
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Ruixin International Holdings Limited, 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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RUIXIN INTERNATIONAL HOLDINGS LIMITED

瑞鑫國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 724)

**(1) CAPITAL REORGANISATION;
(2) CONNECTED TRANSACTION
IN RELATION TO
PROPOSED ALTERATION OF TERMS OF
CONVERTIBLE NOTES;
(3) PROPOSED AMENDMENTS TO MEMORANDUM OF
ASSOCIATION AND BYE-LAWS;
AND
(4) NOTICE OF SPECIAL GENERAL MEETING**

Financial Adviser to the Company



Independent Financial Adviser to
the Independent Board Committee and
the Independent Shareholders

FRONTPAGE 富比

A notice convening a special general meeting of Ruixin International Holdings Limited to be held at 18th Floor, Times Media Centre, 133 Wan Chai Road, Hong Kong on Monday, 7 November 2022 at 11:00 a.m. is set out on pages 144 to 148 of this circular. A form of proxy for use at the special general meeting is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.irasia.com/listco/hk/ruixin).

Whether or not you are able to attend the special general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude the shareholders of the Company from attending and voting in person at the meeting if they so wish and in such event, the form of proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE SGM

Please see page ii of this circular for measures being taken to try to prevent and control the spread of the COVID-19 at the SGM, including but not limited to:

- compulsory temperature checks
- compulsory wearing of surgical face masks
- no refreshments will be served

Any person who does not comply with the precautionary measures may be denied entry into the SGM venue. The Company reminds Shareholders that they may appoint the chairman of the SGM as their proxies to vote on the relevant resolution(s) at the SGM as an alternative to attending the SGM.

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PRECAUTIONARY MEASURES FOR THE SGM

In view of the ongoing Novel Coronavirus (COVID-19) epidemic, the Company will implement the following preventive measures at the SGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every attendee at the entrance of the SGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the SGM venue.
- (ii) All attendees may be asked whether he/she (a) has travelled outside of Hong Kong within the 14-day period immediately before the SGM; and (b) is subject to any Hong Kong Government prescribed quarantine. Anyone who responds positively to any of these questions will be denied entry into the meeting venue. We will also report to relevant authorities for the breach of quarantine required.
- (iii) The Company requires attendees to wear surgical face masks inside the SGM venue at all times, and to maintain a safe distance between seats.
- (iv) No refreshments will be served.

To the extent permitted by law, the Company reserves the right to deny entry into the SGM venue or require any person to leave the SGM venue in order to ensure the safety of the attendees at the SGM.

In the interest of all stakeholders' health and safety and consistent with the COVID-19 guidelines issued by the Government of Hong Kong (available at www.chp.gov.hk/en/features/102742.html), the Company reminds all Shareholders that physical attendance in person at the SGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the chairman of the SGM as their proxies to vote on the relevant resolution(s) at the SGM instead of attending the SGM in person.

DEFINITIONS

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

“2021 Annual Report”	the annual report of the Company for the year ended 31 December 2021
“2022 Interim Report”	the interim report of the Company for the six months ended 30 June 2022
“Adjusted Conversion Price”	the conversion price of the Outstanding Convertible Notes adjusted from the Current Conversion Price as a result of the Capital Reorganisation, being HK\$2.20 per New Share or such adjusted conversion price certified by a calculation agent
“Alteration of Terms”	the proposed alteration of certain terms and conditions of the Outstanding Convertible Notes pursuant to the terms of the Deed of Further Variation 2022
“Approvals”	being all the approvals as required in the Conditions Precedent as set out in this circular
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, any public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“Bye-Laws”	the bye-laws of the Company as amended from time to time

DEFINITIONS

“Capital Reduction”	the proposal for the reduction of the par value of the issued Consolidated Shares from HK\$2.00 each to HK\$0.10 each by cancelling the paid-up capital to the extent of HK\$1.90 on each issued Consolidated Share and the cancellation of any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation immediately after the Share Consolidation
“Capital Reorganisation”	the proposed reorganisation of the capital of the Company by way of (i) the Share Consolidation; (ii) the Capital Reduction; and (iii) the Share Subdivision
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Ruixin International Holdings Limited (formerly known as Sino-Tech International Holdings Limited), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Companies Act”	the Companies Act 1981 of Bermuda, as amended, modified or supplemented from time to time
“Condition(s) Precedent”	the conditions precedent under the Deed of Further Variation 2022
“Consolidated Share(s)”	the ordinary share(s) of par value of HK\$2.00 each in the capital of the Company immediately after the Share Consolidation but prior to the Capital Reduction
“Conversion Price”	being HK\$1.00 per New Share
“Conversion Share(s)”	the New Shares to be allotted and issued following the exercise by the Outstanding Convertible Notes holder(s) of his/her/their rights

DEFINITIONS

“Convertible Notes”	the zero coupon convertible notes issued by the Company on 16 November 2009 pursuant to the terms of the S&P Agreement as amended by the Deed of Variation, the Deed of Further Variation 2016 and the Deed of Further Variation 2018
“Current Conversion Price”	being HK\$0.22 per Share
“Deed of Further Variation 2016”	the deed of further variation dated 14 December 2016 entered into between the Company and the Noteholder in relation to the alteration of certain terms and conditions of the then outstanding Convertible Notes
“Deed of Further Variation 2018”	the deed of further variation dated 12 November 2018 entered into between the Company and the Noteholder in relation to the alteration of certain terms and conditions of the then outstanding Convertible Notes
“Deed of Further Variation 2022”	the deed of further variation dated 11 August 2022 entered into between the Company and the Noteholder in relation to the Alteration of Terms
“Deed of Variation”	the deed of variation dated 14 November 2014 entered into between the Company and the Noteholder in relation to the alteration of certain terms and conditions of the then outstanding Convertible Notes
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“HKSCC”	Hong Kong Securities Clearing Company Limited

DEFINITIONS

“Independent Board Committee”	a Board committee comprising all independent non-executive Directors established to make recommendation to the Independent Shareholders in relation to the Deed of Further Variation 2022 and the transactions contemplated thereunder
“Independent Financial Adviser” or “Frontpage Capital”	Frontpage Capital Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Deed of Further Variation 2022 and the transactions contemplated thereunder
“Independent Shareholder(s)”	the Shareholders excluding Mr. Li and his associates
“Latest Practicable Date”	11 October 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular prior to its publication
“Letter of Agreement”	the letter of agreement dated 12 November 2018 entered into between the Company and the Noteholder in relation to, among others, the agreement by the Noteholder to exercise his conversion right under the Convertible Notes to convert an aggregate principal amount of HK\$102,000,000 at the then existing conversion price of HK\$0.035 per then existing ordinary shares of HK\$0.01 each in the share capital of the Company
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Association and Bye-Laws”	the memorandum of association and bye-laws of the Company adopted on 13 June 2000 and as amended from time to time by resolution of the Shareholder;

DEFINITIONS

“Mr. Li”	Mr. Li Weimin, who is interested in approximately 27.72% of the total issued share capital of the Company and the Noteholder as at the Latest Practicable Date
“New Share(s)”	the ordinary share(s) of par value of HK\$0.10 each in the capital of the Company immediately after the Capital Reorganisation becoming effective
“Noteholder”	Mr. Li, the holder of the Outstanding Convertible Notes
“Outstanding Convertible Notes”	being the outstanding Convertible Notes in an aggregate principal amount of HK\$158,400,000 held by the Noteholder
“Registrar”	the Hong Kong branch share registrar of the Company, being Tricor Tengis Limited as at the Latest Practicable Date
“S&P Agreement”	the sale and purchase agreement dated 13 September 2009 entered into among the Company, Top Victory Industries Limited (which was a wholly-owned subsidiary of the Company and the purchaser) and Mr. Li (as the vendor) in relation to an acquisition, details of which are disclosed in the Company’s announcement dated 23 September 2009 and the circular dated 19 October 2009
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held at 18th Floor, Times Media Centre, 133 Wan Chai Road, Hong Kong on Monday, 7 November 2022 at 11:00 a.m., to consider and, if thought fit, approve, among others, the Capital Reorganisation and the Deed of Further Variation 2022 and the transactions contemplated thereunder
“Share(s)”	the existing ordinary shares of HK\$0.20 each in the share capital of the Company

DEFINITIONS

“Share Consolidation”	the proposed consolidation of every ten (10) Shares of par value of HK\$0.20 each into one (1) Consolidated Share of par value of HK\$2.00 each in the share capital of the Company
“Share Subdivision”	the proposed subdivision of each authorised but unissued Consolidated Share with a par value of HK\$2.00 into twenty (20) New Shares with a par value of HK\$0.10 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable for the Capital Reorganisation and the Alteration of Terms is set out below. The expected timetable is subject to the fulfilment of the conditions of the Capital Reorganisation and the Alteration of Terms, and is therefore for indicative purpose only. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

Event	Expected time and date
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the SGM	4:30 p.m. on Monday, 31 October 2022
Closure of register of members for the entitlement to attend and vote at the SGM (both dates inclusive)	Tuesday, 1 November 2022 to Monday, 7 November 2022
Latest date and time for lodging the proxy forms for the SGM	11:00 a.m. on Saturday, 5 November 2022
Date and time of the SGM	11:00 a.m. on Monday, 7 November 2022
Publication of announcement of poll results of the SGM	Monday, 7 November 2022
 The following events are conditional on the fulfilment of the conditions for the implementation of the Capital Reorganisation	
Effective date of the Capital Reorganisation	Wednesday, 9 November 2022
First day of free exchange of existing share certificates for new share certificates for New Shares	Wednesday, 9 November 2022
Dealing in New Shares commences.	9:00 a.m. on Wednesday, 9 November 2022

EXPECTED TIMETABLE

Event	Expected time and date
Original counter for trading in Shares in board lots of 10,000 Shares temporarily closes	9:00 a.m. on Wednesday, 9 November 2022
Temporary counter for trading in New Shares in board lots of 1,000 New Shares (in the form of existing share certificates) opens	9:00 a.m. on Wednesday, 9 November 2022
Effective date of the Alteration of Terms (subject to fulfilment of the Conditions Precedent)	Thursday, 10 November 2022
Original counter for trading in New Shares in board lots of 10,000 New Shares (in the form of new share certificates for New Shares) re-opens	9:00 a.m. on Wednesday, 23 November 2022
Parallel trading in the New Shares (in the form of existing share certificates and new share certificates) commences	9:00 a.m. on Wednesday, 23 November 2022
Designated broker starts to stand in the market to provide matching services for odd lots of New Shares	9:00 a.m. on Wednesday, 23 November 2022
Designated broker ceases to stand in the market to provide matching services for odd lots of New Shares	4:00 p.m. on Tuesday, 13 December 2022
Temporary counter for trading New Shares in board lots of 1,000 New Shares (in the form of existing share certificates) closes	4:10 p.m. on Tuesday, 13 December 2022
Parallel trading in the New Shares (in the form of existing share certificates and new share certificates) ends	4:10 p.m. on Tuesday, 13 December 2022
Last day for free exchange of existing share certificates for new share certificates for the New Shares	4:30 p.m. on Thursday, 15 December 2022

LETTER FROM THE BOARD



RUIXIN INTERNATIONAL HOLDINGS LIMITED

瑞鑫國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 724)

Executive Directors:

Ms. Li Yang (*Chairman*)

Mr. Huang Hanshui

Mr. Yang Junjie

Registered office:

Clarendon House

2 Church Street

Hamilton, HM 11

Bermuda

Independent non-executive Directors:

Mr. Ho Chi Fai

Mr. Zhang Jue

Principal Place of Business:

18th Floor

Times Media Centre

133 Wan Chai Road

Hong Kong

14 October 2022

To the Shareholder(s)

Dear Sir or Madam,

**(1) CAPITAL REORGANISATION;
(2) CONNECTED TRANSACTION
IN RELATION TO
PROPOSED ALTERATION OF TERMS OF
CONVERTIBLE NOTES;
(3) PROPOSED AMENDMENTS TO MEMORANDUM OF ASSOCIATION
AND BYE-LAWS;
AND
(4) NOTICE OF SPECIAL GENERAL MEETING**

BACKGROUND

Reference is made to the announcement of the Company dated 11 August 2022 in relation to the Capital Reorganisation and the entering into of the Deed of Further Variation 2022 to amend certain terms and conditions of the Convertible Notes.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, details of the Capital Reorganisation, the Deed of Further Variation 2022 and the Alteration of Terms contemplated thereunder, the proposed amendments to the Memorandum of Association and Bye-Laws, the letters from the Independent Board Committee and the Independent Financial Adviser and the notice convening the SGM for the Shareholders or the Independent Shareholders (as the case may be) to consider and, if thought fit, to approve the respective resolution(s) in relation to the Capital Reorganisation, the Deed of Further Variation 2022 and the transactions contemplated thereunder, and the proposed amendments to the Memorandum of Association and Bye-Laws.

CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation which will comprise:

- (i) the Share Consolidation whereby every ten (10) issued and unissued Shares with a par value of HK\$0.20 each will be consolidated into one (1) Consolidated Share with a par value of HK\$2.00 each;
- (ii) the Capital Reduction whereby the par value of each issued Consolidated Share will be reduced from HK\$2.00 to HK\$0.10 by cancelling the paid-up capital to the extent of HK\$1.90 on each issued Consolidated Share and any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation will be cancelled;
- (iii) the Share Subdivision of every unissued Consolidated Share with a par value of HK\$2.00 each in the authorised share capital of the Company into twenty (20) New Shares with a par value of HK\$0.10 each;
- (iv) the credit arising from the Capital Reduction being credited to the contributed surplus account of the Company within the meaning of the Companies Act; and
- (v) the application of the credit in the contributed surplus account of the Company being applied in full to set off the accumulated losses of the Company as permitted under all applicable laws of Bermuda and the Bye-Laws.

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$600,000,000 divided into 3,000,000,000 Shares, out of which 840,174,214 Shares are issued and credited as fully paid. Assuming there will be no change in the issued share capital of the Company from the Latest Practicable Date up to the date on which the Capital Reorganisation becomes effective, the issued share capital of the Company will be HK\$8,401,742.10 divided into 84,017,421 New Shares with a par value of HK\$0.10 each upon the Capital Reorganisation becoming effective.

LETTER FROM THE BOARD

Upon the Capital Reorganisation becoming effective, the New Shares shall rank *pari passu* in all respects with each other.

Based on 840,174,214 Shares in issue as at the Latest Practicable Date, a credit of approximately HK\$159,633,100.66 arising from the Capital Reduction will be credited to the contributed surplus account of the Company within the meaning of the Companies Act which will be applied in full by the Board to set off the accumulated losses of the Company or be applied in any other manner as may be permitted under the Bye-Laws and all applicable laws of Bermuda.

Upon the Capital Reorganisation becoming effective, the authorised share capital of the Company would remain to be HK\$600,000,000 with no change but divided into 6,000,000,000 New Shares of HK\$0.10 each.

Other than the relevant expenses to be incurred by the Company, including but not limited to professional fees and printing charges, the implementation of the Capital Reorganisation will not alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares which will not be allocated to the Shareholders who may otherwise be entitled to.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (a) the passing of a special resolution by the Shareholders to approve the Capital Reorganisation at the SGM;
- (b) compliance with section 46(2) of the Companies Act 1981 of Bermuda, including
 - (i) the publication of a notice in relation to the Capital Reduction in an appointed newspaper in Bermuda on a date not more than thirty days and not less than fifteen days before the effective date of the Capital Reduction; and
 - (ii) the Board being satisfied that on the effective date of the Capital Reduction, there are no reasonable grounds for believing the Company is, or after the proposed Capital Reduction would be, unable to pay its liabilities as they become due;
- (c) the Stock Exchange granting the listing of, and the permission to deal in, the New Shares in issue and to be issued (including the New Shares which may fall to be allotted or issued upon exercise of the conversion rights attaching to the Convertible Notes) upon the Capital Reorganisation becoming effective; and

LETTER FROM THE BOARD

- (d) the compliance with all relevant procedures and requirements under the laws of Bermuda (where applicable) and the Listing Rules to effect the Capital Reorganisation.

As at the Latest Practicable Date, none of the conditions above has been fulfilled.

The Capital Reorganisation shall become effective on the second Business Day immediately following the fulfilment of all the above conditions.

EFFECTS OF THE CAPITAL REORGANISATION

The following table set out the effect of the Capital Reorganisation on the share capital of the Company before and after the implementation of the Capital Reorganisation, assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the effective date of the Capital Reorganisation.

	As at the Latest Practicable Date	Immediately after the Share Consolidation becoming effective	Immediately after the Capital Reorganisation becoming effective
Authorised share capital	HK\$600,000,000	HK\$600,000,000	HK\$600,000,000
Par value	HK\$0.20 per Share	HK\$2.00 per Consolidated Share	HK\$0.10 per New Share
Number of authorised shares	3,000,000,000	300,000,000	6,000,000,000
Issued share capital	HK\$168,034,842.80	HK\$168,034,842.80	HK\$8,401,742.10
Number of issued shares	840,174,214	84,017,421 <i>(note)</i>	84,017,421

Note: round down from 84,017,421.40 Consolidated Shares for illustrative purpose.

LETTER FROM THE BOARD

Fractional shares

Upon the Capital Reorganisation becoming effective, fractional New Shares, if any, will be disregarded and will not be issued to the Shareholders but all such fractional New Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional New Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of existing share certificates held by such holder.

Free exchange of share certificates

Subject to the Capital Reorganisation becoming effective, which is currently expected to be Wednesday, 9 November 2022, being the second Business Day immediately following the fulfilment of the conditions set out in the section headed “Conditions of the Capital Reorganisation” of this circular, Shareholders may during the period from Wednesday, 9 November 2022 to Thursday, 15 December 2022 (both days inclusive), submit their existing share certificates for the Shares, which are in pink colour, to the Registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong to exchange for new share certificates for the New Shares, which will be in green colour at the expense of the Company.

It is expected that new share certificates for the New Shares will be available for collection within 10 Business Days from the date of submission for the exchange. Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 each (or such other amount as may from time to time be specified by the Stock Exchange) will be payable by the Shareholders to the Registrar for each share certificate for the Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of share certificates cancelled/issued is higher.

After 4:10 p.m. on Tuesday, 13 December 2022, existing share certificates for the Shares will only remain effective as documents of title and may be exchanged for certificates for the New Shares at any time but will not be accepted for delivery, trading and settlement purposes.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the New Shares as a result of the Capital Reorganisation, the Company has appointed Phillip Securities (Hong Kong) Limited as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares during the period from 9:00 a.m. on Wednesday, 23 November 2022 to 4:00 p.m. on Tuesday, 13 December 2022 (both days inclusive). Shareholders who wish to take advantage of this facility should contact Mr. Aric Au or Ms. Panny Fung or Mr. Yam, Shun Hung of Phillip Securities (Hong Kong) Limited at 11th Floor, United Centre, 95 Queensway, Hong Kong or at telephone number (852) 2277 6769 or (852) 2277 6617 or (852) 2277 6615, respectively, during office hours (i.e. 8:30 a.m. to 4:30 p.m.) of such period.

LETTER FROM THE BOARD

Holders of odd lots of the New Shares should note that the matching of the sale and purchase of odd lots of the New Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Board lot size

As at the Latest Practicable Date, the Shares are traded on the Stock Exchange in the board lot size of 10,000 Shares. There will be no change to the board lot size as a result of the Capital Reorganisation.

ADJUSTMENTS TO THE CONVERTIBLE NOTES AND THE SHARE OPTIONS

Convertible Notes

As at the Latest Practicable Date, the Company has Outstanding Convertible Notes in the principal amount of HK\$158,400,000 which is convertible into 720,000,000 Shares at the conversion price of HK\$0.22 per Share. Pursuant to the terms of the Convertible Notes, the Capital Reorganisation will cause adjustments to the Current Conversion Price and/or the number of New Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Outstanding Convertible Notes. A calculation agent will certify any adjustment which is required to be made in respect of the above as a result of the Capital Reorganisation. Assuming that the Current Conversion Price of HK\$0.22 per Share will be adjusted to the Adjusted Conversion Price of HK\$2.20 per New Share as a result of the Capital Reorganisation becoming effective (but before the Alteration of Terms comes into effect), the Outstanding Convertible Notes in the principal amount of HK\$158,400,000 will be convertible into 72,000,000 New Shares. Further announcement(s) will be made by the Company regarding the final adjustment as and when appropriate.

Share Options

As at the Latest Practicable Date, there are no outstanding share options.

Save for the aforesaid, as at the Latest Practicable Date, the Company has no other outstanding options, warrants or securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Shares or New Shares, as the case may be.

LETTER FROM THE BOARD

REASONS FOR THE CAPITAL REORGANISATION

Under Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required to either change the trading method or proceed with a consolidation or splitting of its securities. Further, pursuant to the requirements set out in the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited, the expected board lot value per board lot should be greater than HK\$2,000 taking into account the minimum transaction costs for a securities trade. In view of the fact that the Shares have been trading below HK\$0.10 on average and the Shares were trading at under HK\$2,000 per board lot over the past six months (based on the closing price per Share as quoted on the Stock Exchange), the Board proposes to implement the Share Consolidation in order to comply with the trading requirements of the Listing Rules. The Share Consolidation will reduce the total number of Shares currently in issue. As such, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares.

Based on the closing price of HK\$0.023 per Share as at the date of the announcement of the Company dated 11 August 2022 (equivalent to the theoretical closing price of HK\$0.230 per New Share upon the Capital Reorganisation becoming effective), the value of each board lot of the Shares is HK\$230 and the theoretical market value of each board lot of the New Shares, assuming the Capital Reorganisation had become effective, would be HK\$2,300.

The Capital Reorganisation also involves the Capital Reduction whereby the par value of the issued Consolidated Shares shall be reduced from HK\$2.00 each to HK\$0.10 each. Under the laws of Bermuda, a company may not issue shares at a discount to the par value of such shares. Accordingly, the Capital Reduction will allow greater flexibility in the pricing for any issue of New Shares in the future.

The Board considers that (i) the Share Consolidation will reduce the transaction costs for dealing in the Shares, including those fees which are charged with reference to the number of board lots; (ii) the Capital Reduction and the Share Subdivision will provide the Company with greater flexibility in possible fund raisings in the future; and (iii) the credit in the contributed surplus account of the Company arising from the Capital Reduction can be used to set off the accumulated losses of the Company as permitted by all applicable laws of Bermuda and the Bye-Laws.

As such, the Board is of the view that the Capital Reorganisation are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

It is expected that the Capital Reorganisation will facilitate the Company in potential equity fund raising by providing flexibility in the pricing of New Shares and it is the Company's intention to conduct equity fund raising within the financial year of 2022 after the Capital Reorganisation becoming effective when suitable fund-raising opportunities arise in order to improve the financial position and support future development of the Group. The Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

WARNING

Shareholders should take note that the Capital Reorganisation is conditional upon satisfaction of conditions set out in the paragraph headed "Conditions of the Capital Reorganisation" above. Therefore, the Capital Reorganisation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

DEED OF FURTHER VARIATION 2022

Background

References are made to the announcements dated 23 September 2009, 14 November 2014, 17 November 2014, 14 December 2016, 12 November 2018 and 14 January 2022, and the circulars dated 19 October 2009, 19 December 2014, 29 December 2016 and 11 December 2018 of the Company in relation to, among other things, (1) the issue of the Convertible Notes; and (2) the alteration of certain terms and conditions of the Convertible Notes pursuant to the Deed of Variation, the Deed of Further Variation 2016 and the Deed of Further Variation 2018.

LETTER FROM THE BOARD

The Convertible Notes in the total principal amount of HK\$950,400,000 were issued by the Company on 16 November 2009 pursuant to the S&P Agreement as partial settlement of the consideration for the acquisition of CITIC Logistics (International) Company Limited. Pursuant to the Deed of Variation, the maturity date of the Convertible Notes was extended from 15 November 2014 to 31 December 2016 and the original conversion price of HK\$0.12 per share was adjusted to HK\$0.035 per share, which relieved the pressure of the Company to seek urgent funding to redeem the then outstanding Convertible Notes and provided an incentive to the Noteholder to consider the option of converting part or all of the Convertible Notes. Subsequently, the maturity date of Convertible Notes was further extended to 31 January 2019 pursuant to the Deed of Further Variation 2016, which relieved the pressure on the Company to seek funding to redeem the then outstanding Convertible Notes. Pursuant to the Deed of Further Variation 2018, following the completion of partial conversion of the Convertible Notes, the maturity date of the remaining Convertible Notes was further extended to 31 January 2022 and the conversion price of HK\$0.035 per share was further adjusted to HK\$0.011 per share, to relieve the imminent pressure on the Company to seek funding to redeem the then outstanding Convertible Notes.

As at the Latest Practicable Date, the Convertible Notes in an aggregate principal amount of HK\$158,400,000, convertible into Shares at the Current Conversion Price of HK\$0.22 per Share, are outstanding and held by the Noteholder. The Outstanding Convertible Notes are unsecured and have matured on 31 January 2022. The Company has received an irrevocable letter of undertaking dated 13 January 2022 from the Noteholder, pursuant to which the Noteholder has irrevocably undertaken in favour of the Company that before the Alteration of Terms comes into effect, he will not, among others, request the Company to repay the outstanding principal amount of the Convertible Notes and to pay any default interest and other related sums within one year from the maturity date of 31 January 2022.

In view of the financial conditions of the Company, after arm's length negotiations, on 11 August 2022 (after trading hours), the Company and the Noteholder entered into the Deed of Further Variation 2022 in respect of the proposed alteration of certain terms and conditions of the Convertible Notes.

LETTER FROM THE BOARD

Alteration of Terms

Set out below are the principal terms of the Deed of Further Variation 2022.

Date: 11 August 2022 (after trading hours)

Parties: (i) the Company
(ii) the Noteholder

Pursuant to the Deed of Further Variation 2022, it is agreed that (i) the maturity date of the Outstanding Convertible Notes will be extended from 31 January 2022 to 31 January 2025; and (ii) the Adjusted Conversion Price will be further adjusted to the Conversion Price of HK\$1.00 per New Share.

In addition, the Noteholder has irrevocably undertaken that, irrespective of whether the Alteration of Terms will become effective, he shall not exercise any of his rights under the Convertible Notes to demand for repayment of the principal amount of the Outstanding Convertible Notes and/or payment of any default interest and other related sums on the Outstanding Convertible Notes for the period from 1 February 2022 to 31 January 2023 (both days inclusive), and shall forgo his right to receive, and fully release and discharge the Company from, the payment of the default interest, if any, accrued on the Outstanding Convertible Notes during such period.

Save for the above proposed Alteration of Terms, all other terms and conditions of the Convertible Notes shall remain unchanged.

The Alteration of Terms was arrived at after arm's length negotiations between the Company and the Noteholder with reference to, among others, the existing financial condition and resources of the Group and the prevailing market price of the Shares.

LETTER FROM THE BOARD

Conversion Shares

Assuming full conversion of the Outstanding Convertible Notes in the principal amount of HK\$158,400,000 at the Conversion Price of HK\$1.00 per New Share, 158,400,000 New Shares will be allotted and issued by the Company, representing:

- (i) approximately 188.53% of issued share capital of the Company as at the date of the Deed of Further Variation 2022 as adjusted for the effect of the Capital Reorganisation; and
- (ii) approximately 65.34% of issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon the Capital Reorganisation becoming effective and the completion of the conversion of the Convertible Notes in accordance with the conditions of the Convertible Notes as amended by the Deed of Further Variation 2022.

Conversion Price

The Conversion Price of HK\$1.00 per New Share represents:

- (i) a premium of approximately 400.00% over the theoretical closing price of HK\$0.200 per Share as adjusted for the effect of the Capital Reorganisation based on the closing price of HK\$0.0200 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 334.78% over the theoretical closing price of HK\$0.230 per Share as adjusted for the effect of the Capital Reorganisation based on the closing price of HK\$0.0230 per Share as quoted on the Stock Exchange on 11 August 2022, being the date of the Deed of Further Variation 2022;
- (iii) a premium of approximately 331.03% over the average theoretical closing price of HK\$0.232 per Share as adjusted for the effect of the Capital Reorganisation based on the average closing price of HK\$0.0232 per Share as quoted on the Stock Exchange for the last five trading days up to and including the date of the Deed of Further Variation 2022; and
- (iv) a premium of approximately 332.90% over the average theoretical closing price of HK\$0.231 per Share as adjusted for the effect of the Capital Reorganisation based on the closing price of HK\$0.0231 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the date of the Deed of Further Variation 2022.

LETTER FROM THE BOARD

Conditions Precedent

The Alteration of Terms shall become effective upon the fulfilment of all the following Conditions Precedent:

- (a) the passing of ordinary resolution(s) by the Independent Shareholders at the SGM approving (i) the Deed of Further Variation 2022 and the transactions contemplated thereunder and (ii) upon the exercise of the conversion rights attaching to the Outstanding Convertible Notes, the allotment and issue of the Conversion Shares in accordance with the conditions of the Convertible Notes as varied by the Deed of Further Variation 2022;
- (b) the Capital Reorganisation becoming effective;
- (c) the Company having obtained the approval from holders of more than 50% of the aggregate outstanding principal amount of HK\$158,400,000 of the Convertible Notes for the Alteration of Terms;
- (d) the Listing Committee having granted or having agreed to grant the listing of, and permission to deal in, the Conversion Shares falling to be allotted and issued upon an exercise of the conversion rights attaching to the Outstanding Convertible Notes in accordance with the conditions of the Convertible Notes as amended by the Deed of Further Variation 2022; and
- (e) the Company having obtained from the Stock Exchange all requisite approval or consent to the Alteration of Terms as set out in the Deed of Further Variation 2022.

The Alteration of Terms shall take effect on the date on which the Company notifies the Noteholder in writing the fulfilment of the Conditions Precedent as set out above, being a date that is not more than five business days after the fulfilment of the condition precedent last in time to be fulfilled.

None of the Conditions Precedent can be waived. If any of the Conditions Precedent above has not been fulfilled on or before 30 November 2022 (or such other date as may be agreed by the parties to the Deed of Further Variation 2022 in writing), the Deed of Further Variation 2022 shall lapse and be of no further effect and none of the parties to the Deed of Further Variation 2022 will have any claim against or liability to the other parties in respect of the Deed of Further Variation 2022 save for any antecedent breaches thereof.

As at the Latest Practicable Date, Condition Precedent (c) above has been fulfilled.

LETTER FROM THE BOARD

REASONS FOR ENTERING INTO THE DEED OF FURTHER VARIATION 2022

As reported in the 2021 Annual Report, the Group incurred a loss of approximately HK\$54.2 million for the year ended 31 December 2021. Further, as at 31 December 2021, the Group's total assets were approximately HK\$113.0 million, majority of which comprised inventories of approximately HK\$21.3 million, trade receivables of approximately HK\$68.8 million and bank balances and cash of approximately HK\$9.2 million. The Board is of the view that these assets are operational in nature and should not be liquidated for the purpose of funding the redemption of the Outstanding Convertible Notes. As stated in the 2021 Annual Report, the Group had net liabilities of approximately HK\$102.6 million as at 31 December 2021 (including the carrying value of liability component of the Outstanding Convertible Notes of approximately HK\$156.8 million) and the Group did not forecast that it could fully redeem the Outstanding Convertible Notes.

In this respect, the Company had negotiated with the Noteholder in relation to the alteration of terms of the Convertible Notes. At the same time, the Company has also considered fund raising possibility including but not limited to (i) allotting and issuing new shares under general mandate and specific mandate and (ii) debt financing. However, as (i) potential investors may cast doubt on the Company's viability in light of the net liabilities position of the Group; (ii) there is uncertainty in the Share price performance due to the recent volatile economic environment amid the Covid-19 pandemic; and (iii) the Company may not issue shares at a discount to the par value under the laws of Bermuda, the Company has encountered practical difficulties to entice potential investors to subscribe for its shares. Furthermore, debt financing such as bank borrowing will result in additional interest burden and the Group will be subject to additional repayment obligations in addition to the Outstanding Convertible Notes. Given the recent financial performance and financial position of the Group, debt financing may not be achievable on acceptable terms in a timely manner and it may also require pledge of assets and/or other kind of securities which may reduce the Group's flexibility in managing its portfolio. Given the foregoing, the Directors are of the view that the Alteration of Terms may be the most appropriate method given the circumstances of the Group and is in the best interest of the Company and the Shareholders as a whole.

The Alteration of Terms are on commercial terms as a result of arm's length negotiations between the Noteholder and the Company.

LETTER FROM THE BOARD

The Alteration of Terms, in particular the alteration in conversion price, will provide certain incentive to the Noteholder to consider the option of converting part or all of the Outstanding Convertible Notes into Conversion Shares of the Company. Should the Noteholder choose to convert part or all of the Outstanding Convertible Notes into Conversion Shares, it will allow the Company to free up and apply its financial resources for working capital and improve the financial position of the Group by capitalising liabilities. In addition, the Conversion Price of HK\$1.00 per New Share is well above the closing prices of the Shares in the past three years prior to the Latest Practicable Date adjusted for the effect of the Capital Reorganisation.

Pursuant to the Deed of Further Variation 2022, the maturity date of the Outstanding Convertible Notes will be revised to 31 January 2025, which will relieve the imminent pressure on the Company to seek urgent funding to redeem the Outstanding Convertible Notes. Further, as the Convertible Notes are zero coupon and do not carry any interest charges, the Company shall incur no interest payment to the Noteholder by entering into of the Deed of Further Variation 2022.

Having considered that (i) the amended Conversion Price under the Alteration of Terms is at a premium to the recent market price of the Shares adjusted for the effect of the Capital Reorganisation and (ii) the extension of the maturity date of the Outstanding Convertible Notes will relieve the imminent pressure on the Company to seek urgent funding to redeem the Outstanding Convertible Notes, the Directors (excluding (i) the independent non-executive Directors whose views are set out in the section headed “Letter from the Independent Board Committee” in this circular; and (ii) Ms. Li Yang who abstained from voting on the relevant Board resolutions) are of the view that the Alteration of Terms are fair and reasonable and on normal commercial terms and the entering into of the Deed of Further Variation 2022 is in the interests of the Company and the Shareholders as a whole.

APPLICATION FOR LISTING

No application will be made by the Company for the listing of the Convertible Notes. Application will be made to the Listing Committee for the listing of, and permission to deal in, the New Shares and the Conversion Shares which may fall to be allotted and issued upon conversion of the Outstanding Convertible Notes pursuant to the conditions of the Convertible Notes as amended by the Deed of Further Variation 2022.

LETTER FROM THE BOARD

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, upon the Capital Reorganisation becoming effective, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the New Shares to be admitted into CCASS established and operated by HKSCC.

None of the Shares are listed or dealt on any other stock exchanges other than the Stock Exchange, and at the time when the Capital Reorganisation becomes effective, the New Shares in issue will not be listed or dealt on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

MANDATE FOR THE ISSUE OF THE CONVERSION SHARES

The Company will seek the grant of a specific mandate from the Independent Shareholders at the SGM to cater for the allotment and issue of the Conversion Shares upon conversion of the Convertible Notes pursuant to the conditions of the Convertible Notes as amended by the Deed of Further Variation 2022.

LETTER FROM THE BOARD

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming no other changes in the issued share capital of the Company from the Latest Practicable Date up to the full conversion of the Outstanding Convertible Notes by the Noteholder, the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon the full conversion of the Outstanding Convertible Notes as at the Latest Practicable Date; (iii) immediately upon the Capital Reorganisation becoming effective; and (iv) immediately upon the Capital Reorganisation becoming effective and the full conversion of the Outstanding Convertible Notes at HK\$1.00 per New Share upon the Alteration of Terms becoming effective are illustrated as follows:

Name	As at the Latest Practicable Date (Note 1)		Immediately upon the full conversion of the Outstanding Convertible Notes as at the Latest Practicable Date (Note 2)		Immediately upon the Capital Reorganisation becoming effective		Immediately upon the Capital Reorganisation becoming effective and full conversion of the Outstanding Convertible Notes upon the Alteration of Terms becoming effective (Note 2)	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of New Shares	Approx. %	Number of New Shares	Approx. %
	Mr. Li Weimin	232,863,576	27.72	952,863,576	61.07	23,286,357	27.72	181,686,357
Public Shareholders	607,310,638	72.28	607,310,638	38.93	60,731,064	72.28	60,731,064	25.05
Total	840,174,214	100.00	1,560,174,214	100.00	84,017,421	100.00	242,417,421	100.00

Note:

- Mr. Li is interested in 952,863,576 Shares, consisting of (i) an interest in 232,863,576 Shares beneficially owned and held in his own name; and (ii) a derivative interest in 720,000,000 conversion Shares to be allotted and issued upon full conversion of the Outstanding Convertible Notes issued to him by the Company with an aggregate principal amount of HK\$158,400,000.
- Full Conversion of the Outstanding Convertible Notes is for illustration purpose only. Pursuant to the terms of the S&P Agreement, no conversion of the Convertible Notes shall be made unless such conversion complies with the Listing Rules and the Takeovers Code (including but not limited to the public float requirement under Rule 8.08 of the Listing Rules). In addition, no conversion rights may be exercised by the Noteholder unless prior written confirmation has been given by the Noteholder to the Company that all the shares of the Company (including the conversion shares under the Convertible Notes issued or to be issued) held by the Noteholder, its associates and persons acting in concert (as defined under the Takeovers Code) on the conversion date will not become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code. Accordingly, Mr. Li and parties acting in concert with him or successors of the holder(s) of the Outstanding Convertible Notes individually will not directly or indirectly control or be interested in Shares of 30% or more in the Company.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities during the 12 months immediately preceding the Latest Practicable Date.

IMPLICATIONS UNDER THE LISTING RULES

Rule 28.05 of the Listing Rules provides that any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. As such, an application for the approval of the Alteration of Terms has been submitted to the Stock Exchange by the Company.

Mr. Li is interested in approximately 27.72% of the total issued share capital of the Company and a substantial Shareholder as at the Latest Practicable Date. As Mr. Li is a connected person of the Company, the entering into of the Deed of Further Variation 2022 constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Therefore, the entering into of the Deed of Further Variation 2022 and the transactions contemplated thereunder are subject to reporting, announcement and the Independent Shareholders' approval requirements pursuant to the Listing Rules.

GENERAL

The Group is principally engaged in the manufacturing and trading of electronic and electrical parts and components.

The Independent Board Committee (comprising all the independent non-executive Directors) has been established to give recommendation to the Independent Shareholders on the Deed of Further Variation 2022 and the transactions contemplated thereunder. A letter from the Independent Board Committee containing its advice and recommendation to the Independent Shareholders in respect of the Deed of Further Variation 2022 and the transactions contemplated thereunder has been set out on pages 29 to 30 of this circular.

Ms. Li Yang, the Chairman and an executive Director, is the daughter of Mr. Li. Accordingly, Ms. Li Yang is deemed to be interested in the Alteration of Terms and therefore has abstained from voting on the relevant Board resolutions. Apart from Ms. Li Yang, none of the Directors has any material interest in the Alteration of Terms and is required to abstain from voting on the Board resolutions approving the Deed of Further Variation 2022 and the transactions contemplated thereunder.

LETTER FROM THE BOARD

Frontpage Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Deed of Further Variation 2022 and the transactions contemplated thereunder, and a letter from Frontpage Capital to the Independent Board Committee and the Independent Shareholders containing its advice in respect of the Deed of Further Variation 2022 and the transactions contemplated thereunder has been set out on pages 31 to 49 of this circular.

PROPOSED AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION AND BYE-LAWS AND ADOPTION OF THE NEW MEMORANDUM OF ASSOCIATION AND BYE-LAWS

On 1 January 2022, the Listing Rules were amended by, among others, adopting a uniform set of 14 core standards for shareholder protections for issuers regardless of their place of incorporation set out in Appendix 3 to the Listing Rules. The Board proposes to make certain amendments to the Memorandum of Association and Bye-Laws to conform to the said core standards for shareholder protections and to incorporate certain housekeeping changes. The Board also proposes to adopt the new Memorandum of Association and Bye-Laws in substitution for, and to the exclusion of, the existing Memorandum of Association and Bye-Laws.

Details of the proposed amendments to the Memorandum of Association and Bye-Laws are set out in Appendix II to this circular. A special resolution will be proposed at the SGM to approve the proposed amendments to the Memorandum of Association and Bye-Laws.

The Company's legal advisers have confirmed that the proposed amendments conform with the requirements of the Listing Rules, where applicable, and the Bermuda laws. The Company also confirms that there is nothing unusual about the proposed amendments for a company listed in Hong Kong.

LETTER FROM THE BOARD

SGM

Set out on pages 144 to 148 of this circular is a notice convening the SGM to be held at 18th Floor, Times Media Centre, 133 Wan Chai Road, Hong Kong on Monday, 7 November 2022 at 11:00 a.m. at which relevant resolution will be proposed to the Shareholders to consider and, if thought fit, approve the Capital Reorganisation, the Deed of Further Variation 2022 and the transactions contemplated thereunder, and the proposed amendments to the Memorandum of Association and Bye-Laws by way of poll. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, (i) no Shareholders will be required to abstain from voting on the resolution(s) in relation to the Capital Reorganisation and the proposed amendments to the Memorandum of Association and Bye-Laws at the SGM; and (ii) Mr. Li together with his associates, who altogether held 232,863,576 issued Shares, representing approximately 27.72% of the total issued share capital of the Company as at the Latest Practicable Date are required to abstain from voting in respect of the resolution(s) approving the Deed of Further Variation 2022 and the transactions contemplated thereunder at the SGM. Saved as disclosed above, no other Shareholders have a material interest in the Deed of Further Variation 2022 and the transactions contemplated thereunder and are required to abstain from voting at the SGM.

Approval of the Shareholders by way of poll is proposed to be sought at the SGM in respect of the Capital Reorganisation and the proposed amendments to the Memorandum of Association and Bye-Laws. Approval of the Independent Shareholders by way of poll is proposed to be sought at the SGM in respect of the Deed of Further Variation 2022 and the transactions contemplated thereunder.

A form of proxy for use at the SGM is enclosed with this circular. If you are unable to attend the SGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the meeting if they so wish.

LETTER FROM THE BOARD

RECOMMENDATION

With reference to the “Reasons for the Capital Reorganisation” as stated above, the Board considers that the Capital Reorganisation are in the interests of the Company and the Shareholders as a whole.

Furthermore, with reference to the “Reasons for entering into the Deed of Further Variation 2022” as stated above, the Board (excluding (i) the independent non-executive Directors whose views have been set out in the “Letter from the Independent Board Committee” in this circular after having considered the advice from the Independent Financial Adviser in respect of the Alteration of Terms; and (ii) Ms. Li Yang who abstained from voting on the relevant Board resolutions in respect of the Alteration of Terms) considers that the terms of the Deed of Further Variation 2022 and the transactions contemplated thereunder and the Capital Reorganisation are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Accordingly, the Board recommends (i) the Shareholders to vote in favour of the proposed special resolution(s) in relation to the Capital Reorganisation; (ii) the Independent Shareholders to vote in favour of the proposed ordinary resolution(s) in relation to the Deed of Further Variation 2022 and the transactions contemplated thereunder; and (iii) the Shareholders to vote in favour of the proposed special resolution(s) in relation to the amendments to the Memorandum of Association and Bye-Laws and adoption of the new Memorandum of Association and Bye-Laws, as set out in the notice of SGM.

ADDITIONAL INFORMATION

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

Yours faithfully,
By Order of the Board
Ruixin International Holdings Limited
Li Yang
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



RUIXIN INTERNATIONAL HOLDINGS LIMITED

瑞鑫國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 724)

14 October 2022

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION IN RELATION TO THE PROPOSED ALTERATION OF TERMS OF CONVERTIBLE NOTES

We refer to the circular dated 14 October 2022 issued by the Company (the “**Circular**”) of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed as the members of the Independent Board Committee to consider the Deed of Further Variation 2022 and the transactions contemplated thereunder and to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Deed of Further Variation 2022. Frontpage Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, as set out on pages 31 to 49 of the Circular, which contains its advice in respect of the Deed of Further Variation 2022 and transactions contemplated thereunder, together with the principal factors and reasons the Independent Financial Adviser has taken into consideration in giving such advice. Your attention is also drawn to the letter from the Board in the Circular and the additional information set out in the appendix thereto.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the terms of the Deed of Further Variation 2022, the transactions contemplated thereunder and taking account of the independent advice of the Independent Financial Adviser and the relevant information contained in the letter from the Board, we are of the opinion that (i) the terms of the Deed of Further Variation 2022 are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) although the proposed Alteration of Terms and the granting of the specific mandate are not in the ordinary and usual course of business of the Group, they are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the SGM to approve the Deed of Further Variation 2022 and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Mr. Ho Chi Fai
Independent non-executive Director

Mr. Zhang Jue
Independent non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Frontpage Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation into this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Deed of Further Variation 2022 and the transactions contemplated thereunder.

FRONTPAGE 富比

14 October 2022

To: *the Independent Board Committee and the Independent Shareholders of Ruixin International Holdings Limited*

Dear Sirs or Madams,

CONNECTED TRANSACTION IN RELATION TO THE PROPOSED ALTERATION OF TERMS OF CONVERTIBLE NOTES

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Deed of Further Variation 2022 and the transactions contemplated thereunder, details of which are set out in the “Letter from the Board” (the “**Board Letter**”) contained in the circular of the Company dated 14 October 2022 issued to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular, unless the context requires otherwise.

As at the Latest Practicable Date, the Convertible Notes in an aggregate principal amount of HK\$158,400,000, convertible into Shares at the Current Conversion Price of HK\$0.22 per Share, are outstanding and held by the Noteholder. The Outstanding Convertible Notes are unsecured and have matured on 31 January 2022. The Company has received an irrevocable letter of undertaking dated 13 January 2022 from the Noteholder, pursuant to which the Noteholder has irrevocably undertaken in favour of the Company that before the Alteration of Terms comes into effect, he will not, among others, request the Company to repay the outstanding principal amount of the Convertible Notes and to pay any default interest and other related sums within one year from the maturity date of 31 January 2022. On 11 August 2022, the Board proposed to implement the Capital Reorganisation. Assuming that the Current Conversion Price of HK\$0.22 per Share will be adjusted to the Adjusted Conversion Price of HK\$2.20 per New Share as a result of the Capital Reorganisation becoming effective (but before the Alteration of Terms comes into effect), the Outstanding Convertible Notes in the principal amount of HK\$158,400,000 will be convertible into 72,000,000 New Shares. In view of the financial conditions of the Company, the Company and the Noteholder entered into the Deed of Further Variation 2022 in respect of the proposed alteration of certain terms and conditions of the Convertible Notes on even date, subject to the fulfilment of the Conditions Precedent.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Mr. Li, the Noteholder, is interested in approximately 27.72% of the total issued share capital of the Company and is a substantial Shareholder as at the Latest Practicable Date. As Mr. Li is a connected person of the Company, the entering into of the Deed of Further Variation 2022 constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Therefore, the entering into of the Deed of Further Variation 2022 and the transactions contemplated thereunder are subject to reporting, announcement and the Independent Shareholders' approval requirements pursuant to the Listing Rules.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. Ho Chi Fai and Mr. Zhang Jue, being all the independent non-executive Directors, has been established to advise the Independent Shareholders on the Deed of Further Variation 2022 and the transactions contemplated thereunder. Our role as independent financial adviser is to give our opinion and recommendations as to (i) whether the terms and conditions of the Deed of Further Variation 2022 and the Alteration of Terms, though not in the ordinary and usual course of business of the Group, are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Independent Shareholders as a whole; and (ii) how the Independent Shareholders should vote for the resolution to be proposed at the SGM regarding the Deed of Further Variation 2022 and the transactions contemplated thereunder.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have considered, among other things, (i) the Deed of Further Variation 2022; (ii) the 2021 Annual Report; (iii) the 2022 Interim Report; and (iv) other information as set out in the Circular.

We have also relied on all relevant information, opinions and facts supplied and representations made to us by the Group, the Directors and the representatives of the Group. We have assumed that all such information, opinions, facts and representations provided to us or contained or referred to in the Circular, for which the Group, the Directors and the representatives of the Group are fully responsible, are true and accurate in all material respects as at the date hereof and may be relied upon. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Group, and the Group has confirmed that no material facts have been withheld or omitted from the information provided and referred to in the Circular, which would make any statement therein misleading.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out independent verification of the information provided by the Directors and the representatives of the Group, nor have we conducted any form of in-depth investigation into the businesses, affairs, operations, financial position or future prospects of the Company, the Group or any of their respective subsidiaries or associates.

OUR INDEPENDENCE

We are not connected with the Company, the Directors, the Noteholder, chief executives and substantial shareholders of the Company or any of their respective subsidiaries or associates and do not have any shareholding, direct or indirect, in any member of the Company or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Company as at the Latest Practicable Date. No arrangement exists whereby we will receive any benefits from the Company or the directors, chief executives and substantial shareholders of the Company, the Noteholder or any of their respective subsidiaries or associates for our services to the Company in connection with this appointment aside from our professional fees. During the past two years, we have no engagement for the provision of services to the Company and therefore would not affect our independence for acting as the independent financial adviser of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating and giving our opinion to the Independent Board Committee and the Independent Shareholders in relation to the Deed of Further Variation 2022 and the transactions contemplated thereunder, we have taken into account the following principal factors:

I. BACKGROUND

Information of the Group

The Group is principally engaged in the manufacturing and trading of electronic and electrical parts and components.

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The table below sets out the summary of financial information of the Group for the years ended 31 December 2020 and 2021 and the six months ended 30 June 2021 and 2022 as extracted from the 2021 Annual Report and the 2022 Interim Report:

	Year ended 31 December		Six months ended 30 June	
	2020	2021	2021	2022
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	358,522	303,491	166,899	124,326
Gross profit	21,888	13,321	11,174	8,541
Loss before taxation	(56,383)	(53,926)	(23,581)	(25,353)
Loss for the year	(56,383)	(54,151)	(23,769)	(25,357)
	As at 31 December		As at 30 June	
	2020	2021	2022	
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	
	(Audited)	(Audited)	(Unaudited)	
Non-current assets	9,874	2,623	1,637	
Current assets	210,687	110,365	85,735	
Current liabilities	129,400	197,723	195,536	
Non-current liabilities	140,017	17,867	20,502	
Net current assets/(liabilities)	81,287	(87,358)	(109,801)	
Net liabilities	(48,856)	(102,602)	(128,666)	

Profit and Loss of the Group

Based on the 2021 Annual Report and the 2022 Interim Report, we noted that the Group's revenue generated from its electronic products business operations has decreased. The Group's gross profits contributed from the electronic products business also decreased from approximately HK\$21.9 million for the year ended 31 December 2020 to approximately HK\$13.3 million for the year ended 31 December 2021. With a gross margin of approximately 6.1% in 2020 and 4.4% in 2021, gross profits were unable to cover distribution costs and administrative expenses in both years. In addition, non-cash accounting treatment of imputed interest expenses on the Convertible Notes also reduced the profitability of the Group. As a result, the Group made net losses in both years.

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In order to understand the profitability of the Group better, we have reviewed past annual reports of the Company and noted that the Group has been experiencing losses in the past few years. Significant amount of historical losses can be attributable to non-cash impairment losses of goodwill and other intangible assets as well as imputed interest expenses on the Convertible Notes, which as a result created accumulated losses for the Group as these non-cash costs and intangible impairments were accumulated over the years. The revenue generated from operations of the electronic products business was unable to cover the costs of operations and resulted in losses for years. The Group is changing its mode of business from manufacturing and trading to trading of electronic parts and components in response and realigning to the quick market needs from customers amid the ongoing COVID-19 pandemic. Therefore, we are of the view that the Group should reserve its capital for its daily operations as well as the unforeseen circumstances in adapting to new business model rather than utilising its existing resources to repay the Outstanding Convertible Notes. As such, the delay of the repayment of the Outstanding Convertible Notes, if required, should be prolonged to ensure that the Group has sufficient working capital for its operations.

Statement of Financial Position of the Group

Based on the 2022 Interim Report, the Group had total non-current assets of approximately HK\$1.6 million and current assets of approximately HK\$85.7 million as at 30 June 2022. Among current assets as at 30 June 2022, trade receivables and inventories in relation to its electronic products business make up the bulk of current assets with cash and bank balances only accounting for approximately HK\$8.7 million. As for current liabilities as at 30 June 2022, trade payables and loan from a substantial shareholder accounted for approximately HK\$8.6 million and HK\$3.8 million, respectively, while the Outstanding Convertible Notes accounted for approximately HK\$158.4 million. As a result, the Group has a net current liabilities position of approximately HK\$109.8 million and net liabilities of approximately HK\$128.7 million.

We noted that the historical non-cash impairment losses of goodwill and other intangible assets, and the imputed interest expenses on the Convertible Notes which accounted for significant amount of the historical losses that as a result created accumulated losses for the Group as these non-cash cost and intangible impairments were accumulated over the years. As these losses were attributed to non-cash items, they did not affect the operations of the Group directly. However, having such a financial position would mean that the Group is unable to raise additional funding from financial institutions and will also find it difficult to convince potential investors to fund the Group with a net liabilities position and a large Outstanding Convertible Notes position. Therefore, we are of the view that it is unlikely that the Group will be able to raise additional funding for the repayment of the Outstanding Convertible Notes, and the negotiation for the delayed repayment, extension or conversion of the Outstanding Convertible Notes should commence as soon as practicable.

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II. DEED OF FURTHER VARIATION 2022

Details of the Deed of Further Variation 2022 are set out below:

Date: 11 August 2022 (after trading hours)

Parties: (1) the Company; and
(2) the Noteholder

Alteration of Terms: Pursuant to the Deed of Further Variation 2022, it is agreed that (i) the maturity date of the Outstanding Convertible Notes will be extended from 31 January 2022 to 31 January 2025; and (ii) the Adjusted Conversion Price will be further adjusted to the Conversion Price of HK\$1.00 per New Share.

In addition, the Noteholder has irrevocably undertaken that, irrespective of whether the Alteration of Terms will become effective, he shall not exercise any of his rights under the Convertible Notes to demand for repayment of the principal amount of the Outstanding Convertible Notes and/or payment of any default interest and other related sums on the Outstanding Convertible Notes for the period from 1 February 2022 to 31 January 2023 (both days inclusive), and shall forgo his right to receive, and fully release and discharge the Company from, the payment of the default interest, if any, accrued on the Outstanding Convertible Notes during such period.

Save for the above proposed Alteration of Terms, all other terms and conditions of the Convertible Notes shall remain unchanged.

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Conditions Precedent: The Alteration of Terms shall become effective upon the fulfilment of all the following Conditions Precedent:

- (a) the passing of ordinary resolution(s) by the Independent Shareholders at the SGM approving (i) the Deed of Further Variation 2022 and the transactions contemplated thereunder and (ii) upon the exercise of the conversion rights attaching to the Outstanding Convertible Notes, the allotment and issue of the Conversion Shares in accordance with the conditions of the Convertible Notes as varied by the Deed of Further Variation 2022;
- (b) the Capital Reorganisation becoming effective;
- (c) the Company having obtained the approval from holders of more than 50% of the aggregate outstanding principal amount of HK\$158,400,000 of the Convertible Notes for the Alteration of Terms;
- (d) the Listing Committee having granted or having agreed to grant the listing of, and permission to deal in, the Conversion Shares falling to be allotted and issued upon an exercise of the conversion rights attaching to the Outstanding Convertible Notes in accordance with the conditions of the Convertible Notes as amended by the Deed of Further Variation 2022; and
- (e) the Company having obtained from the Stock Exchange all requisite approval or consent to the Alteration of Terms as set out in the Deed of Further Variation 2022.

The Alteration of Terms shall take effect on the date on which the Company notifies the Noteholder in writing the fulfilment of the Conditions Precedent as set out above, being a date that is not more than five business days after the fulfilment of the condition precedent last in time to be fulfilled.

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None of the Conditions Precedent can be waived. If any of the Conditions Precedent above has not been fulfilled on or before 30 November 2022 (or such other date as may be agreed by the parties to the Deed of Further Variation 2022 in writing), the Deed of Further Variation 2022 shall lapse and be of no further effect and none of the parties to the Deed of Further Variation 2022 will have any claim against or liability to the other parties in respect of the Deed of Further Variation 2022 save for any antecedent breaches thereof.

We have reviewed the Conditions Precedent and noted that the Conditions Precedent (i) ensure all regulatory approvals have been obtained before the Alteration of Terms can be effective; (ii) ensure the Capital Reorganisation becoming effective; and (iii) ensure consents from the affected parties, namely the Noteholder and the Independent Shareholders are obtained for the Alteration of Terms. Having considered the above factors, we are of the view that the Conditions Precedent are fair and reasonable and in the interest of the Company and Shareholders as a whole

III. ALTERATION OF TERMS

Pursuant to the Deed of Further Variation 2022, among other matters, the Company will revise the Adjusted Conversion Price of the Outstanding Convertible Notes of HK\$2.20 per New Share to the Conversion Price of HK\$1.00 per New Share, subject to the fulfilment of the Conditions Precedent therein. As the Deed of Further Variation 2022 will result in the reduction of the Adjusted Conversion Price, the interest of existing Shareholders will be further diluted.

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Dilution effects of the Alteration of Terms

In determining the effects of the dilution, we have prepared all the scenarios to demonstrate the dilution effects:

Dilution table based on Adjusted Conversion Price:

Name	As at the Latest Practicable Date		Immediately upon the Capital Reorganisation becoming effective		Immediately upon the Capital Reorganisation becoming effective and full conversion of the Outstanding Convertible Notes (Note 2)	
	<i>(Note 1)</i>		No. of New Shares	Percentage Interest	No. of New Shares	Percentage Interest
	No. of Shares	Percentage Interest				
Existing shares held by Mr. Li (or the Noteholder)	232,863,576	27.72%	23,286,357	27.72%	23,286,357	14.92%
Conversion shares to be issued assuming the remaining principal of HK\$158.4 million is converted at HK\$2.20	-	-	-	-	72,000,000	46.15%
Public Shareholders	<u>607,310,638</u>	<u>72.28%</u>	<u>60,731,064</u>	<u>72.28%</u>	<u>60,731,064</u>	<u>38.93%</u>
Total	<u>840,174,214</u>	<u>100.00%</u>	<u>84,017,421</u>	<u>100.00%</u>	<u>156,017,421</u>	<u>100.00%</u>

Dilution table based on Alteration of Terms:

Name	As at the Latest Practicable Date		Immediately upon the Capital Reorganisation becoming effective		Immediately upon the Capital Reorganisation becoming effective and full conversion of the Outstanding Convertible Notes upon the Alteration of Terms becoming effective (Note 2)	
	<i>(Note 1)</i>		No. of New Shares	Percentage Interest	No. of New Shares	Percentage Interest
	No. of Shares	Percentage Interest				
Existing shares held by Mr. Li (or the Noteholder)	232,863,576	27.72%	23,286,357	27.72%	23,286,357	9.61%
Conversion Shares to be issued assuming the remaining principal of HK\$158.4 million is converted at HK\$1.00	-	-	-	-	158,400,000	65.34%
Public Shareholders	<u>607,310,638</u>	<u>72.28%</u>	<u>60,731,064</u>	<u>72.28%</u>	<u>60,731,064</u>	<u>25.05%</u>
Total	<u>840,174,214</u>	<u>100.00%</u>	<u>84,017,421</u>	<u>100.00%</u>	<u>242,417,421</u>	<u>100.00%</u>

Notes:

- Mr. Li is interested in 952,863,576 Shares, consisting of (i) an interest in 232,863,576 Shares beneficially owned and held in his own name; and (ii) a derivative interest in 720,000,000 conversion Shares to be allotted and issued upon full conversion of the Outstanding Convertible Notes issued to him by the Company with an aggregate principal amount of HK\$158,400,000.

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2. Full conversion of the Outstanding Convertible Notes is for illustration purpose only. Pursuant to the terms of the S&P Agreement, no conversion of the Convertible Notes shall be made unless such conversion complies with the Listing Rules and the Takeovers Code (including but not limited to the public float requirement under Rule 8.08 of the Listing Rules). In addition, no conversion rights may be exercised by the Noteholder unless prior written confirmation has been given by the Noteholder to the Company that all the shares of the Company (including the conversion shares under the Convertible Notes issued or to be issued) held by the Noteholder, its associates and persons acting in concert (as defined under the Takeovers Code) on the conversion date will not become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code. Accordingly, Mr. Li and parties acting in concert with him or successors of the holder(s) of the Outstanding Convertible Notes individually will not directly or indirectly control or be interested in Shares of 30% or more in the Company.

Based on the tables above, and assuming no other changes in the issued share capital of the Company from the Latest Practicable Date and up to the full conversion of the Outstanding Convertible Notes, the Independent Shareholders' interest in the Company will drop from the existing 72.28% to 38.93% based on the Adjusted Conversion Price of HK\$2.20 per Share. However, based on the Alteration of Terms, and assuming no other changes in the issued share capital of the Company from the Latest Practicable Date and up to the full conversion of the Outstanding Convertible Notes, the Independent Shareholders' interest in the Company will drop from the existing 72.28% to 25.05% based on the Conversion Price of HK\$1.00 per New Share under the Alteration of Terms. Based on the tables above, the reduction in Independent Shareholders' interest in the Company based on the Alteration of Terms is approximately 13.88% or a discount of 35.65% of the original interest. We are of the view that this dilution effect should not be considered on its own as it is a part of a series of transactions. Therefore, it has to be considered in totality with other factors as discussed below.

Movement of the Share price

In order to assess whether the Conversion Price of HK\$1.00 per New Share under the Alteration of Terms is fair and reasonable and in the interest of the Company and Shareholders as a whole, we have performed a review on the historical closing prices of the Shares as extracted from the website of the Stock Exchange (www.hkex.com.hk) for the 12-months prior to the date of entering into the Deed of Further Variation 2022 (the "**Review Period**"). We consider that the sampling period of 12 months, which is a commonly adopted practice for analysis purpose, is fair and representative to illustrate (i) the prevailing market condition; (ii) the general trend of the Share price; and (iii) the recent price movements of the Shares, and a 12-month period is also in line with the normal financial reporting period of corporations which can adequately reflect the latest affairs of these corporations.

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Share price movement during the Review Period



As illustrated by the above chart, we noted that the Share price had been in a generally downward trend since August 2021 and ranged from the highest of HK\$0.05 per Share to the lowest of HK\$0.022 per Share, with an average of approximately HK\$0.034 per Share. The Share price fluctuated between HK\$0.022 and HK\$0.025 for ten (10) business days prior to the Company entering into the Deed of Further Variation 2022 on 11 August 2022. Since the Board proposed to implement the Capital Reorganisation on even date, we have adjusted historical closing prices of the Shares with the effect of the Capital Reorganisation as shown in the graph below for illustrative purpose in order to better assess the Conversion Price under the Alteration of Terms.

New Share price movement during the Review Period



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After the effect of the Capital Reorganisation, we noted that the Conversion Price is well above the adjusted historical closing prices of the Shares, which ranged from the highest of HK\$0.5 per New Share to the lowest of HK\$0.22 per New Share, with an average of approximately HK\$0.34 per New Share. The New Share price also fluctuated between HK\$0.22 and HK\$0.25 for ten (10) business days prior to the Company entering into the Deed of Further Variation 2022 on 11 August 2022.

As the Outstanding Convertible Notes has expired on 31 January 2022, the Company will have to repay it without much alternative. As stated in the Board Letter, liquidating the Group's assets to meet this obligation is not practical as they are needed for operations. We have also discussed with the Company with regards to additional funding and noted that they had sought the assistance from its bank but had been declined due to the loss-making position of the Group. In addition, as the Company is currently registering net liabilities, there may be concerns amongst investors on the Company's viability, which may reflect in the current low Share price. Besides, the Share price may further decline as the recent economic environment is volatile under the outbreak of COVID-19. Furthermore, the Company has been in discussion with its financial adviser to explore possible equity fund raising but was unable to secure funds on acceptable terms as at the Latest Practicable Date. Hence, it is not a favourable time for the Company to issue securities to repay the Outstanding Convertible Notes as the Company will only be able to raise new funds at low Share price or possibly a discount if a large number of Shares need to be placed out. Furthermore, the Share price as at the Latest Practicable Date of HK\$0.02 is far below the par value of the Share of HK\$0.2. Even if the Company was willing to raise funds at prevailing market price or a discount, the Company would not be able to conduct such equity fund raising exercise as the Company is not allowed to issue new Shares at a discount to the par value of such Shares under the laws of Bermuda.

Having considered that the Conversion Price is higher than the New Share price under the Review Period and the Alteration of Terms is a better alternative for the Company over the repayment of the Outstanding Convertible Notes, in view of current situation of the Company, we are of the view that the Conversion Price of HK\$1.00 per New Share under the Alteration of Terms is fair and reasonable and in the interest of the Company and Shareholders as a whole.

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Financial effects of the Alteration of Terms

The financial effects of the Alteration of Terms set out below are purely for illustrative purposes only and do not reflect the future financial position of the Group after the Alteration of Terms becoming effective.

(a) *Net asset value*

According to the 2022 Interim Report, the net liabilities value of the Group was approximately HK\$128.7 million as at 30 June 2022. Upon the Alteration of Terms taking effect pursuant to the Deed of Further Variation 2022, there may be resulting in changes in fair value of the Outstanding Convertible Notes which will be subject to the valuation of independent valuers and the review of the independent auditors of the Company in subsequent financial statements of the Group.

(b) *Liquidity*

According to the 2022 Interim Report, the Group had bank balances and cash of approximately HK\$8.7 million as at 30 June 2022. The Alteration of Terms will enable the Group to delay a substantial cash outflow as the maturity date of the Outstanding Convertible Notes is extended, which would alleviate the immediate pressure on cash flow of the Group and retain financial resources for its operations. In addition, upon the Alteration of Terms becoming effective, the Outstanding Convertibles Notes will be reclassified as non-current liabilities. As a result, it could help to improve the immediate liquidity of the Group by turning the Group from net current liabilities position to net current assets position.

After taking into consideration of the above, particularly, the financial effects of the Alteration of Terms do not affect the actual cashflow of the Company and have only accounting impact on the financial statements of the Company, we are of the view that the Alteration of Terms is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

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Comparable Analysis

In order to determine the fairness and reasonableness of the terms of the Outstanding Convertible Notes under the Alteration of Terms, we have adopted a comparable approach whereby the terms of the Outstanding Convertible Notes under the Alteration of Terms are compared to its peers. Based on the information available from the Stock Exchange's website (<https://www.hkexnews.hk>), we have shortlisted a list of companies listed on the Stock Exchange which have announced the issuance of convertible securities on the dates three (3) months prior to the Company entering into the Deed of Further Variation 2022 for our purpose of comparison. We are of the view that three (3) months is a reasonable time period as pricing of securities is dependent on the current market trend and sentiment, and a prolonged time period would not be able to capture the current market trends. Our scope has also covered all announced issuance of convertible securities to both connected persons and independent third parties such that our comparable analysis would be more comprehensive and provide an unbiased reference on the market terms for better comparison with the terms of the Outstanding Convertible Notes under the Alteration of Terms. In order to make a fair comparison, we have further shortlisted those companies which did not make a profit since their last published annual reports (the "**Comparable Companies**"). We are of the view that due to the unique financial situation that the Group is in, the Comparable Companies should possess traits similar to the Group. Accordingly, we have identified transactions for 12 Comparable Companies (the "**Comparable Transactions**"), which to the best of our knowledge represent the exhaustive samples that meet the aforesaid selection criteria. Having considered (i) the Comparable Transactions reflect the prevailing market conditions for the issuance of convertible securities; (ii) the Comparable Transactions represent recent pricing and structure of the convertible securities issued in Hong Kong for companies with similar traits to the Group; and (iii) the Comparable Transactions provide general reference for the Independent Shareholders to have an understanding of the recent market practice of similar transactions, we are of the view that the aforesaid selection criteria is fair and representative.

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Set out below is the list of the Comparable Companies:

Date of announcement	Company name	Stock code	Maturity (approximately) (years)	Interest per annum (approximately)	Premium/ (discount) of relevant conversion price over/to the closing price of the relevant shares as at the relevant last trading day prior to/on the date of the release of the announcement (approximately)
12/05/2022	Grown Up Group Investment Holdings Limited	1842	2.0	2.5%	(19.6)%
23/05/2022	Sino Splendid Holdings Limited	8006	2.0	1.5%	31.6%
23/05/2022	Beaver Group (Holding) Company Limited (now known as State Innovation Holdings Limited)	8275	2.0	2.5%	33.3%
08/06/2022	China Fordoo Holdings Limited	2399	2.0	8.0%	5.3%
09/06/2022	China Health Group Limited	673	2.0	6.0%	112.8%
10/06/2022	Anchorstone Holdings Limited	1592	1.0	2.0%	(10.0)% (Note 1)
14/06/2022	Ev Dynamics (Holdings) Limited	476	3.0	2.0%	0.7% (Note 2)
21/06/2022	China Zenith Chemical Group Limited	362	1.0	0.0%	49.3%
27/07/2022	Virtual Mind Holding Company Limited	1520	2.0	10.0%	6.8%
28/07/2022	Luye Pharma Group Ltd.	2186	1.0	6.5%	40.0%
01/08/2022	Vobile Group Limited	3738	3.0	4.0%	32.7%
04/08/2022	Shifang Holding Limited	1831	0.5	0%	0%
			(Note 3)		
	Minimum		0.5	0.0%	(19.6)%
	Maximum		3.0	10.0%	112.8%
	Average		1.8	3.8%	23.6%
11/08/2022	The Company (the Outstanding Convertible Notes)	724	3.0	0.0%	334.8%

Notes:

- The conversion price of the convertible notes of Anchorstone Holdings Limited is 90% of the average closing price per share on any five consecutive business days as selected by the noteholder during the 45 business days immediately preceding the relevant conversion date on which shares were traded on the Stock Exchange. For illustration purpose, we have taken the ratio of conversion price over the market price as a discount of 10% for calculation.
- The convertible notes of Ev Dynamics (Holdings) Limited comprises three equal tranches, which are further divided in sub-tranches, with conversion price set based on the share price preceding to relevant conversion date, except for the first five sub-tranches of first tranche of convertible notes with initial conversion price of HK\$0.0594. For illustration purpose, we have taken HK\$0.0594 as the conversion price for calculation.
- The convertible bonds of Shifang Holding Limited comprises three equal tranches with different maturity dates of 30 September 2022, 30 November 2022 and 28 February 2023, respectively. For illustration purpose, we have taken 28 February 2023 as the maturity date for all convertible bonds for calculation.

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According to the above table of the Comparable Companies, the tenure of the convertible bonds ranges from half year to three years, with an average of 1.8 years. We are of the view that the tenure of each of the convertible bonds among the Comparable Companies is dependent on the financing needs of each company and investors will adjust the other terms, namely the amount of interest demanded and the convertible price premium/discount to suit the companies' tenure. Having considered the financial performance and the liquidity position of the Group, the extension of three years of the maturity under the Deed of Further Variation 2022, which is at the high end of the range for the tenure of the convertible bonds among the Comparable Companies, will help alleviate the burden on cashflow for the operations of the Group.

As set out in the above table, we note that the interest rate of the convertible bonds for the Comparable Companies ranged from nil to 10.0%, with the average being approximately 3.8%. The zero interest rate of the Outstanding Convertibles Notes represents the lower bound of the Comparable Companies and is more favourable as compared to the average interest rate of the Comparable Companies. Having considered the tenure of the Outstanding Convertible Notes (e.g. three years) is relatively long as compared with that of the Comparable Companies, the zero interest rate of the Outstanding Convertible Notes will save the Group from incurring interest expense and hence avoid further deterioration of the financial performance and the liquidity position of the Group.

In addition, we also note that the Comparable Companies offer their conversion price over the market price ranging from a discount of 19.6% to a premium of 112.8%, with the average premium being approximately 23.6%. The Conversion Price of HK\$1.00 per New Share of the Outstanding Convertible Notes, representing a premium of approximately 334.8% over the market price on the date of entering into the Deed of Further Variation 2022, is much higher than the average and maximum premium of the Comparable Companies and we are of the view that the Conversion Price is favourable to the Company.

Having considered the above analysis, we are of the view that the terms of the Outstanding Convertible Notes under the Alteration of Terms are on normal commercial terms, fair and reasonable, and in the interest of the Company and Shareholders as a whole.

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ANALYSIS AND CONCLUSION

Based on our analysis as discussed above, we noted that the Group's financial performance has declined with revenues generated from its electronic products business not being enough to cover for its operations. In addition, the Company is changing its mode of business from manufacturing and trading to trading of electronic parts and components in response to and realigning to the quick market needs from customers amid the ongoing COVID-19 pandemic. We are of the view that the Group should reserve its capital for its daily operations as well as the unforeseen circumstances in adapting to new business model rather than utilising existing resources to repay the Outstanding Convertible Notes. Therefore, the Deed of Further Variation 2022 and the Alteration of Terms provide the Group with additional flexibility and allow the Group to reserve sufficient working capital for its operations.

Based on our study of their financial position above, it is unlikely that the Group will be able to obtain financing from any financial institution, especially when the Company is in a net liabilities position. We have further verified this with the Company and have obtained correspondence between the Company and its bank seeking assistance for additional funding but have been declined. In addition, the Company has been unable to secure funds on acceptable terms as at the Latest Practicable Date after exploring possible equity fund raising activities with its financial adviser. Therefore, the options available for the Company are limited to revising the terms of the Convertible Notes or repaying them. Based on the current financial situation of the Group, it is unlikely that the Company will be able to fully repay the Outstanding Convertible Notes whilst maintaining the current level of operations in their electronic products business. Hence the only viable option would be the Alteration of Terms so that the Group can continue operating without having to repay the Outstanding Convertible Notes.

While we have looked at the dilution effect which will reduce existing Shareholders' interest in the Company by approximately 13.88% or a discount of 35.65% of the original interest, having considered the above, we are of the view that the discount is reasonable as without accepting the Alteration of Terms, the Company will have to repay the Outstanding Convertible Notes and could experience a shortage of cashflow or suffer the consequences of failing to meet its Outstanding Convertible Notes obligations. Without the Deed of Further Variation 2022 and the Alteration of Terms, it will invariably lead the Company to liquidity issues and eventually may result in the Noteholder taking control of the Company through liquidation and Shareholders are only compensated negligible amount after the obligations of the Convertible Notes have been satisfied in full. Therefore, the discount or the dilution is a much better outcome than going through a liquidation process. As such, we are of the view that the dilution effect of the lowered Conversion Price under the Alteration of Terms is fair and reasonable and in the interest of the Company and Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on our analysis of the Share price, we noted that the Share price is at a low point. While the timing to issue securities at the current Share price is not favourable to the Company, the Company has no alternative option as the Convertible Notes becomes due. Therefore, any attempt to raise similar amount of money whether from connected persons or independent third parties by issuing securities to satisfy the repayment of the Outstanding Convertible Notes invariably also leads to (i) dilution of the existing Shareholders; (ii) there may not be any interest to subscribe for the Shares in view of the financial situation of the Group without a discount to the Share price; and (iii) when a company is in the current financial situation of the Group, they would normally have so little bargaining power leading to even higher dilution. Furthermore, even if the Company was willing to raise funds at the prevailing market price or a discount, the Company is not able to conduct such equity fund raising exercise as the Company is not allowed to issue new Shares at a discount to the par value of such Shares under the laws of Bermuda. Having considered that (i) the Conversion Price of HK\$1.0 per New Share is much higher than the current market price of the New Shares by a premium of 334.8%; and (ii) the Alteration of Terms is a better alternative for the Company over the repayment of the Outstanding Convertible Notes in view of current situation of the Company, we are of the view that the Conversion Price under the Alteration of Terms is fair and reasonable and in the interest of the Company and Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Based on the above principal factors and reasons, and in view of the Deed of Further Variation 2022 and the Alteration of Terms are (i) the only viable option available for the Group to continue to operate without experiencing significant financial distress in order to meet its financial obligation; (ii) the dilution effect of the Alteration of Terms is reasonable as the Independent Shareholders still have significant interest in the Company even after full conversion of all Outstanding Convertible Notes; and (iii) the Conversion Price adopted under the Alteration of Terms is much higher prices than the current market price of the New Shares, we are of the view that the terms and conditions of the Deed of Further Variation 2022 and the Alteration of Terms, though not in the ordinary and usual course of business of the Group, are fair and reasonable, on normal commercial terms so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend and we also recommend the Independent Shareholders to vote in favour of the proposed resolution(s) at the SGM to approve the Deed of Further Variation 2022 and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Frontpage Capital Limited

Chai Yee Choong
Director

Note: Mr. Chai Yee Choong is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Frontpage Capital Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance. He has more than 10 years of experience in corporate finance.

1. 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.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at the Latest Practicable Date, none of the Directors and the chief executives of the Company had or was deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) to be entered in the register pursuant to Section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

As at the Latest Practicable Date, none of the Directors or proposed Directors are a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. COMPETING BUSINESS INTERESTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors, proposed Directors or their respective associates had any interest in a business which competes or may compete with the business of the Group.

4. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENT OF THE GROUP

As at the Latest Practicable Date, none of the Directors had any interest, either direct or indirect, in any assets which had been, since 31 December 2021 (the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed director service contracts with the Company or any member of the Group which does not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. EXPERT'S QUALIFICATIONS AND CONSENT

The following are the qualifications of the expert who has given opinions or advices which are contained in this circular:

Name	Qualifications
Frontpage Capital	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Frontpage Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and report given as of the date of this circular and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, Frontpage Capital does not have any shareholding, either direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Frontpage Capital does not have any interest, either direct or indirect, in any assets which have been, since 31 December 2021 (the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

7. MATERIAL ADVERSE CHANGE

As disclosed in the interim report of the Company for the six months ended 30 June 2022, the Group reported a loss of approximately HK\$25.4 million for the six months ended 30 June 2022, as compared with the loss of approximately HK\$23.8 million for the six months ended 30 June 2021. The increase in the loss for the six months ended 30 June 2022 was mainly due to, among others, the increase in the operating loss for the electronic products business and the increase in imputed interest expenses on convertible notes. The increase in the operating loss for the electronic products business for the six months ended 30 June 2022 was mainly due to, among others, the decrease in revenue resulting from a shrink in orders for the Group's electronic components amid growing global inflation concern and as some of the giant consumer products manufacturers temporarily halted certain procurement orders according to their swelling inventories on hand.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other material adverse change in the financial position or trading position of the Group since 31 December 2021, being the date to which the latest published audited financial statements of the Group were made up.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.irasia.com/listco/hk/ruixin>) from the date of this circular up to and including the date of the SGM:

- (a) the S&P Agreement;
- (b) the Letter of Agreement;
- (c) the Deed of Variation;
- (d) the Deed of Further Variation 2016;
- (e) the Deed of Further Variation 2018;
- (f) the Deed of Further Variation 2022;
- (g) the letter from the Board, the text of which is set out in the section headed "Letter from the Board" of this circular;

- (h) the letter from the Independent Board Committee, the text of which is set out in the section headed “Letter from the Independent Board Committee” in this circular;
- (i) the letter from the Independent Financial Adviser, the text of which is set out in the section headed “Letter from the Independent Financial Adviser” in this circular;
- (j) the written consent referred to in the section headed “6. Expert’s Qualifications and Consent” in the Appendix I to this circular; and
- (k) the proposed amendments to the Memorandum of Association and Bye-Laws, the text of which is set out in the Appendix II to this circular.

9. MISCELLANEOUS

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

Details of the proposed amendments to the Memorandum of Association and Bye-Laws are set out as follows:

This memorandum of association and bye-laws is a consolidated version not formally adopted by the shareholders of Sino-Tech International Holdings Limited at a general meeting.

In the event of inconsistency, the English texts of the consolidated memorandum of association and bye-laws shall prevail over the Chinese texts thereof.



RUIXIN INTERNATIONAL HOLDINGS LIMITED
瑞鑫國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 724)

MEMORANDUM OF ASSOCIATION

AND

BYE-LAWS

FORM NO.2

[COPY]
BERMUDA
THE COMPANIES ACT 1981
**MEMORANDUM OF ASSOCIATION OF
COMPANY LIMITED BY SHARES**
(Section 7(1) and (2))

MEMORANDUM OF ASSOCIATION
OF

Tak Fi International Limited *(Note 1)*
(hereinafter referred to as “the Company”)

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

NAME	ADDRESS	BERMUDIAN STATUS (Yes/No)	NATIONALITY	NUMBER OF SHARES SUBSCRIBED
Edwin S. Mortimer	Clarendon House 2 Church Street Hamilton, Bermuda	Yes	British	One
C.F. Alexander Cooper	“	Yes	British	One
Donald H. Malcolm	“	No	British	One

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

3. The Company is to be an exempted Company as defined by the Companies Act 1981.
4. The Company has power to hold land situated in Bermuda not exceeding in all, including the following parcels–

N/A
5. The authorised share capital of the Company is HK\$100,000,000.00^(Note 2) divided into shares of HK\$0.10^(Note 3) each. The minimum subscribed share capital of the Company is HK\$100,000.00.
6. The objects for which the Company is formed and incorporated are–
 - 1) to act and to perform all the functions of a holding company in all its branches and to co-ordinate the policy and administration of any subsidiary company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled directly or indirectly by the Company;
 - 2) to act as an investment company and for that purpose to acquire and hold upon any terms and, either in the name of the Company or that of any nominee, shares, stock, debentures, debenture stock, ownership interests, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company or partnership wherever incorporated, established, or carrying on business, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to make payments thereon as called up or in advance of calls or otherwise and to subscribe for the same, whether conditionally or absolutely, and to hold the same with a view to investment, but with the power to vary any investments, and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof, and to invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may be from time to time determined;
 - 3) as set out in paragraphs (b) to (n) and (p) to (u) inclusive of the Second Schedule to The Companies Act 1981.

7. Powers of the Company

- 1) the Company shall, pursuant to Section 42 of The Companies Act 1981, have the power to issue preference shares which are, at the option of the holder, liable to be redeemed;
- 2) the Company shall, pursuant to Section 42A of The Companies Act 1981, have the power to purchase its own shares;
- 3) the Company Shall have the power to grant pensions, annuities, or other allowances, including allowances on death, to or for the benefit of any directors, officers or employees or former directors, officers or employees of the Company or any company which at any time is or was a subsidiary or a holding company or another subsidiary of a holding company of the Company or otherwise associated with the Company or of any predecessor in business of any of them, and to the relations, connections or dependants of any such persons, and to other persons whose service or services have directly or indirectly been of benefit to the Company or whom the Company considers have any moral claim on the Company or to their relations, connections or dependants, and to establish or support or aid in the establishment or support of any associations, institutions, clubs, schools, building and housing schemes, funds and trusts, and to make payments toward insurance or other arrangements likely to benefit any such persons or otherwise advance the interests of the Company or of its Members, and to subscribe, guarantee or pay money for any purpose likely, directly or indirectly, to further the interests of the Company or of its Members or for any national, charitable, benevolent, educational, religious, social, public, general or useful object.
- 4) the Company shall not have the power set out in paragraph 8 of the First Schedule to The Companies Act 1981.

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

(Sd.) Edwin S. Mortimer

(Sd.) C. F. Alexander Cooper

(Sd.) Donald H. Malcolm

(Subscribers)

(Sd.) C. Hayward

(Sd.) C. Hayward

(Sd.) C. Hayward

(Witnesses)

SUBSCRIBED this Ninth day of October, 1997

Note:

1. *Pursuant to a written resolution passed by the sole shareholder of the Company on 15 March 2000, the Company changed its name and registered as Millennium Sense Holdings Limited. Pursuant to a special resolution passed on 20 April 2004, the Company changed its name and registered as Semtech International Holdings Limited. Pursuant to a special resolution passed on 24 October 2006, the Company changed its name and registered as Sino-Tech International Holdings Limited. Pursuant to a special resolution passed on 6 June 2016, the Company changed its name and registered as Ruixin International Holdings Limited.*
2. *Pursuant to a written resolution passed by the sole shareholder of the Company on 13 June 2000, the authorised share capital of the Company increased from HK\$100,000 to HK\$80,000,000. Pursuant to an ordinary resolution passed on 18 December 2007, the authorised share capital of the Company increased from HK\$80,000,000 to HK\$120,000,000. Pursuant to an ordinary resolution passed on 9 November 2009, the authorised share capital of the Company increased from HK\$120,000,000 to HK\$300,000,000. Pursuant to an ordinary resolution passed on 28 December 2018, the authorised share capital of the Company increased from HK\$300,000,000 to HK\$600,000,000.*
3. *Pursuant to an ordinary resolution passed on 18 December 2007, every share of HK\$0.10 each in the issued and unissued share capital of the Company subdivided into ten shares of HK\$0.01 each. Pursuant to an ordinary resolution passed on 22 May 2019, every twenty shares of HK\$0.01 each in the issued and unissued share capital of the Company consolidated into one share of HK\$0.20 each.*

THE COMPANIES ACT 1981**FIRST SCHEDULE**

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

1. (Deleted)
2. to acquire or undertake the whole or any part of the business, property and liabilities of any person carrying on any business that the company is authorised to carry on;
3. to apply for register, purchase, lease, acquire, hold, use, control, licence, sell, assign or dispose of patents, patent rights, copyrights, trade makers, formulae, licences, inventions, processes, distinctive makers and similar rights;
4. to enter into partnership or into any arrangement for sharing of profits, union of interest, co-operation, joint venture, reciprocal concession or otherwise with any person carrying on or engaged in or about to carry on engage in any business or transaction that the company is authorized to carry on or engage in or any business or transaction capable of being conducted so as to benefit the company;
5. to take or otherwise acquire and hold securities in any other body corporate having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as to benefit the company;
6. subject to section 96 to lend money to any employee or to any person having dealings with the company or with whom the company proposes to have dealings or to any other body corporate any of those shares are held by the company;
7. to apply for, secure or acquire by grant, legislative enactment, assignment, transfer, purchase or otherwise and to exercise, carry out and enjoy any charter, license, power, authority, franchise, concession, right or privilege, that any government or authority or any body corporation or other public body may be empowered to grant, and to pay for, aid in and contribute toward carrying it into effect and to assume any liabilities or obligations incidental thereto;

8. ~~to establish and support or aid in the establishment and support of associations, institutions, funds or trusts for the benefit of employees or former employees of the company or its predecessors, or the dependants or connections of such employees or former employees, and grant pensions and allowances, and make payments towards insurance or for any object similar to those set forth in this paragraph, and to subscribe or guarantee money for charitable, benevolent, educational and religious objects or for any exhibition or for any public, general or useful objects;~~
9. to promote any company for the purpose of acquiring or taking over any of the property and liabilities of the company or for any other purpose that may benefit the company;
10. to purchase, lease, take in exchange, hire or otherwise acquire any personal property and any rights or privileges that the company considers necessary or convenient for the purposes of its business;
11. to construct, maintain, alter, renovate and demolish any buildings or works necessary or convenient for its objects;
12. to take land in Bermuda by way of lease or leasing agreement for a term not exceeding twenty-one years, being land "*bona fide*" required for the purposes of the business of the company and with the consent of the Minister granted in his discretion to take land in Bermuda by way of lease or leasing agreement for a similar period in order to provide accommodation or recreational facilities for its officers and employees and when no longer necessary for any of the above purposes to terminate or transfer the lease or letting agreement;
13. except to the extent, if any, as may be otherwise expressly provided in its incorporating Act or memorandum and subject to the provisions of this Act every company shall have power to invest the moneys of the Company by way of mortgage of real or personal property of every description in Bermuda or elsewhere and to sell, exchange, vary, or dispose of such mortgage as the company shall from time to time determine;
14. to construct, improve, maintain, work, manage, carry out or control any roads, ways tramways, branches or sidings, bridges reservoirs, watercourses, wharves, factories, warehouses, electric works, shops, stores and other works and conveniences that may advance the interests of the company and contribute to, subsidise or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof;

15. to raise and assist in raising money for, and aid by way of bonus, loan, promise, endorsement, guarantee or otherwise, any person and guarantee the performance or fulfillment of any contracts or obligations of any person, and in particular guarantee the payment of the principal of and interest on the debt obligations of any such person;
16. to borrow or raise or secure the payment of money in such manner as the company may think fit;
17. to draw, make accept, endorse, discount, execute and issue bills of exchange, promissory notes, bills of lading, warrants and other negotiable or transferable instruments;
18. when properly authorised to do so, to sell, lease, exchange or otherwise dispose of the undertaking of the company or any part thereof as an entirety or substantially as an entirety for such consideration as the company thinks fit;
19. to sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with the property of the company in the ordinary course of its business;
20. to adopt such means of making known the products of the company as may seem expedient, and in particular by advertising, by purchase and exhibition of works or act or interest, by publication of books and periodicals and by granting prizes and rewards and making donations;
21. to cause the company to be registered and recognised in any foreign jurisdiction, and designate persons therein according to the laws of the foreign jurisdiction or to represent the company and to accept service for and on behalf of the company of any process or suit;
22. to allot and issue fully-paid shares of the company in payment or part payment of any property purchase or otherwise acquired by the company or for any past services performed for the company;
23. to distribute among the member of the company in cash, kind, specie or otherwise as may be resolved, by way of dividend, bonus or in any other manner considered advisable, any property of the company, but not so as to decrease the capital of the company unless the distribution is made for the purpose of enabling the company to be dissolved or the distribution, apart from this paragraph, would be otherwise lawful;
24. to establish agencies and branches;

25. to take or hold mortgages, hypothecs, liens and charges to secure payment of the purchase price, or of any unpaid balance of the purchase price, of any part of the property of the company of whatsoever kind sold by the company, or for any money due to the company from purchasers and others and to sell or otherwise dispose of any such mortgage, hypothec, lien or charge;
26. to pay all costs and expenses of or incidental to the incorporation and organisation of the company;
27. to invest and deal with the moneys of the company not immediately required for the objects of the company in such manner as may be determined;
28. to do any of the things authorised by this subsection and all things authorised by its memorandum as principals, agents, contractors, trustees, or otherwise, and either alone or in conjunction with others;
29. to do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the company.

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

THE COMPANIES ACT 1981**SECOND SCHEDULE**

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

- (a) ~~insurance and re-insurance of all kinds;~~
- (b) packaging of goods of all kinds;
- (c) buying, selling and dealing in goods of all kinds;
- (d) designing and manufacturing of goods of all kinds;
- (e) mining and quarrying and exploration for metal, minerals, fossil fuels and precious stones of all kinds and their preparation for sale or use;
- (f) exploring for, the drilling for, the moving, transporting and re-refining petroleum and hydro carbon products including oil and oil products;
- (g) scientific research including the improvement, discovery and development of processes, inventions, patents and designs and the construction, maintenance and operation of laboratories and research centres;
- (h) land, sea and air undertakings including the land, ship and air carriage of passengers, mails and goods of all kinds;
- (i) ships and aircraft owners, managers, operators, agents, builders and repairers;
- (j) acquiring, owning, selling, chartering, repairing or dealing in ships and aircraft;
- (k) travel agents, freight contractors and forwarding agents;
- (l) dock owners, wharfingers, warehousemen;
- (m) ship chandlers and dealing in rope, canvas oil and ship stores of all kinds;
- (n) all forms of engineering;

- (o) ~~developing; operating, advising or acting as technical consultants to any other enterprise or business;~~
- (p) famers, livestock breeders and keepers, graziers, butchers, tanners and processors of and dealers in all kinds of live and dead stock, wool, hides, tallow, grain, vegetables and other produce;
- (q) acquiring by purchase or otherwise and holding as an investment inventions, patents, trade marks, trade names, trade secrets, designs, and the like;
- (r) buying, selling, hiring, letting and dealing in conveyances of any sort; and
- (s) employing, providing, hiring out and acting as agent for artists, actors, entertainers of all sorts, authors, composers, producers, engineers and experts or specialists of any kind.
- (t) to acquire by purchase or otherwise hold, sell, dispose of and deal in real property situated outside Bermuda and in personal property of all kinds wheresoever situated.
- (u) to enter into any guarantee, contract of indemnity or suretyship and to assure, support or secure with or without consideration or benefit the performance of any obligations of any person or persons and to guarantee the fidelity of individuals filling or about to fill situations of trust or confidence.

BYE-LAWS

OF

RUIXIN INTERNATIONAL HOLDINGS LIMITED

**(FORMERLY KNOWN AS
SINO-TECH INTERNATIONAL HOLDINGS LIMITED
SEMTECH INTERNATIONAL HOLDINGS LIMITED
MILLENNIUM SENSE HOLDINGS LIMITED
TAK FI INTERNATIONAL LIMITED)**

(Adopted by written resolution of the sole shareholder of the Company on 13 June, 2000)

(Amended at the annual general meeting held on 10 May 2005)

(Amended at the special general meeting held on 18 December 2007)

(Amended at the special general meeting held on 7 November 2022)

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INTERPRETATION

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

<u>WORD</u>	<u>MEANING</u>
“Act”	the Companies Act 1981 of Bermuda.
<u>“announcement”</u>	<u>an official publication of a Notice or document of the Company, including a publication, subject to and to such extent permitted by the Listing Rules, by electronic communication or by advertisement published in the newspapers or in such manner or means ascribed and permitted by the Listing Rules and applicable laws.</u>
<i>(Note 1)</i> “associate(s)”	the meaning ascribed to it in the Listing rules <u>Rules of the Designated Stock Exchange</u> .
“Auditor”	the auditor of the Company for the time being and may include any individual or partnership.
“Bye-laws”	these Bye-laws in their present form or as supplemental or amended or substituted from time to time.
“Board” or “Directors”	the board of directors of the Company or the directors present at a meeting of directors of the Company at which a quorum is present.
“capital”	the share capital from time to time of the Company.
“clear days”	in relation to the period of notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
<i>(Note 1)</i> “clearing house”	a clearing house recognized by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.

“Company”	<u>Ruixin International Holdings Limited</u> Sino-Tech International Holdings Limited.
“Companies Ordinance”	<u>the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time.</u>
“competent regulatory authority”	a competent regulatory authority in the territory where the shares of the Company are listed or quoted on a stock exchange in such territory.
“debenture” and “debenture holder”	include debenture stock and debenture stockholder respectively.
“Designated Stock Exchange”	A stock exchange which is an appointed stock exchange for the purposes of the Act in respect of which the shares of the Company are listed or quoted and where such appointed stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company.
“dollars” and “\$”	dollars, the legal currency of Hong Kong.
“ <u>electronic communication</u> ”	<u>a communication sent, transmitted, conveyed and received by wire, by radio, by optical means or by other electronic magnetic means in any form through any medium.</u>
“ <u>electronic meeting</u> ”	<u>a general meeting held and conducted wholly and exclusively by virtual attendance and participation by Members and/or proxies by means of electronic facilities.</u>
“head office”	Such office of the Company as the Director may from time to time determine to be the principal office of the Company.
“ <u>hybrid meeting</u> ”	<u>a general meeting convened for the (i) physical attendance by Members and/or proxies at the Principal Meeting Place and where applicable, one or more Meeting Locations and (ii) virtual attendance and participation by Members and/or proxies by means of electronic facilities.</u>

<u>“Listing Rules”</u>	<u>the rules and regulations of the Designated Stock Exchange.</u>
<u>“Meeting Location”</u>	<u>has the meaning given to it in Bye-law 64(A)(1).</u>
“Member”	a duly registered holder from time to time of the shares in the capital of the Company.
“month”	a calendar month.
“Notice”	written notice unless other wise specifically stated and as further defined in these Bye-laws.
<u>“notice of availability”</u>	<u>has the meaning given to it in Bye-law 160(1)(f).</u>
“Office”	the registered office of the Company for the time being.
“paid up”	paid up or credited as paid up.
<u>“physical meeting”</u>	<u>a general meeting held and conducted by physical attendance and participation by Members and/or proxies at the Principal Meeting Place and/or where applicable, one or more Meeting Locations.</u>
<u>“Principal Meeting Place”</u>	<u>shall have the meaning given to it in Bye-law 59(2).</u>
“Register”	the principal register and where applicable, any branch register of Members to be kept pursuant to the provisions of the Act.
“Registration Office”	In respect of any class of share capital such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.

“Seal”	common seal or any one or more duplicate seals of the Company (including a securities seal) for use in Bermuda or in any place outside Bermuda.
“Secretary”	any person firm or corporation appointed by the Board to perform any of the duties of secretary of the Company and includes any assistant, deputy, temporary or acting secretary.
“Statutes”	the Act and every other act of the Legislature of Bermuda for the time being in force applying to or affecting the Company, its memorandum of association and/or these Bye-laws.
“year”	a calendar year.

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

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include both gender and the neuter;
- (c) words importing persons include companies, associations and bodies of persons whether corporate or not;
- (d) the words:
 - (i) “may” shall be construed as permissive;
 - (ii) “shall” or “will” shall be construed as imperative;

(Note 1)

- (e) ~~expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing 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;~~
- (e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing or reproducing words or figures in a legible and non-transitory form or, to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations, any visible substitute for writing (including an electronic communication), or modes of representing or reproducing words partly in one visible form and partly in another visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member's election comply with all applicable Statutes, rules and regulations;
- (f) references to any act, ordinance, statute or statutory provision shall be interpreted as relating to any statutory modification or re enactment thereof for the time being in force;
- (g) save as aforesaid words and expressions defined in the Statutes shall bear the same meanings in these Bye-laws if not inconsistent with the subject in the context;
- (h) a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which ~~not less than twenty one (21) clear days' Notice~~, specifying (without prejudice to the power contained in these Bye-laws to amend the same) the intention to propose the resolution as a special resolution, has been duly given. ~~Provided that, except in the case of an annual general meeting, if it is so agreed by a majority in number of the Members having the right to attend and vote at any such meeting, being a majority together holding not less than ninety five (95) per cent. in nominal value of the shares giving that right and in the case of an annual general meeting, if it is so agreed by all Members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty one (21) clear days' Notice has been given in accordance with Bye-law 59;~~
- (i) a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which ~~not less than fourteen (14) clear days' Notice~~ has been duly given in accordance with Bye-law 59;

- (Note 1)*
- (j) a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Bye-laws or the Statutes; and
- (Note 1)*
- (k) references to a document (including, but without limitation, a resolution in writing) being signed or executed include references to it being signed or executed under hand or under seal or by electronic signature or by electronic communication or by any other method and references to a notice or 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.
- (l) references to the right of a Member to speak at a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of electronic facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or the statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities;
- (m) a reference to a meeting shall mean a meeting convened and held in any manner permitted by these Bye-laws and any Member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes and these Bye-laws, and attend, participate, attending, participating, attendance and participation shall be construed accordingly;
- (n) references to a person's participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statutes or these Bye-laws to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly;
- (o) references to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise); and

- (p) where a Member is a corporation, any reference in these Bye-laws to a Member shall, where the context requires, refer to a duly authorised representative of such Member.

SHARE CAPITAL

(Note 2) 3. (1) The share capital of the Company at the date on which these Bye-laws come into effect shall be divided into shares of \$~~0.01~~0.10 each.

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

(3) Neither the Company nor any of its subsidiaries shall directly or indirectly give financial assistance to a person who is acquiring or proposing to acquire shares in the Company for the purpose of that acquisition whether before or at the same time as the acquisition takes place or afterwards PROVIDED that nothing in this Bye-law shall prohibit transactions permitted by the Act.

ALTERATION OF CAPITAL

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

- (a) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
- (b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (c) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words "non voting" shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words "restricted voting" or "limited voting";

- (d) sub divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association (subject, nevertheless, to the Act), and may by such resolution determine that, as between the holders of the shares resulting from such sub division, one or more of the shares may have any such preferred rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;
- (e) change the currency denomination of its share capital;
- (f) make provision for the issue and allotment of shares which do not carry any voting rights; and
- (g) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

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

(Note 1) 6. The Company may from time to time by special resolution, subject to any confirmation or consent required by law, reduce its authorised or issued share capital or, save for the use of share premium as expressly permitted by the Act, any share premium account or other undistributable reserve.

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

SHARE RIGHTS

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

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

VARIATION OF RIGHTS

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

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

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

SHARES

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

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

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

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

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

SHARE CERTIFICATES

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

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

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

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

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

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

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

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

LIEN

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

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

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

CALLS ON SHARES

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

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

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

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

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

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

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

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

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

FORFEITURE OF SHARES

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

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

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

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

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

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

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

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

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

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

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

REGISTER OF MEMBERS

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

- (Note 1)*
- (a) the name and address of each Member, the number and class of shares held by him and, in respect of any shares that are not fully paid, the amount paid or agreed to be considered as paid on such shares;
 - (b) the date on which each person was entered in the Register; and
 - (c) the date on which any person ceased to be a Member.

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

(Note 1)
App.3
Para 20

44. The Register and branch register of Members in Hong Kong, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by Members without charge or by any other person, upon a maximum payment of five Bermuda dollars, at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act or, if appropriate, upon a maximum payment of ten dollars at the Registration Office. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of ~~the relevant section of the Companies Ordinance and any Designated Stock Exchange~~ or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed in accordance with the terms equivalent to section 632 of the Companies Ordinance at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.

RECORD DATES

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

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

TRANSFER OF SHARES

(Note 1)

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

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

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

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

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

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

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

- (a) a fee of such maximum sum as the Designated Stock Exchange may determine to be payable or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof;
- (b) the instrument of transfer is in respect of only one class of share;
- (c) the instrument of transfer is lodged at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act or the Registration Office (as the case may be) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and
- (d) if applicable, the instrument of transfer is duly and properly stamped.

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

(Note 1) 51. The registration of transfers of shares or of any class of shares may, after notice has been given by announcement or by electronic communication or by advertisement in an appointed newspaper and, where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.

TRANSMISSION OF SHARES

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

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

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

UNTRACEABLE MEMBERS

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

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

- (a) all cheques or warrants in respect of dividends of the shares in question, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Bye-laws of the Company have remained uncashed;
- (b) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the Member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and

- (c) the Company, if so required by the rules governing the listing of shares on the Designated Stock Exchange, has given notice to, and caused advertisement in newspapers in accordance with the requirements of, the Designated Stock Exchange to be made of its intention to sell such shares in the manner required by the Designated Stock Exchange, and a period of three (3) months or such shorter period as may be allowed by the Designated Stock Exchange has elapsed since the date of such advertisement.

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

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

GENERAL MEETINGS

App.3
Para 14(1)

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

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

App.3
Para 14(5)

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

NOTICE OF GENERAL MEETINGS

App.3
Para 14(2)

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

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and

- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety five per cent. (95%) in nominal value of the issued shares giving that right.

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

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

PROCEEDINGS AT GENERAL MEETINGS

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

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

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

63. (1) The president of the Company or the chairman shall preside as chairman at every general meeting. If at any meeting the president or the chairman, as the case may be, is not present within fifteen (15) minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or by proxy and entitled to vote shall elect one of their number to be chairman of the meeting.

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

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

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

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

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

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

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

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

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

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

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

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

- (a) when a meeting is so postponed, the Company shall endeavour to post a notice of such postponement on the Company's website as soon as practicable (provided that failure to post such a notice shall not affect the automatic postponement of such meeting);
- (b) when only the form of the meeting or electronic facilities specified in the Notice are changed, the Board shall notify the Members of details of such change in such manner as the Board may determine;

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

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

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

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

VOTING

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

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

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

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

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

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

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

67. Where a resolution is voted on by a show of hands,~~Unless a poll is duly demanded and the demand is not withdrawn,~~ 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.

68. ~~If a poll is duly demanded t~~The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. There~~The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the Listing Rules~~no requirement for the chairman to disclose the voting figures on a poll.

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

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

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

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

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

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

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

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

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

(Note 1)
App.3
Para
14(3)
14(4)

(2) All Members (including a Member which is a clearing house (or its nominee(s))) shall have the right to (a) speak at a general meeting and (b) vote at a general meeting except where a Member is required by the Listing Rules to abstain from voting to approve the matter under consideration. ~~Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange Listing Rules, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.~~

77. If:

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

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

PROXIES

App.3
Para 18

78. Any Member (including a Member which is a clearing house (or its nominee(s))) entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (being a natural person) as his proxy or representative (if such shareholder is a corporation) to attend and vote instead of ~~him~~such Member. A Member which is a corporation may execute a form of proxy under the hand of a duly authorized officer. A Member who is the holder of two or more shares may appoint more than one proxy or representative to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy or representative need not be a Member. In addition, a proxy/~~or proxies~~ or a representative/representatives representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise as if it were an individual Member present in person at any general meeting.

App.3
Para 18

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

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

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

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

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

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

CORPORATIONS ACTING BY REPRESENTATIVES

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

~~(Note 1)~~
App.3
Para 19

(2) Where a Member 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 corporate representatives, who enjoy rights equivalent to the rights of other Members, to attend ~~at~~ any meeting of the Company (including but not limited to general meetings and creditors meetings) or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee) 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 the right to speak and vote individually on a show of hands or on a poll.

(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-Bye-~~law.

WRITTEN RESOLUTIONS OF MEMBERS

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

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

BOARD OF DIRECTORS

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

App.3
Para 4(2) (2) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the Members in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed by the Board shall hold office only until the ~~next following first~~ annual general meeting of the Company after his appointment and shall then be eligible for re election at that meeting.

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

~~(Note 1)~~ (4) The Members may, at any general meeting convened and held in accordance with these Bye-laws, by ordinary resolution remove a Director (including a managing director or other executive director) at any time before the expiration of his ~~period~~ term of office notwithstanding anything to the contrary in these Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the Notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director fourteen (14) days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for his removal.

App.3
Para 4(3) (5) A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (4) above may be filled by the election or appointment by the Members at the meeting at which such Director is removed to hold office until the next appointment of Directors or until their successors are elected or appointed or, in the absence of such election or appointment such general meeting may authorise the Board to fill any vacancy in the number left unfilled.

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

RETIREMENT OF DIRECTORS

~~(Note 1)~~ 87. (1) Notwithstanding any other provisions in the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three(3), the number nearest to but not less than one-third) shall retire from office by rotation.

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

~~(Note 1)~~ 88. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) business 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) business days prior to the date of such general meeting.

DISQUALIFICATION OF DIRECTORS

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

(Note 1)

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

(2) becomes of unsound mind or dies;

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

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

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

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

EXECUTIVE DIRECTORS

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

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

ALTERNATE DIRECTORS

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

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

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

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

DIRECTORS' FEES AND EXPENSES

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

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

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

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

DIRECTORS' INTERESTS

100. A Director may:

- (a) hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and, subject to the relevant provisions of the Act, upon such terms as the Board may determine. Any remuneration (whether by way of salary, commission, participation in profits or otherwise) paid to any Director in respect of any such other office or place of profit shall be in addition to any remuneration provided for by or pursuant to any other Bye-law;
- (b) act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm may be remunerated for professional services as if he were not a Director;

- (c) continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company promoted by the Company or in which the Company may be interested as a vendor, shareholder or otherwise and (unless otherwise agreed) no such Director shall be accountable for any remuneration, profits or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of or from his interests in any such other company. Subject as otherwise provided by these Bye-laws the Directors may exercise or cause to be exercised the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) or voting or providing for the payment of remuneration to the director, managing director, joint managing director, deputy managing director, executive director, manager or other officers of such other company and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.

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

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

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

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

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

- (Note 1)*
- (i) the giving of any security or indemnity either:
 - (a) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
 - ~~(i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associate(s) or obligations incurred or undertaken by him or any of his associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;~~
 - (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

- ~~(Note 1)~~
- ~~(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 associate(s) has/have 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 proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - ~~(a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his Associate(s) may benefit; or~~
 - ~~(b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his Associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his Associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and~~~~
- ~~(Note 1)~~
- ~~(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 associate(s) is/are or is/are to be interested as a participant in the underwriting or subunderwriting of the offer;~~
 - ~~(iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.~~
- ~~(Note 1)~~
- ~~(iv) — any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;~~
- ~~(Note 1)~~
- ~~(v) — any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director and any of his associate(s) are not in aggregate beneficially interested in five (5) per cent. or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associate(s) is derived); or~~

(Note 1) (vi) ~~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, his associate(s) and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.~~

(Note 1) (2) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associate(s), (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associate(s) is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.

(Note 1) (3) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.

(Note 1) (4) 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.

GENERAL POWERS OF THE DIRECTORS

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

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

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

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

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

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

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

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

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

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

BORROWING POWERS

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

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

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

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

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

PROCEEDINGS OF THE DIRECTORS

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

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

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

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

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

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

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

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

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

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

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

122. A resolution in writing signed by all the Directors except such as are temporarily unable to act through ill health or disability, and all the alternate Directors, if appropriate, whose appointors are temporarily unable to act as aforesaid shall be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held provided that such number is sufficient to constitute a quorum and that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Bye-laws and further provided that no Director is aware of or has received any objection to the resolution from any Director. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or alternate Directors and for this purpose a facsimile signature of a Director or an alternate Director shall be treated as valid.

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

MANAGERS

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

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

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

OFFICERS

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

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

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

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

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

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

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

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

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

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

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

REGISTER OF DIRECTORS AND OFFICERS

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

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

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

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

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

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

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

MINUTES

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

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

(Note 1)

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

SEAL

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

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

AUTHENTICATION OF DOCUMENTS

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

DESTRUCTION OF DOCUMENTS

136. (1) The Company shall be entitled to destroy the following documents at the following times:

- (a) any share certificate which has been cancelled at any time after the expiry of one (1) year from the date of such cancellation;
- (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two (2) years from the date such mandate variation cancellation or notification was recorded by the Company;
- (c) any instrument of transfer of shares which has been registered at any time after the expiry of seven (7) years from the date of registration;
- (d) any allotment letters after the expiry of seven (7) years from the date of issue thereof; and
- (e) copies of powers of attorney, grants of probate and letters of administration at any time after the expiry of seven (7) years after the account to which the relevant power of attorney, grant of probate or letters of administration related has been closed;

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

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

DIVIDENDS AND OTHER PAYMENTS

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

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

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

- (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Bye-law as paid up on the share; and
- (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

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

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

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

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

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

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

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

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

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

- (2) (a) The shares allotted pursuant to the provisions of paragraph (1) of this Bye-law shall rank *pari passu* in all respects with shares of the same class (if any) then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub paragraph (a) or (b) of paragraph (2) of this Bye-law in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (1) of this Bye-law shall rank for participation in such distribution, bonus or rights.
- (b) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Bye-law, with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Board may authorise any person to enter into on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.
- (3) The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (1) of this Bye-law a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

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

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

RESERVES

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

CAPITALISATION

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

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

SUBSCRIPTION RIGHTS RESERVE

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

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

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

- (ii) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par and immediately upon such exercise so much of the sum standing to the credit of the Subscription Rights Reserve as is required to pay up in full such additional nominal amount of shares shall be capitalised and applied in paying up in full such additional nominal amount of shares which shall forthwith be allotted credited as fully paid to the exercising warrant holders; and

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

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

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

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

ACCOUNTING RECORDS

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

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

(Note 1) 153. Subject to Section 88 of the Act and Bye-law 153A, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty one (21) days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the Company in general meeting in accordance with the requirements of the Act provided that this Bye-law shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.

~~(Note 1)~~ 153A. To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the ~~Listing Rules of the Designated Stock Exchange~~, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 153 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, a summary financial statement derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

~~(Note 1)~~ 153B. The requirement to send to a person referred to in Bye-law 153 the documents referred to in that provision or a summary financial report in accordance with Bye-law 153A shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the ~~Listing Rules of the Designated Stock Exchange~~, the Company publishes copies of the documents referred to in Bye-law 153 and, if applicable, a summary financial report complying with Bye-law 153A, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

AUDIT

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Para 17 154. (1) Subject to Section 88 of the Act, at the annual general meeting or at a subsequent special general meeting in each year, the Members shall by ordinary resolution appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the Members appoint another auditor. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.

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

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

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

156. The remuneration of the Auditor shall be fixed by the Company in general meeting by ordinary resolution, by other body that is independent of the Board or, unless prohibited by the Listing Rules, in such the manner as specified in the Members' resolution ~~may determine~~.

(Note 1) 157. If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors ~~shall~~ may, subject to the Listing Rules, fill the vacancy and fix the remuneration of the Auditor so appointed.

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

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

NOTICES

~~(Note 1)~~ 160. (1) Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the ~~Listing 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 electronic communication and any such Notice and document may be given or issued by the following means:

- (a) by serving served or delivered-delivering it by the Company on or to any Member either personally; ~~or~~
- (b) by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose;
- (c) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Bye-law 160(5), subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;
- (d) by transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member;
- (e) by placing an advertisement in appointed newspapers or other publication and where applicable (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange;

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

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

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

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

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

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

161. Any Notice or other document:

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

~~(Note 1)~~ (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;

~~(Note 1)~~ (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 Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof;

~~(Note 1)~~ (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.

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

(2) A 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.

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

SIGNATURES

(Note 1) 163. For the purposes of these Bye-laws, a cable or telex or facsimile or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received.

WINDING UP

164. (1) Subject to Bye-law 164(2), The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

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

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

INDEMNITY

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

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

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

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Para 16

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

INFORMATION

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

FINANCIAL YEAR

169. Unless the Board otherwise determines, the financial year of the Company shall end on 31 December each year and shall begin on 1 January each year.

Note:

Amended at the annual general meeting held on 10 May 2005.

Amended at the special general meeting held on 18 December 2007

NOTICE OF SPECIAL GENERAL MEETING



RUIXIN INTERNATIONAL HOLDINGS LIMITED

瑞鑫國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 724)

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of the shareholders (the “**Shareholders**”) of Ruixin International Holdings Limited (the “**Company**”) will be held at 18th Floor, Times Media Centre, 133 Wan Chai Road, Hong Kong on Monday, 7 November 2022 at 11:00 a.m., for the purpose of considering and, if thought fit, passing the following resolutions of the Company:

ORDINARY RESOLUTION

1. **“THAT:**
 - (a) the deed of further variation dated 11 August 2022 (the “**Deed of Further Variation 2022**”) entered into between the Company and Mr. Li Weimin (the “**Noteholder**”), in relation to the proposed alteration of certain terms and conditions of the outstanding zero coupon convertible notes (as amended by the deed of variation dated 14 November 2014, the deed of further variation dated 14 December 2016 and the deed of further variation dated 12 November 2018) in the aggregate principal amount of HK\$158,400,000 due on 31 January 2022 (the “**Convertible Notes**”) (details relating to the Deed of Further Variation 2022 are set out in the circular of the Company dated 14 October 2022 (the “**Circular**”) and a copy of the Deed of Further Variation 2022 has been produced to the SGM and marked “A” and initialed by the chairman of the SGM for the purpose of identification) be and is hereby approved, confirmed and ratified;

NOTICE OF SPECIAL GENERAL MEETING

- (b) subject to The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) consenting to the alteration to the terms and conditions of the Convertible Notes and the Stock Exchange granting approval for the listing of, and permission to deal in, the shares of the Company that may be issued pursuant to the alteration of the terms and conditions of the Convertible Notes (the “**Conversion Shares**” and each a “**Conversion Share**”), the directors of the Company (the “**Directors**”) be and are hereby granted a specific mandate (the “**Specific Mandate**”) to allot, issue and otherwise deal with the Conversion Shares which may be allotted and issued by the Company upon the exercise of the conversion right attaching to the outstanding Convertible Notes in the principal amount of HK\$158,400,000 at the conversion price of HK\$1.00 per Conversion Share in accordance with the terms and conditions of the Convertible Notes as varied by the Deed of Further Variation 2022, provided that the Specific Mandate shall be in addition to and shall not prejudice nor revoke the existing general mandate granted to the Directors by the shareholders of the Company in the annual general meeting of the Company held on Monday, 27 June 2022, and to do all such things and acts and execute all such documents in connection with the issue and allotment of the Conversion Shares; and
- (c) any one Director be and is hereby authorised to do all such further acts and things and to sign and execute all such other or further documents and to take all such steps which, in the opinion of such Director, may be necessary, appropriate, desirable or expedient to implement and/or give effect to the terms of, or the transactions contemplated by, the Deed of Further Variation 2022 and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of such Director, in the interests of the Company.”

NOTICE OF SPECIAL GENERAL MEETING

SPECIAL RESOLUTIONS

2. **“THAT:**

subject to and conditional upon (i) the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited the listing of, and permission to deal in, the New Shares (as defined below); (ii) compliance with the requirements of section 46(2) of the Companies Act 1981 of Bermuda in respect of the Capital Reduction (as defined below); and (iii) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required to effect the Capital Reorganisation (as defined below), with effect from the second business day immediately following the date on which this resolution is passed or the fulfilment of the conditions set out in the section headed “Conditions of the Capital Reorganisation” in the Circular (whichever is later):

- (a) every ten (10) existing issued and unissued ordinary shares with a par value of HK\$0.20 each (each an **“Existing Share”**) in the share capital of the Company be consolidated into one (1) consolidated share with a par value of HK\$2.00 each (each a **“Consolidated Share”**) (the **“Share Consolidation”**);
- (b) immediately following the Share Consolidation, the par value of each issued Consolidated Share be reduced from HK\$2.00 to HK\$0.10 by cancelling the paid-up capital of the Company to the extent of HK\$1.90 on each issued Consolidated Share and any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation be cancelled (the **“Capital Reduction”**);
- (c) immediately following the Capital Reduction, each authorised but unissued Consolidated Share with a par value of HK\$2.00 be subdivided into twenty (20) new shares (the **“New Share(s)”**) of the Company with a par value of HK\$0.10 each (the **“Share Subdivision”**, and together with the Share Consolidation and the Capital Reduction, the **“Capital Reorganisation”**);
- (d) all the credit arising from the Capital Reduction be transferred to the contributed surplus account of the Company for use by the board of directors of the Company (the **“Directors”**) in any manner permitted by the Companies Act 1981 of Bermuda and the bye-laws of the Company;

NOTICE OF SPECIAL GENERAL MEETING

- (e) all fractional entitlements to the New Shares resulting from the Capital Reorganisation be disregarded and will not be issued to the holders of the same but all such fractional New Shares will be aggregated and, if possible, sold and the net proceeds shall be retained for the benefit for the Company in such manner on such terms as the Directors may think fit; and
 - (f) any Director be and is hereby authorised to do all such acts and things and execute and deliver all such documents, including under common seal of the Company or otherwise as may be considered necessary, desirable or expedient to carry out or give effect to any or all of the foregoing arrangements in respect of the Capital Reorganisation and/or the matters contemplated herein.”
3. “**THAT** subject to and conditional upon the Capital Reorganisation referred to in resolution no. 2 above becoming effective:
- (a) the proposed amendments to the memorandum of association and bye-laws of the Company (the “**Memorandum of Association and Bye-Laws**”) set out in the Appendix II to the Circular are hereby approved and the amended and restated Memorandum of Association and Bye-Laws (a copy of which has been produced to the SGM and marked “**B**” and initialed by the chairman of the SGM for the purpose of identification) be and is hereby adopted as the new memorandum of association and bye-laws of the Company; and
 - (b) any Director be and is hereby authorised to do all such acts and things and execute and deliver all such documents desirable or expedient to carry out or give effect to any or all of the foregoing arrangements in respect of the amendments to the Memorandum of Association and Bye-Laws and/or the matters contemplated herein.”

By Order of the Board
Ruixin International Holdings Limited
Li Yang
Chairman

Hong Kong, 14 October 2022

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, a form of proxy together with (if required by the board of directors of the Company) the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at Registrar of the Company in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the form of proxy shall be deemed to be revoked.
3. The record date for determining the entitlement of the holders of shares of the Company to attend and vote at this meeting will be Monday, 7 November 2022. The Company's register of members will be closed from Tuesday, 1 November 2022 to Monday, 7 November 2022 (both dates inclusive). All transfer of shares of the Company accompanied by the relevant share certificates must be lodged with the Registrar of the Company in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Monday, 31 October 2022.
4. If tropical cyclone warning signal no. 8 or above, "extreme conditions" caused by super typhoons or a black rainstorm warning is in effect at any time after 7:00 a.m. on Monday, 7 November 2022, this meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. This meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend this meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.