheet and consolidated profit and loss account intended to be laid before the Company in the annual general meeting during their tenure of office as required by the Statutes.”

aaa. Bye-law 161B

By inserting the following as the new Bye-law 161B immediately after the new Bye-law 161A:

“No person other than the retiring auditors shall be appointed as auditors at an annual general meeting unless notice of an intention to nominate that person to the office of auditors has been given to the Company not less than twenty-one (21) clear days before the annual general meeting, and the Company shall send a copy of any such notice to the retiring auditors and shall give notice thereof to the shareholders not less than seven (7) days before the annual general meeting provided that the above requirement for sending a copy of such notice to the retiring auditors may be waived by notice in writing by the retiring auditors to the Secretary.”

bbb. Bye-law 161C

By inserting the following as the new Bye-law 161C immediately after the new Bye-law 161B:

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

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## NOTICE OF ANNUAL GENERAL MEETING

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ccc. Bye-law 177

By deleting the existing Bye-law 177 in its entirety and replacing therewith the following:

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

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## NOTICE OF ANNUAL GENERAL MEETING

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ddd. Bye-law 178

By inserting the following as the new Bye-law 178 immediately after the existing Bye-law 177:

“RESIDENT REPRESENTATIVE

(A) Where the Company has its shares listed upon an appointed stock exchange and does not have two Directors ordinarily resident in Bermuda, a Director and a Secretary ordinarily resident in Bermuda or a Secretary ordinarily resident in Bermuda and a resident representative, the Company shall in accordance with the Act appoint and retain solely a resident representative ordinarily resident in Bermuda as its resident representative. The resident representative shall maintain an office in Bermuda and comply with the provisions of the Act. The resident representative shall be entitled to have notice of, attend and be heard at any Directors’ meetings and general meetings of the Company.

(B) The Directors shall provide the resident representative with such documents and information as the resident representative may require in order to be able to comply with the provisions of the Act which shall include:

(i) minutes of all proceedings of general meetings and directors’ meetings of the Company;

(ii) all financial statements required to be prepared by the Company under the Act together with the auditors’ report thereon;

(iii) all records of account required by section 83 of the Act to be kept in Bermuda; and

(iv) all such documents as may be required in order to provide evidence of the continued listing of the Company on an appointed stock exchange within the meaning of the Act.”

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## NOTICE OF ANNUAL GENERAL MEETING

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- (B) THAT the bye-laws of the Company in the form of the document marked “A” and produced to the Meeting for the purposes of identification signed by the Chairman of the meeting, which consolidates all of the proposed amendments referred to in Resolution (A) above, be and are hereby approved and adopted as the new bye-laws of the Company in substitution for and to the exclusion of the existing bye-laws of the Company with immediate effect.

By order of the Board  
**China Shandong Hi-Speed Financial Group Limited**  
**Li Hang**  
*Chairman*

Hong Kong, 11 July 2018

*Notes:*

- (1) A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, no less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof.
- (2) In case of joint holders of a share of the Company, any one of such holders may vote at the meeting either personally or by proxy in respect of such share as if he was solely entitled thereto. However, if more than one of such joint holders are present at the meeting personally or by proxy, that one of such holders whose name stands first in the register of members of the Company shall alone be entitled to vote in respect of that share.
- (3) Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should you so wish, and in such an event, the form of proxy shall be deemed to be revoked.
- (4) The register of members will be closed from Tuesday, 7 August 2018 to Friday, 10 August 2018, both days inclusive, during which period no transfer of shares will be registered. In order to determine the entitlement to attend and vote at the forthcoming annual general meeting of the Company, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 6 August 2018.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (5) Save for resolutions approving the procedural and administrative matters, any voting of the meeting should be taken by poll.
- (6) If Typhoon Signal No. 8 or above is expected to be hoisted or a Black Rainstorm Warning Signal is expected to be in force any time after 7: 30 a.m. on the date of the meeting, then the meeting will be postponed. The Company will post an announcement on the website of the Company at ([www.csfg.com.hk](http://www.csfg.com.hk)) and HKExnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify shareholders of the date, time and place of the rescheduled meeting.

The meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather condition bearing in mind their own situations.

- (7) As at the date of this notice, the Board of Directors of the Company comprises:

*Non-Executive Director and Chairman:*

Mr. Li Hang

*Non-executive Director and Vice Chairman:*

Dr. Lam Lee G.

*Non-executive Directors:*

Mr. Qiu Jianyang

Mr. Lo Man Tuen

*Executive Directors:*

Mr. Ji Kecheng (*Chief Executive Officer*)

Mr. Wang Zhenjiang (*Vice President*)

Mr. Yau Wai Lung

Mr. Li Zhen Yu

*Independent Non-executive Directors:*

Mr. To Shing Chuen

Mr. Cheung Wing Ping

Mr. Wang Huixuan

Mr. Guan Huanfei