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

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

**If you have sold or transferred** all your shares in Hong Kong ChaoShang Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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**HONG KONG CHAOSHANG GROUP LIMITED**

**香港潮商集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2322)**

**PROPOSALS IN RELATION TO**  
**(1) RE-ELECTION OF DIRECTORS;**  
**(2) GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES;**  
**(3) PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS**  
**AND ADOPTION OF THE AMENDED AND RESTATED BYE-LAWS;**  
**(4) ADOPTION OF THE NEW SHARE OPTION SCHEME;**  
**AND**  
**(5) NOTICE OF ANNUAL GENERAL MEETING**

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The Notice of Annual General Meeting of Hong Kong ChaoShang Group Limited to be held at Suite 2202, 22nd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Thursday, 28 September 2023 at 4:00 p.m. is set out on pages 118 to 124 of this circular. Whether or not you are able to attend the annual general meeting, please complete and return the enclosed form of proxy to the Company's Branch Registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the annual general meeting and voting in person should you so wish.

5 September 2023

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## DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme becomes unconditional
“Amended and Restated Bye-laws”	the amended and restated bye-laws of the Company set out in Appendix III to this circular (with the Proposed Amendments marked up against the Existing Bye-laws) proposed to be adopted by the Shareholders with effect from the passing of the relevant special resolution
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Suite 2202, 22nd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Thursday, 28 September 2023 at 4:00 p.m.
“Annual Report”	the annual report of the Company for the year ended 31 March 2023
“associate”	having the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities listed thereon
“close associate(s)”	having the meaning ascribed thereto under the Listing Rules
“Company”	Hong Kong ChaoShang Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
“core connected person(s)”	having the meaning ascribed thereto under the Listing Rules
“Director(s)”	the directors of the Company

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## DEFINITIONS

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“Eligible Participants”	<p>(a) the Employee Participant(s);</p> <p>(b) the Related Entity Participant(s); and</p> <p>(c) the Service Provider(s),</p> <p>provided that the Board may have absolute discretion to determine whether or not one falls within the above categories</p>
“Employee Participant(s)”	the director(s) and employee(s) (whether full-time or part-time) of any member of the Group (including persons who are granted Options under the New Share Option Scheme as inducement to enter into employment contracts with the Group)
“Existing Bye-Laws”	the bye-laws of the Company currently in force
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 2 September 2013
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the terms of the New Share Option Scheme
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuance Mandate”	mandate to allot, issue or deal with new Shares not exceeding 20% of the total number of issued Shares of the Company as at the date of passing the relevant resolution no. 5 set out in the notice of the AGM
“Latest Practicable Date”	31 August 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“Nomination Committee”	the nomination committee of the Company
“Offer”	an offer for the grant of an Option made in accordance with the terms of the New Share Option Scheme
“Offer Date”	the date on which an Offer is made to an Eligible Participant(s)
“Option(s)”	option(s) which may be granted under the New Share Option Scheme
“Option Period”	in respect of any particular Option, the period to be determined and notified by the Directors to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination thereof contained in the New Share Option Scheme
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised)
“PRC”	The People’s Republic of China, which for the purpose of this circular excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Proposed Amendments”	the amendments proposed to be made to the Existing By-laws as set out in Appendix III to this circular
“Related Entity Participant(s)”	directors and employees (whether full-time or part-time) of the holding companies, fellow subsidiaries or associated companies of the Company
“Repurchase Mandate”	mandate to repurchase up to a maximum of 10% of the total issued Shares of the Company as at the date of passing the relevant resolution no. 4 set out in the notice of the AGM

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## DEFINITIONS

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“Service Provider(s)”	person(s) who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, which include any independent distributor, contractor, supplier, agent, consultant, adviser or business partner to any area of business or business development of the Group, but exclude any placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and other professional services providers such as auditors or valuers who provides assurance, or are required to perform their services with impartiality and objectivity
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	share(s) of HK\$0.02 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Termination Date”	close of business of the Company on the date which falls ten (10) years after the Adoption Date
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

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## LETTER FROM THE BOARD

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### HONG KONG CHAOSHANG GROUP LIMITED

香港潮商集團有限公司

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 2322)

*Executive Directors:*

Ms. Zheng Juhua (*Chairlady*)

Mr. Chan Chi Yuen (Chief Executive Officer)

*Independent Non-executive Directors:*

Mr. Man Kwok Leung

Mr. Yu Pak Yan, Peter

Mr. Chi Chi Hung, Kenneth

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM II

Bermuda

*Head Office and Principal Place  
of Business in Hong Kong:*

Suite 2202, 22nd Floor

China Resources Building

26 Harbour Road

Wanchai, Hong Kong

5 September 2023

*To the Shareholders,*

Dear Sir or Madam,

**PROPOSALS IN RELATION TO  
(1) RE-ELECTION OF DIRECTORS;  
(2) GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES;  
(3) PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS  
AND ADOPTION OF THE AMENDED AND RESTATED BYE-LAWS;  
(4) ADOPTION OF THE NEW SHARE OPTION SCHEME;  
AND  
(5) NOTICE OF ANNUAL GENERAL MEETING**

#### INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to (i) the re-election of Directors; (ii) the granting of the Repurchase Mandate to the Directors; (iii) the granting of the Issuance Mandate to the Directors; (iv) the extension of the Issuance Mandate by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate; (v) the Proposed Amendments to the Existing Bye-laws and the adoption of the Amended and Restated Bye-laws; and (vi) the proposed adoption of the New Share Option Scheme, and to give you notice of the AGM.

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## LETTER FROM THE BOARD

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### PROPOSED RE-ELECTION OF DIRECTORS

At each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation pursuant to the Company's Bye-law 87. Any director appointed by the Board to fill a casual vacancy shall hold office only until the forthcoming AGM of the Company and shall then be eligible for re-election at that meeting pursuant to the Company's Bye-law 86. In addition, the Listing Rules provide that every Director should be subject to retirement by rotation at least once every three years.

According to the above provisions, Ms. Zheng Juhua, being an executive Director, and Mr. Yu Pak Yan, Peter, being an independent non-executive Director, will retire by rotation at the AGM.

All the retiring Directors, being eligible, offer themselves for re-election at the AGM.

Pursuant to code provision B.2.3 of the Corporate Governance Code set out in Appendix 14 of the Listing Rules, as Mr. Yu Pak Yan, Peter has served as an independent non-executive Director for more than nine years, his re-election will be subject to a separate resolution to be approved by the Shareholders.

Mr. Yu Pak Yan, Peter joined the Company since April 2011 and he has served the Board as an independent non-executive Director for more than nine years. The Nomination Committee had assessed and reviewed the written confirmation of independence of the independent non-executive Director who have offered himself for re-election at the AGM (namely, Mr. Yu Pak Yan, Peter) based on the independence criteria as set out in Rule 3.13 of the Listing Rules. Notwithstanding the length of his tenure, the Board is satisfied that he remains independent in accordance with Rule 3.13 of the Listing Rules and Mr. Yu Pak Yan, Peter has not engaged in any executive management of the Group. The Board is not aware of any circumstance that might influence the independence of Mr. Yu Pak Yan, Peter. In addition, the Nomination Committee had evaluated his performance and are of the view that he has provided valuable contributions to the Company and have demonstrated his abilities to provide independent, balanced and objective view to the Company's affairs. The Nomination Committee had discussed and considered the above factors at its meeting in arriving at the determination that Mr. Yu Pak Yan, Peter is still independent to be re-elected as an independent non-executive Director.

The Nomination Committee is also of the view that each of Ms. Zheng Juhua and Mr. Yu Pak Yan, Peter would bring to the Board their own perspective, skills and experience, as further described in their respective biographies in Appendix I to this circular. Based on the board diversity policy adopted by the Company, the Nomination Committee considers that each of Ms. Zheng Juhua and Mr. Yu Pak Yan, Peter can contribute to the diversity of the Board, in particular, with their strong and diversified educational background and professional experience in their expertise, including their in-depth knowledge in corporate finance, financial management, corporate governance, investments strategies, international experience and connections in various industries.

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## LETTER FROM THE BOARD

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Pursuant to code provision B.2.4 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, where all the independent non-executive directors of an issuer have served more than nine years on the board, the length of tenure of each existing independent non-executive director on a named basis should be disclosed. Mr. Man Kwok Leung, Mr. Yu Pak Yan, Peter and Mr. Chi Chi Hung, Kenneth have all been serving as independent non-executive Directors for more than nine years as at the Latest Practicable Date. The length of tenure of each of Mr. Man Kwok Leung, Mr. Yu Pak Yan, Peter and Mr. Chi Chi Hung, Kenneth as at the Latest Practicable Date is approximately twelve years.

Biographical details of the aforementioned retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix I to this circular.

### **GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE NEW SHARES**

Ordinary resolutions will be proposed at the AGM to approve the granting of general mandates, that is the Repurchase Mandate to repurchase up to a maximum of 10% of the total number of issued Shares of the Company as at the date of passing the relevant resolution and the Issuance Mandate to allot, issue or deal with new Shares not exceeding 20% of the total number of issued Shares of the Company as at the date of passing the relevant resolution, to the Directors and to extend the Issuance Mandate by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate.

As at the Latest Practicable Date, the total number of issued Shares of the Company was 4,120,600,000 Shares of HK\$0.02 each. Subject to the passing of the resolutions approving the Repurchase Mandate and Issuance Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed to repurchase a maximum of 412,060,000 Shares under the Repurchase Mandate and to allot, issue or deal with 824,120,000 new Shares under the Issuance Mandate.

The Repurchase Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the AGM or any earlier date as referred to in relevant resolution set out in the notice of AGM. In accordance with the Listing Rules, an explanatory statement containing the required information to enable Shareholders to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate is set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### **PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS AND THE ADOPTION OF THE AMENDED AND RESTATED BYE-LAWS**

On 1 January 2022, the Listing Rules were amended by, among others, adopting a uniform set of core shareholder protection standards (the “Core Standards”) as set out in Appendix 3 to the Listing Rules for issuers regardless of their place of incorporation. In this connection, the Board proposes that certain amendments to the Existing Bye-laws be made to (i) bring the Existing Bye-laws in conformity with the Core Standards; (ii) bring the Existing Bye-laws in line with other requirements of the Listing Rules and applicable laws of the Bermuda; and (iii) incorporate certain consequential and minor house-keeping amendments in relation to, among others, the update of definitions, the change of clause numberings and references, and the making of certain grammatical amendments, details of which are set out in Appendix III to this circular.

In view of the number of the Proposed Amendments to be made to the Existing Bye-laws, the Board proposes to put forward to the Shareholders for approval at the AGM a special resolution to amend the Existing Bye-laws by way of adoption of the Amended and Restated Bye-laws, incorporating all the Proposed Amendments, in the form to be tabled at the AGM in substitution for, and to the exclusion of, the Existing Bye-laws.

The full text of the Amended and Restated Bye-laws marked up to show the changes made to the Existing Bye-laws is set out in Appendix III to this circular.

The legal adviser to the Company as to Hong Kong law has confirmed that the Proposed Amendments conform with the requirements of the Listing Rules; and the legal adviser to the Company as to Bermuda law has confirmed that the Proposed Amendments do not violate Bermuda law. The Company confirms that there is nothing unusual about the Amended and Restated Bye-laws.

The Amended and Restated Bye-laws are prepared in the English language. The Chinese translation of the Amended and Restated Bye-laws is for reference only. In case of any discrepancy or inconsistency between the English version and its Chinese translation, the English version shall prevail.

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## LETTER FROM THE BOARD

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### ADOPTION OF THE NEW SHARE OPTION SCHEME

#### Expiration of the Existing Share Option Scheme

The Existing Share Option Scheme was adopted on 2 September 2013. Pursuant to the terms of the Existing Share Option Scheme, it shall be valid and remain effective until 1 September 2023, being 10 years after the adoption date of the Existing Share Option Scheme. As at the Latest Practicable Date, there were no outstanding share options granted under the Existing Share Option Scheme, and save for the Existing Share Option Scheme, the Company had no other existing share schemes under Chapter 17 of the Listing Rules.

The purpose of the New Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive to the Eligible Participants and to promote the success of the business of the Group. The New Share Option Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth and profitability of the Group.

Pursuant to the terms of the New Share Option Scheme, Eligible Participants include the Employee Participants, the Related Entity Participants and the Service Providers.

In determining the basis of eligibility of each Eligible Participant, the Board would take into account of (i) the experience of the Eligible Participant on the Group's business; (ii) the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant); (iii) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider); and (iv) the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

In respect of the eligibility of Employee Participants, the Board will consider, amongst others, (i) the individual performance; (ii) time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (iii) the length of engagement with the Group; and (iv) the individual contribution or potential contribution to the development and growth of the Group.

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## LETTER FROM THE BOARD

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In respect of the eligibility of the Related Entity Participants, the Board will take into account (i) the positive impact brought by, or expected to be brought by, the Related Entity Participant on the Group's businesses in terms of, amongst other things, an increase in revenue or profits and/or an addition of expertise to the Group; (ii) the length of collaborative relationship with the Group; (iii) the degree of involvement in and/or collaboration with the Group; (iv) the amount of support, assistance, guidance, advice, efforts and/or contributions the Related Entity Participant has given or is likely to give towards the success of the Group; and (v) the materiality and nature of the business relations of the holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core businesses of the Group through a collaborative relationship.

In respect of the eligibility of Service Providers, the Board will, on a case by case basis, take into account the following factors, including but not limited to (i) the individual performance of relevant Service Providers; (ii) the length of business relationship with the Group; (iii) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (iv) the background, reputation and track record of the relevant Service Providers; (v) the scale of business dealings with the Group, in particular, whether such Service Providers could bring positive impacts to the Group's business with regard to factors such as the actual or expected increase in the Group's revenue or profits or reduction in costs which is or may be attributable to the Service Provider; and (vi) the Group's future business plans in relation to further collaboration with such Service Providers and the long term support that the Group may receive accordingly.

Set out below are the detailed description of each type of Service Providers and the specific criteria for determining the eligibility of each type of Service Providers under the New Share Option Scheme.

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## LETTER FROM THE BOARD

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<b>Type(s) of Service Providers</b>	<b>Contributions of the Service Providers</b>	<b>Criteria for determining eligibility under the New Share Option Scheme</b>
<b>Supplier</b>	Service Providers under this category are mainly (i) suppliers of food and electronic products and related shipping and logistics services, who/which support the Group's businesses of trading of food and electronic products in the PRC; and (ii) suppliers of other product(s) and/or service(s), who/which may support such other business(es) that may be carried out by the Group from time to time.	<p>The Board will, on a case by case basis, take into account the following factors when determining the eligibility of such supplier, including but not limited to:</p> <ol style="list-style-type: none"><li>(1) the nature, reliability and quality of the products and/or services supplied and/or provided by the relevant supplier;</li><li>(2) the value of products and/or services supplied and/or provided by the relevant supplier;</li></ol>

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## LETTER FROM THE BOARD

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Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the New Share Option Scheme
		<ul style="list-style-type: none"><li data-bbox="847 363 1370 470">(3) the frequency of collaboration and length of business relationship with the Group;</li><li data-bbox="847 523 1370 751">(4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties);</li><li data-bbox="847 804 1370 868">(5) the background, reputation and track record of the relevant supplier;</li><li data-bbox="847 921 1370 1112">(6) the replacement cost of such supplier and/or the goods or services (including continuity and stability of supply or provision of such goods or services); and</li><li data-bbox="847 1166 1370 1553">(7) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such supplier could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by goods and/or services supplied and/or provided by such supplier.</li></ul>

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## LETTER FROM THE BOARD

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Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the New Share Option Scheme
<b>Distributor</b>	<p>Service Providers under this category are mainly (i) distributors of food and electronic products, who/ which support the Group's business of trading of food and electronic products in the PRC; and (ii) distributors of other product(s), who/ which may support such other business(es) that may be carried out by the Group from time to time.</p>	<p>The Board will, on a case by case basis, take into account the following factors when determining the eligibility of such distributor, including but not limited to:</p> <ol style="list-style-type: none"> <li data-bbox="847 527 1370 619">(1) the monthly average number of products distributed by the relevant distributor;</li> <li data-bbox="847 661 1370 719">(2) the value of the products distributed by the relevant distributor;</li> <li data-bbox="847 761 1370 819">(3) the distribution network of the relevant distributor;</li> <li data-bbox="847 861 1370 953">(4) the frequency of collaboration and length of business relationship with the Group;</li> <li data-bbox="847 995 1370 1193">(5) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties);</li> <li data-bbox="847 1236 1370 1293">(6) the background, reputation and track record of the relevant distributor;</li> <li data-bbox="847 1336 1370 1464">(7) the replacement cost of such distributor and/or the products (including continuity and stability of distribution of such products); and</li> <li data-bbox="847 1506 1370 1836">(8) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such distributor could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the sales of products attributable to the distribution of products by the relevant distributor.</li> </ol>

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## LETTER FROM THE BOARD

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Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the New Share Option Scheme
<b>Business partner, contractor, agent, consultant and adviser</b>	<p>Service Providers under this category are mainly business partners, independent contractors, agents, consultants and advisers who provide advisory services, consultancy services, and/or other professional services to the Group on areas relating to the Group's principal business activities in (i) the trading of food and electronic products in the PRC; (ii) the provision of money lending and loan factoring services; (iii) the provision of leasing and sale-and-leaseback services; (iv) the provision of securities dealing broking, placing, underwriting, margin financing and asset management services in Hong Kong; and/or (v) other principal business activity(ies) that may be carried out by the Group from time to time, or on areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields.</p>	<p>The Board will, on a case by case basis, take into account the following factors when determining the eligibility of such business partner, contractor, agent, consultant and/or adviser, including but not limited to:</p> <ol style="list-style-type: none"> <li data-bbox="847 604 1370 710">(1) individual performance of the relevant business partner, contractor, agent, consultant and/or adviser;</li> <li data-bbox="847 763 1370 832">(2) their knowledge, experience and network in the relevant industry;</li> <li data-bbox="847 885 1370 991">(3) the frequency of collaboration and length of business relationship with the Group;</li> <li data-bbox="847 1044 1370 1272">(4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties);</li> <li data-bbox="847 1325 1370 1474">(5) the background, reputation and track record of the relevant business partner, contractor, agent, consultant and/or adviser;</li> </ol>

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## LETTER FROM THE BOARD

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Type(s) of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the New Share Option Scheme
		<p>(6) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such business partner, contractor, agent, consultant and/or adviser could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by services provided by such business partner, contractor, agent, consultant and/or adviser;</p> <p>(7) the replacement cost of such business partner, contractor, agent, consultant and/or adviser (including continuity and stability of provision of the necessary services); and</p> <p>(8) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant business partner, contractor, agent, consultant and/or adviser, and/or the synergy between the relevant business partner, contractor, agent, consultant and/or adviser and the Group.</p>

In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration (i) the length and type of services provided and the recurrences and regularity of such services; (ii) the nature of the services provided to the Group by the Service Provider; and (iii) whether such services form part of or are directly ancillary to the businesses conducted by the Group.

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## LETTER FROM THE BOARD

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Whilst the scope of the Eligible Participants does not limit to the employees and directors of the Group, the Company considers that there may be circumstances in which certain non-employees, including the Related Entity Participants and the Service Providers would make contribution to the Group. As the purpose of the New Share Option Scheme is to recognise contributions made and to be made to the growth and development of the Group, the Company is of the view that such a wide scope of Eligible Participants will provide the Board with flexibility in providing incentives and/or rewards to those Eligible Participants who have/will contribute(d) to the Group. The Board and each of the independent non-executive Directors believe that the grant of Options to Related Entity Participants and Service Providers would (i) strengthen their loyalty to the Group; (ii) provide incentives for a higher degree of participation and involvement in promoting the businesses of the Group; (iii) maintain a stable and long-term collaborative relationship with the Group; and (iv) enable the Group to preserve its cash resources, and instead, use share incentives to attract persons of talent outside of the Group, whilst also aligning their interests with that of the Group and Shareholders through them owning a proprietary interest in the Company and becoming future Shareholders.

As at the Latest Practicable Date, the Group is principally engaged in (i) the trading of food and electronic products in the PRC; (ii) the provision of money lending and loan factoring services; (iii) the provision of leasing and sale-and-leaseback services; (iv) the provision of securities dealing broking, placing, underwriting, margin financing and asset management services in Hong Kong. The success of the Group hinges upon, among others, the timely, steady and high quality stock supply by the suppliers, the efforts of the distributors and/or agents to promote the products and/or services of the Group, the insightful advice from the consultants and the contributions from other types of service providers. Further, directors or employees of the Company's holding companies, fellow subsidiaries and associated companies may contribute in expanding the Group's business connections which allow the Group to capture new business opportunities. Considering the features of the Company's business model and the business needs as set out above, the Board (including each of the independent non-executive Directors) is of the view that the proposed categories of the Related Entity Participants and Service Providers are in line with the Company's business needs and the industry norm and the criteria for the selection of the Eligible Participants align with the purpose of the New Share Option Scheme.

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## LETTER FROM THE BOARD

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Despite the Company has not granted any options or awards to Related Entity Participant and/or Service Provider under any share schemes of the Company, having taken into account the fact that (i) the proposed categories of Related Entity Participants and Service Providers are in line with the Group's business needs and industry norm; (ii) certain Service Providers, in particular, the business partners, independent contractors, agents, consultants and/or advisers, which provide services akin to employees of the Group, may not be able to serve as full-time or part-time employees of the Group; (iii) certain Related Entity Participants with the extensive business connections, expertise in the industries and close collaborative relationship with the Group, who may not be directly appointed or employed by members of the Group, are nonetheless potential valuable human resources to the Group; (iv) recognising the contribution of Related Entity Participants and Service Providers may enhance their performance and further contribution to the Group; and (v) the invaluable contributions from Related Entity Participants and Service Providers are essential to the sustainable and successful development of the Group, the Board (including each of the independent non-executive Directors) is of the view that the inclusion of Related Entity Participants and Service Providers as Eligible Participants is fair and reasonable and aligns with the purpose of the New Share Option Scheme and the long term interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company has no concrete plan to grant Options under the New Share Option Scheme.

The Company has sought legal advices in respect of the New Share Option Scheme and understands that whilst the New Share Option Scheme is not restricted to executives and employees of the Group, prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) is not applicable.

Based on the above, the Board considers that the adoption of the New Share Option Scheme is in the interests of the Company and the Shareholders as a whole, and would enable the purpose of the New Share Option Scheme to be achieved.

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## LETTER FROM THE BOARD

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### Conditions Precedent of the New Share Option Scheme

The adoption of the New Share Option Scheme is conditional upon:

- (a) the Listing Committee granting the approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company upon the exercise of the Options that may be granted under the New Share Option Scheme; and
- (b) the passing of an ordinary resolution at the AGM approving the adoption of the New Share Option Scheme and authorising the Directors to grant Options to Eligible Participants and to allot and issue Shares pursuant to the exercise of any Option granted under the New Share Option Scheme.

Under the New Share Option Scheme, the Board may at its discretion specify any condition in the offer letter of the grant of the relevant Option which must be satisfied before an Option may be exercised. Save as determined by the Board and provided in the offer letter of the grant of the relevant Option, the New Share Option Scheme does not stipulate any performance target a Grantee is required to achieve before an Option can be exercised under the terms of the New Share Option Scheme nor any clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participants. The Board believes that this will provide the Board with more flexibility in setting out the terms and conditions of the Options under particular circumstances of each grant and facilitate the Board to offer meaningful incentive to attract and retain quality personnel that are valuable to the development of the Group.

### Maximum number of Shares subject to the New Share Option Scheme

The total number of Shares which may be issued in respect of all Options which may be granted under the New Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of Shares as equals to 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme (the "Scheme Mandate Limit"). Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (as defined below).

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the number of issued Shares was 4,120,600,000 Shares. Assuming that there is no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company would be 412,060,000 Shares, representing 10% of the issued share capital of the Company on the date of approval of the New Share Option Scheme.

The sublimit on the total number of Shares which may be issued in respect of all Options to be granted to Service Providers (the “Service Provider Sublimit”) under the New Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company will be 41,206,000 Shares, representing 1% of the total number of Shares in issue on the date of approval of the New Share Option Scheme.

The basis for determining the Service Provider Sublimit includes the potential dilution effect arising from grants to Service Providers, the importance of striking a balance between achieving the purpose of the New Share Option Scheme and protecting Shareholders from the dilution effect from granting the Options to the Service Providers, the actual or expected increase in the Group’s revenue or profits which is attributable to Service Providers and the extent of contributions of Service Provider to the Group’s businesses. Considering the fact that (i) the individual limit under Rule 17.03D(1) of the Listing Rules is also 1%; (ii) the sublimit of 1% would not lead to excessive dilution of existing Shareholders’ shareholdings; (iii) there is no other share schemes of the Company involving grant of options or awards over new Shares; (iv) due to the hiring practice and organisational structures of the Group, certain Service Providers, in particular, the independent contractors, agents, consultants and/or advisers, which provide services akin to employees of the Group, may not be able to serve as full-time or part-time employees of the Group; and (v) the Service Providers have contributed to the long-term growth of the Group’s businesses, and that the New Share Option Scheme could incentivise Service Providers who/which supply reliable and high-quality products and/or services to the Group on a long-term basis, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable.

The Service Provider Sublimit is subject to separate approval by the Shareholders at the AGM.

None of the Directors is and will be the trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustee.

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## LETTER FROM THE BOARD

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To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had any material interest in the adoption of the New Share Option Scheme. Accordingly, no Shareholder is required to abstain from voting on the resolutions approving the adoption of the New Share Option Scheme and the Service Provider Sublimit at the AGM.

The Company will, where applicable, comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the New Share Option Scheme.

### **Explanation of the terms of the New Share Option Scheme**

A summary of the principal terms of the New Share Option Scheme is set out in the Appendix IV to this circular. This serves as a summary of the terms of the New Share Option Scheme but does not constitute the full terms of the same.

The exercise price of the Options granted under the New Share Option Scheme shall be a price solely determined by the Board subject to a minimum amount set out in the rules of the New Share Option Scheme, and the Board may specify in the offer letter at the grant of the relevant Option the performance targets that need to be achieved by an Eligible Participant and/or the clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participants. The vesting period of Options granted under the New Share Option Scheme shall be determined by the Board subject to a minimum period set out in the rules of the New Share Option Scheme.

Save for the circumstances prescribed in paragraph 5 of Appendix IV to this circular, the vesting period for Options granted under the New Share Option Scheme shall not be less than twelve (12) months. To ensure the practicability in fully attaining the purpose of this New Share Option Scheme, the Board and the remuneration committee of the Company are of the view that (i) there are certain instances where a strict twelve (12)-month vesting requirement would not work or would not be fair to the Options holder(s), such as those set out in paragraphs 5(a) to (c) of Appendix IV to this circular; (ii) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

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## LETTER FROM THE BOARD

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As such, the Board and the remuneration committee of the Company are of the view that the shorter vesting period prescribed in paragraph 5 of Appendix IV to this circular is appropriate and aligns with the purpose of the New Share Option Scheme.

The Board (including each of the independent non-executive Directors) believes that subject to Listing Rules and the rules of the New Share Option Scheme, by giving the Board the sole discretion to offer Options in such flexible terms, in particular, determining the eligibility of the Eligible Participants, determining the exercise price, prescribing a vesting period before Options can be exercised, requiring the Eligible Participant to achieve any performance targets as may be stipulated in the offer letter at the grant of the relevant Option before his or her Options can be exercised and/or setting any clawback mechanism for the Company to recover or withhold any Option granted to any Eligible Participant, the Group will be in a better position to attract and retain such Eligible Participants to continue serving the Group whilst at the same time providing them with further incentive in achieving the goals of the Group, and thereby, to achieve the purpose of the New Share Option Scheme. The Company will make relevant disclosure by way of announcement(s) to comply with Rules 17.06B of the Listing Rules when granting the Options to the Eligible Participants in the future.

### **Document on display**

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

### **Application for listing**

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

### **AGM**

The AGM will be held at Suite 2202, 22nd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Thursday, 28 September 2023 at 4:00 p.m. The notice of the AGM is set out on pages 118 to 124 of this circular.

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## LETTER FROM THE BOARD

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From Monday, 25 September 2023 to Thursday, 28 September 2023, both days inclusive, the register of members of the Company will be closed for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. In order to be eligible for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office 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 Friday, 22 September 2023.

A form of proxy for use at the AGM is enclosed with this circular. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's Branch Registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the meeting. Completion and delivery of the form of proxy will not prevent you from attending and voting at the AGM.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest that is required to abstain from voting on any of the resolutions to be proposed at the AGM.

### **VOTING BY POLL AT THE AGM**

Pursuant to Rules 13.39(4) and (5) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll (except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands), and an announcement on the poll results of the general meeting must be made by the Company after the general meeting as soon as possible. Accordingly, all resolutions to be proposed at the AGM as set out in the notice of the AGM will be voted by poll and an announcement on the poll results of the AGM will be made by the Company as soon as possible after conclusion of the AGM.

### **RECOMMENDATION**

The Board is pleased to recommend all of the retiring Directors to stand for re-election by Shareholders as Directors. The Directors also consider that the proposed resolutions set out in the notice of AGM, including the Repurchase Mandate and the granting and the extension of the Issuance Mandate are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of all the resolutions as set out in the notice of the AGM.

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## LETTER FROM THE BOARD

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### GENERAL INFORMATION

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

### 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.

Yours faithfully,  
For and on behalf of the Board  
**Hong Kong ChaoShang Group Limited**  
**Ms. Zheng Juhua**  
*Chairlady*

*Details of the Directors who will retire and be proposed to be re-elected at the AGM are provided below.*

**Ms. Zheng Juhua**, aged 51, is an executive Director and the Chairlady of the Board. Ms. Zheng has been a member of the Board since April 2011. Ms. Zheng conducts a property rental and investment business in Shenzhen, the People's Republic of China. She has over twenty years of experience in securities investment in Hong Kong. She is the sole beneficial owner of Superb Smart Limited, a substantial shareholder of the Company which holds approximately 20.26% of the issued share capital. She has not held any directorships in the last three years in any other public company the securities of which are listed on the securities market in Hong Kong or overseas.

Save as disclosed above and Ms. Zheng is currently the director of certain subsidiaries of the Group, Ms. Zheng does not (i) hold any other position in the Group; (ii) hold any other directorship in listed public companies in Hong Kong or overseas in the three years prior to the Latest Practicable Date; (iii) have other major appointments and professional qualifications; and (iv) have any relationship with other directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms. Zheng holds 834,767,140 Shares (representing approximately 20.26% of the total number of issued Shares of the Company) of the Company through 834,767,140 Shares held by Superb Smart Limited, a corporation controlled by her. Save as aforesaid, Ms. Zheng does not have, and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance). Ms. Zheng is appointed for a term of three years, which will continue thereafter until terminated by either party giving not less than one month's prior notice. Her director's remuneration amounts to HK\$178,500 per month, subject to review by the Board from time to time with reference to prevailing market rates for the nature of services rendered.

Save as disclosed above, there is no other information in relation to Ms. Zheng that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matters regarding the re-election of Ms. Zheng that needs to be brought to the attention of the Shareholders.

**Mr. Yu Pak Yan, Peter**, aged 72, is an independent non-executive Director and the chairman of the Remuneration Committee of the Company. Mr. Yu has been a member of Board since April 2011. Mr. Yu has a bachelor degree in Management from Youngstown State University in Ohio, the United States and a master of science degree in Financial Services from American College in Pennsylvania, the United States. Mr. Yu is a member of the Certified Commercial Investment Member Institute and was the first Chinese-American elected to the board of the San Francisco Association of Realtors. Mr. Yu worked in Pacific Union Real Estate Company in the United States between 1980 and 1995 and held senior positions in MetLife and New York Life Insurance Company in managing Asian customers in North America. Mr. Yu is not related to any Directors, senior management or substantial or controlling shareholders the Company.

As at the Latest Practicable Date, Mr. Yu does not have, and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance). Mr. Yu is appointed for a term of three years, which will continue thereafter until terminated by either party giving not less than one month's prior notice. His director's remuneration amounts to HK\$12,500 per month, subject to review by the Board from time to time with reference to prevailing market rates for the nature of services rendered.

Mr. Yu, who has served the Board for more than nine years, confirmed that he has satisfied all factors set out in Rule 3.13 of the Listing Rule in assessing his independence. Save as disclosed above, Mr. Yu does not (i) hold any other position in the Group; (ii) hold any other directorship in listed public companies in Hong Kong or overseas in the three years prior to the Latest Practicable Date; (iii) have other major appointments and professional qualifications; and (iv) have any relationship with other directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other information in relation to Mr. Yu that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matters regarding the re-election of Mr. Yu that needs to be brought to the attention of the Shareholders.

*The following in an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution to be proposed at the AGM in relation to the granting of the Repurchase Mandate.*

**STOCK EXCHANGE RULES FOR REPURCHASES OF SHARES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed repurchases of shares by a company with a primary listing on the Stock Exchange must be approved by shareholders in advance by an ordinary resolution in a general meeting, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up.

**SHARE CAPITAL AND EXERCISE OF THE REPURCHASE MANDATE**

Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the total number of issued Shares of the Company as at the date of the passing of the relevant resolution granting the Repurchase Mandate. The Company's authority is restricted to purchase in accordance with the Listing Rules. As at the Latest Practicable Date, there were in issue an aggregate of 4,120,600,000 Shares. Exercise in full of the Repurchase Mandate, on the basis that no further Shares would be issued or repurchased prior to the date of the AGM, would accordingly result in up to 412,060,000 Shares being repurchased by the Company. The Shares repurchased by the Company shall, subject to applicable law, be automatically cancelled upon such repurchase.

**REASONS FOR REPURCHASE**

Although the Directors have no present intention of repurchasing any shares, they believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and its shareholders. At any time in the future when shares are trading at a discount to their underlying value, the ability of the Company to repurchase shares will be beneficial to those shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of shares repurchased by the Company.

**FUNDING OF REPURCHASES**

In repurchasing shares, the Company may only apply funds legally available for such purpose in accordance with its Bye-Laws, the Listing Rules and the applicable laws and regulations of Bermuda and Hong Kong.

Bermuda law provides that the purchase of shares may only be effected out of the capital paid up on the shares to be repurchased, out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares of the Company made for the purpose of the repurchase. Any premium payable over the par value of the shares of the Company to be repurchased must be provided for out of the funds of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium account before the shares are repurchased.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the Annual Report) in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company. The number of shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

**DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases under the Repurchase Mandate in accordance with the Listing Rules, the Bye-Laws and laws of Bermuda.

**EFFECT OF THE TAKEOVERS CODE**

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons were directly or indirectly interested in 5% or more of the total number of issued Shares of the Company. Their respective interest as at the Latest Practicable Date is shown under the column “Before repurchase” while their respective interest in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the ordinary resolutions in relation to the Repurchase Mandate to be proposed at the AGM (and assuming that the issued share capital of the Company remains unchanged up to the date of the AGM) is shown under the column “After repurchase”.

	<b>Before repurchase</b>	<b>After repurchase</b>
Superb Smart Limited ( <i>Note (i)</i> )	20.26%	22.51%
Ms. Zheng Juhua ( <i>Notes (i)</i> )	20.26%	22.51%
Dragon Mind Holdings Limited ( <i>Note (ii)</i> )	8.28%	9.20%
Managecorp Limited ( <i>Note (ii)</i> )	8.28%	9.20%
Mr. Zhang Lirui ( <i>Note (ii)</i> )	8.28%	9.20%
Mr. Lau Hoi Kit ( <i>Note (iii)</i> )	6.03%	6.69%

*Notes:*

- (i) 834,767,140 shares were held by Superb Smart Limited, a company wholly and beneficially owned by Ms. Zheng Juhua, the executive Director and Chairlady of the Board. Accordingly, Ms. Zheng Juhua is deemed to be interested in the relevant shares under the SFO.
- (ii) 341,132,000 shares were held by Dragon Mind Holdings Limited which is wholly-owned by a discretionary trust of which Mr. Zhang Lirui (“Mr. Zhang”) is the settlor and Managecorp Limited (the “Managecorp”) is the trustee, and accordingly, Mr. Zhang and Managecorp are deemed to be interested in the relevant shares under the SFO.
- (iii) 199,680,000 shares were beneficially owned by Mr. Lau Hoi Kit and the remaining 48,600,000 shares were held by Costrade Group Limited, a company wholly and beneficially owned by Mr. Lau Hoi Kit. Accordingly, Mr. Lau Hoi Kit is deemed to be interested in all of the above mentioned relevant shares under the SFO. Mr. Lau Hoi Kit is a son of Ms. Zheng Juhua, an executive Director and the Chairlady of the Board.

As at the Latest Practicable Date, Ms. Zheng Juhua, an executive Director and the Chairlady of the Board was interested in 834,767,140 Shares, representing approximately 20.26% in the total number of issued Shares of Company through her controlled corporations. On the basis that no Shares are allotted and issued or repurchased prior to the date of AGM, in the event that the Directors exercised in full the power to repurchase Shares under the Repurchase Mandate, the interest of Ms. Zheng Juhua would increase to approximately 22.51%. The Directors are not aware of any such consequences which would arise under the Takeovers Code as a result of any exercise of the Repurchase Mandate. In the event that any exercise of the Repurchase Mandate would, to the knowledge of the Directors, have such a consequence, the Directors have no present intention to exercise the Repurchase Mandate to such an extent as would trigger a mandatory offer obligation for any shareholder or group of shareholders.

The Directors have no present intention to exercise the Repurchase Mandate to such an extent as would result in the amount of Shares held by the public being reduced to less than 25% of the total issued shares of the Company.

#### **DISCLOSURE OF INTEREST**

None of the Directors, and to the best of their knowledge having made all reasonable enquiries, nor any close associates of the Directors, have any present intention to sell Shares to the Company under the Repurchase Mandate in the event that the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, the Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares or that they have undertaken not to sell any Shares held by them to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

#### **SHARES REPURCHASES MADE BY THE COMPANY**

No repurchase of Shares have been made by the Company, whether on the Stock Exchange or otherwise, in the six months immediately preceding the Latest Practicable Date.

**MARKET PRICES OF SHARES**

The highest and lowest market prices for Shares recorded on the Stock Exchange during each of the previous twelve months were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2022</b>		
August	0.92	0.82
September	0.94	0.80
October	1.02	0.79
November	1.04	0.76
December	0.84	0.75
<b>2023</b>		
January	0.81	0.74
February	0.82	0.63
March	0.81	0.67
April	0.80	0.68
May	0.82	0.69
June	0.86	0.66
July	0.88	0.50
August (up to the Latest Practicable Date)	0.88	0.74

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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*The following are the Proposed Amendments. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the Amended and Restated Bye-laws. If the serial numbering of the clauses of the Existing Bye-laws is changed due to the addition, deletion or re-arrangement of certain clauses made in these amendments, the serial numbering of the clauses of the Amended and Restated Bye-laws as so amended shall be changed accordingly, including cross references.*

*Note: The Amended and Restated Bye-laws is prepared in English with no official Chinese version. Chinese translation is for reference only. In the event of any inconsistency, the English version shall prevail.*

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**APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS**

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AMENDED AND RESTATED  
BYE-LAWS

OF

HONG KONG CHAOSHANG GROUP LIMITED 香港潮商集團有限公司

NOBLE CENTURY INVESTMENT HOLDINGS LIMITED

(formerly known as “Sam Woo Holdings Limited”)

(Adopted by way of special resolution passed at an annual general meeting held on 28 September 2023  
pursuant to written resolutions passed by the sole shareholder on 25 March, 2003)

(Amended at the annual general meeting held on 25 August, 2004)

(Amended at the special general meeting held on 4 March, 2014)

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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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.
“Associate”	<del>the meaning attributed to it in the rules of the Designated Stock Exchange.</del>
“Auditor”	the auditor of the Company for the time being and may include any individual or partnership.
“Bye-laws”	these Bye-laws in their present form or as supplemented or amended or substituted from time to time.
“Board” or “Directors”	the board of directors of the Company or the directors present at a meeting of directors of the Company at which a quorum is present.
“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.
“clearing house”	a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction, <u>including the Hong Kong Securities Clearing Company Limited.</u>
<u>“close associate”</u>	<u>in relation to any Director, shall have the same meaning as defined in the <del>rules of the Designated Stock Exchange</del> (“Listing Rules”) as modified from time to time, except that for purposes of Bye-law 103 where the transaction or arrangement to be approved by the Board is a connected transaction referred to in the Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules.</u>

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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<u>WORD</u>	<u>MEANING</u>
“Company”	<u>Hong Kong ChaoShang Group Limited 香港潮商集團有限公司</u> <u>Sam Woo Holdings Limited.</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.
“head office”	such office of the Company as the Directors may from time to time determine to be the principal office of the Company.
<u>“Listing Rules”</u>	<u>the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.</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 otherwise specifically stated and as further defined in these Bye-laws.
“Office”	the registered office of the Company for the time being.
“paid up”	paid up or credited as paid up.
“Register”	the principal register and where applicable, any branch register of Members to be kept pursuant to the provisions of the Act.

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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<u>WORD</u>	<u>MEANING</u>
“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.
<u>“substantial shareholder”</u>	<u>a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the Listing Rules from time to time) of the voting power at any general meeting of the Company.</u>
“year”	a calendar year.

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include both gender and the neuter;
- (c) words importing persons include companies, associations and bodies of persons whether corporate or not;
- (d) the words:
  - (i) “may” shall be construed as permissive;
  - (ii) “shall” or “will” shall be construed as imperative;
- (e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing words or figures in a visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;
- (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 Notice has been duly given in accordance with Bye-law 59 ~~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;~~

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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- (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 Notice has been duly given in accordance with Bye-law 59 ~~not less than fourteen (14) clear days' Notice has been duly given;~~
- (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;
- ~~(j)~~(k) a resolution shall be an extraordinary resolution when it has been passed by a majority of not less than two-thirds of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Bye-law 59;
- ~~(k)~~(l) references to a document being executed include references to it being executed under hand or under seal or by electronic signature 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.

### SHARE CAPITAL

3. (1) The share capital of the Company at the date on which these Bye-laws come into effect shall be divided into shares of \$0.020 ~~10~~ each.

(2) Subject to the Act, the Company's memorandum of association and, where applicable, ~~the rules of any Designated Stock Exchange Listing Rules and/or the rules and regulations of 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) Subject to compliance with the Listing Rules ~~regulations of the Designated Stock Exchange and the rules and regulations of any other competent regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company~~ ~~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.~~

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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### 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.

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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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.

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 ~~in any manner permitted by law~~.

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.~~

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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### VARIATION OF RIGHTS

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

- (a) the necessary quorum (~~including other than~~ at an adjourned meeting) shall be two (2) persons (or in the case of a Member being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class ~~and at any adjourned meeting of such holders, two holders present in person (or in the case of a Member being a corporation, its duly authorised representative) or by proxy (whatever the number of shares held by them) shall be a quorum; and~~
- (b) every holder of shares of the class shall be entitled ~~on a poll~~ to one (1) vote for every such share held by him; ~~and~~
- ~~(a) any holder of shares of the class present in person or by proxy may demand a poll.~~

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

### SHARES

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

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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

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

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

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

### SHARE CERTIFICATES

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

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

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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(2) Where a share stands in the names of two (2) 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.

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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### 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.

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### **APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS**

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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.

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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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.

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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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.

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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### REGISTER OF MEMBERS

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

- (a) the name and address of each Member, the number and class of shares held by him and, in respect of any shares that are not fully paid, 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.

44. The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon during business hours by members of the public~~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 any Designated Stock Exchange or by any means (electronic or otherwise) in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.

### RECORD DATES

45. Subject to the Listing Rules of any Designated Stock Exchange, ~~n~~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;~~

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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- (b) determining the Members entitled to receive notice of and to vote at any general meeting of the Company.

### TRANSFER OF SHARES

46. Subject to these Bye-laws, any Member may transfer all or any of his shares by 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.

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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(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.

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

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### 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 (2) 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.

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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

For the purpose of the foregoing, the “relevant period” means the period commencing twelve 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.

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### GENERAL MEETINGS

56. ~~Subject to the Act, a~~An annual general meeting of the Company shall be held ~~for~~in each financial year ~~other than the year in which its statutory meeting is convened at such time (within a period of not more than fifteen (15) months after the holding of the last preceding and such annual general meeting must be held within six (6) months after the end of the Company's financial year (unless a longer period would not infringe the rules of the Designated Stock Exchange Listing Rules, if any) at such time and place as may be determined by the Board. A meeting of Members or any class thereof may be held by means of such telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meeting.~~

57. Each general meeting, other than an annual general meeting, shall be called a special general meeting. General meetings may be held in any part of the world as may be determined by the Board.

58. The Board may whenever it thinks fit call special general meetings, and Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one (1) vote per share basis, shall at all times have the right, by written requisition to the Board or the Secretary ~~of the Company~~, to require a special general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition and to add resolutions to the agenda of such meeting; 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 (s) himself (themselves) may do so in accordance with the provisions of Section 74(3) of the Act.

### NOTICE OF GENERAL MEETINGS

59. (1) ~~An annual general meeting and any special general meeting at which the passing of a special resolution is to be considered shall be called by~~ Notice of not less than twenty-one (21) clear days<sup>2</sup> ~~Notice~~. All other ~~special general meetings (including a special general meeting) must~~ may be called by Notice of not less than fourteen (14) clear days<sup>2</sup> ~~Notice~~ but if permitted by the Listing Rules, 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

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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- (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 ~~representing~~holding not less than ninety-five per cent. (95%) ~~in nominal value of the~~ total voting rights at the meeting of all the Members issued shares giving that right.

(2) The Notice shall specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, 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 or, for quorum purposes only, two (2) persons appointed by the clearing house as authorised representative or 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.

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

64. Prior to the holding of a general meeting, the Board may postpone, and at a general meeting, the chairman may (without the consent of the meeting) or shall at the direction of the meeting, adjourn the meeting from time to time (or indefinitely) and from place to place, ~~The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place as the meeting shall determine,~~ but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment or the postponement not taken place. Notice of a postponement must be given to all Members by any means as the Board may determine. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' Notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting 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.

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.

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### VOTING

~~66. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a show of hands every Member present in person (or being a corporation, is present by a representative duly authorised under Section 78 of the Act), or by proxy shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in these Bye-laws, A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorised representative), 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. A resolution put to the vote of a meeting shall be decided on a show of hands 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) a poll is demanded.~~

~~66. (2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:~~

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

~~(b)(a) by at least three (3) 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~~

~~(c)(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~~

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~~(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 the 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. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the Listing Rules.

68. ~~[intentionally deleted]If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. There shall be 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.

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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 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.

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; ~~and~~

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

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~~(2)~~(3) 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 on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

### PROXIES

78. Any Member (including a corporation) entitled to attend and vote at a general meeting of the Company shall be entitled to appoint another person as his/its proxy to attend and vote instead of him/it. A Member who is the holder of two (2) or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a Member. In addition, a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise, including the right to speak and vote.

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.

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80. 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) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned 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 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 of the meeting as for the meeting to which it relates.

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 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.

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### CORPORATIONS ACTING BY REPRESENTATIVES

84. (1) Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise as if it were an individual Member, including the right to speak and vote, 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.

(2) Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that, if more than one (1) person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including, where a show of hands is allowed, the right to vote individually on a show of hands.

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

### WRITTEN RESOLUTIONS OF MEMBERS

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

(2) Notwithstanding any provisions contained in these Bye-laws, a resolution in writing shall not be passed for the purpose of removing a Director before the expiration of his term of office under Bye-law 86(4) or for the purposes set out in Bye-law 1564(3) relating to the removal and appointment of the Auditor.

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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### BOARD OF DIRECTORS

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

(2) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the Members in general meeting, as an 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 annual general meeting of the Company 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.

(4) ~~Subject to any provision to the contrary in these Bye-laws~~ ~~†~~The Members may, at any general meeting convened and held in accordance with these Bye-laws, by ~~ordinary~~ special resolution remove a Director (including a managing or other executive Directors) at any time before the expiration of his period 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.

(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.

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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(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

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~~<sup>greater</sup> than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three (3) years~~notwithstanding anything herein, the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year.~~

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

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

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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### DISQUALIFICATION OF DIRECTORS

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

(1) resigns his office by notice in writing delivered to the Company at the Office or tendered at a meeting of the Board ~~whereupon the Board resolves to accept such resignation;~~

(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 (6) 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.

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

### EXECUTIVE DIRECTORS

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

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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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 happening of any event which, if he were a Director, would cause him to vacate such office or if his appointer ceases for any reason ~~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.

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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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).

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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### 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.

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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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.

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

- (i) the giving of any security or indemnity either:-
  - (a) to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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- (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 close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (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 close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
  - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or
  - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associate(s) and employee(s) of the Company or any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates;
- (iv) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.
- ~~(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 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 himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;~~

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- ~~(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 sub-underwriting of the offer;~~
- ~~(iv) any contract or arrangement in which the Director or his Associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of their company or any of its subsidiaries;~~
- ~~(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 other than a company in which the Director and/or his Associate(s) is/are beneficially interested in five (5) per cent. or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of any of his Associate(s) is derived); or~~
- ~~(vi) any proposal 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, their Associate(s) and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or any of his Associate(s), as such any privilege or advantage not accorded to the class of persons to which such scheme or fund relates.~~

~~(2) A company shall be deemed to be a company in which a Director and/or any of 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) is (either directly or indirectly) 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 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 interest of the Director or his Associate(s) is 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 and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.~~

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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~~(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.~~

~~(4)~~(2) 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 any of his Associate(s)~~ or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director ~~and of his Associate(s)~~ concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting ~~or his Associate(s)~~ 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 ~~or his Associate(s)~~ 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.

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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(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.

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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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.

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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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 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 whenever he shall be required so to do by any Director. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or via electronic mail or in such other manner as the Board may from time to time determine~~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.~~

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.

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

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

118. The Board may elect one or more~~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~~no 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 (2) 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.

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

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

### MANAGERS

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

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

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

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### OFFICERS

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

(2) [intentionally deleted]~~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. [intentionally deleted]~~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.~~

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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~~during business ~~hours~~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;

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

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

### SEAL

134. (1) The Company shall have one or more Seals, as the Board may determine. For the purpose of sealing documents creating or evidencing securities issued by the Company, the Company may have a securities seal which is a facsimile of the Seal with the addition of the words "Securities Seal" on its face or in such other form as the Board may approve. The Board shall provide for the custody of each Seal and no Seal shall be used without the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Bye-laws, any instrument to which a Seal is affixed shall be signed autographically by one Director and the Secretary or by two (2) 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.

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### 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;

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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.~~

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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.

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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:

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- (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;

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- (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 (12) 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.

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(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.

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### CAPITALISATION

148. (1) ~~The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalize 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, any contributed surplus account and also including any share premium account or other reserve) 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 (or such other proportions as the Board may propose and as approved by an ordinary resolution of the Company), 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 of 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 Boards shall give effect to such resolution provided that, for the purposes of this Bye-law and subject to Section 40(2A) of the Act, a share premium account and any reserve or fund representing unrealized 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.~~

~~148. (2) Notwithstanding any provisions in these Bye-laws, the Board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting.~~

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

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### 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 subparagraph (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

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- (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 warrantholders; 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 warrantholder 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 warrantholder 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 warrantholder 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 warrantholder or class of warrantholders under this Bye-law without the sanction of a special resolution of such warrantholders or class of warrantholders.

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

### ACCOUNTING RECORDS

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

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

153. Subject to Section 88 of the Act and Bye-law 154, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and 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.

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154. To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the ~~rules of the Designated Stock Exchange~~Listing Rules and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 153 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, a summary 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.

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

### AUDIT

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

(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.

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

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

158. The remuneration of the Auditor shall be fixed by ~~the Company in an ordinary resolution passed by the Members at a general meeting or in such manner as the Members may~~ by ordinary resolution determine.

159. The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Bye-law may be fixed by the Board. Subject to Bye-law 156(3), an Auditor appointed under this Bye-law shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Members under Bye-law 156(1) at such remuneration to be determined by the Members under Bye-law 158~~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 as soon as practicable convene a special general meeting to fill the vacancy.~~

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

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

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### NOTICES

162. Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the ~~rules of the Designated Stock Exchange~~Listing Rules), whether or not, to be given or issued under these Bye-laws from the Company ~~to a Member~~ shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such Notice and document may be given or issued by the following means:~~served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice 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 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.~~

- (a) by serving it personally on the relevant persons;
- (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 delivering or leaving it at such address as aforesaid;
- (d) by placing an advertisement in appropriate newspapers or other publication and where applicable, in accordance with the requirements of the Designated Stock Exchange;
- (e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Bye-law 162(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 (including implied or deemed consent) from such person;

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- (f) by publishing it on the Company's website or the website of the Designated Stock Exchange subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (including implied or deemed consent) from such person and/or for giving notification to any such person stating that the notice, document or publication is available on the Company's computer network website or the website of the Designated Stock Exchange (as the case may be);
- (g) by sending or otherwise making it available to such person through such other means, whether electronically or otherwise, to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations.

(2) 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.

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

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

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

163. Any Notice or other document:

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

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- (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 Nnotice, document or publication placed on either the Company's website or the website of the Designated Stock Exchange is deemed given or served by the Company on the day it first so appears on the relevant website, unless the Listing Rules specify a different date. In such cases, the deemed date of service shall be a provided or required by the Listing Rules placed on the Company's website is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;
- (c) if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof; and
- (d) if published as an advertisement in a newspaper or other publication permitted under these Bye-laws, shall be deemed to have been served on the day on which the advertisement first so appears 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.

164. (1) Any Notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Bye-laws shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the Nnotice 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 Nnotice 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 Nnotice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.

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

### SIGNATURES

165. For the purposes of these Bye-laws, a ~~cable or telex or facsimile~~ or 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. The signature to any notice or document to be given by the Company may be written, printed or made electronically.

### WINDING UP

166. (1) Subject to Bye-law 166(2), tThe 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.

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

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## APPENDIX III PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

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### INDEMNITY

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

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

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

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

### INFORMATION

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

*The following is a summary of the principal terms of the New Share Option Scheme to be approved and adopted by ordinary resolution at the AGM, but such summary does not form part of, nor was it intended to be, part of the New Share Option Scheme, nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme:*

**1. PURPOSE**

The purpose of the New Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive to the Eligible Participants and to promote the success of the business of the Group. The New Share Option Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth and profitability of the Group.

**2. ADMINISTRATION OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the New Share Option Scheme or its interpretation or application or effect shall (save as otherwise provided in the New Share Option Scheme and in the absence of manifest error) be final and binding on all persons who may be affected thereby. For the avoidance of doubt, subject to compliance with the requirements of the Listing Rules and the provisions of the New Share Option Scheme, the Board shall have the right to (i) interpret and construe the provisions of the New Share Option Scheme; (ii) determine the persons who will be offered Options under the New Share Option Scheme, and the number of Shares and the subscription price of the Shares, in relation to such Options; (iii) make such appropriate and equitable adjustments to the terms of Options granted under the New Share Option Scheme as it may deem necessary; and (iv) make such other decisions or determinations or regulations as it shall deem appropriate for the administration of the New Share Option Scheme.

**3. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY OF THE PARTICIPANTS OF THE NEW SHARE OPTION SCHEME**

Eligible Participants for the New Share Option Scheme include:

- (i) Employee Participant(s) including the director(s) and employee(s) (whether full-time or part-time) of any member of the Group (including persons who are granted Options under the New Share Option Scheme as inducement to enter into employment contracts with the Group);

- (ii) Related Entity Participant(s) including the director(s) and employee(s) (whether full-time or part-time) of the holding companies, fellow subsidiaries or associated companies of the Company; and
  
- (iii) Service Provider(s) including person(s) who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, which include any independent distributor, contractor, supplier, agent, consultant, adviser or business partner to any area of business or business development of the Group, but exclude any placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and other professional services providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity, provided that the Board may have absolute discretion to determine whether or not one falls within the above categories.

In determining the basis of eligibility of each Eligible Participant, the Board would take into account of (i) the experience of the Eligible Participant on the Group's business; (ii) the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant); (iii) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider); and (iv) the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

For Employee Participants, the factors in assessing whether any individual is eligible to participate in the New Share Option Scheme include: (i) the individual performance; (ii) time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (iii) the length of engagement with the Group; and (iv) the individual contribution or potential contribution to the development and growth of the Group.

For Related Entity Participants, the factors in assessing whether any individual is eligible to participate in the New Share Option Scheme include (i) the positive impact brought by, or expected to be brought by, the Related Entity Participant on the Group's businesses in terms of, amongst other things, an increase in revenue or profits and/or an addition of expertise to the Group; (ii) the length of collaborative relationship with the Group; (iii) the degree of involvement in and/or collaboration with the Group; (iv) the amount of support, assistance, guidance, advice, efforts and/or contributions the Related Entity Participant has given or is likely to give towards the success of the Group; and (v) the materiality and nature of the business relations of the holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core businesses of the Group through a collaborative relationship.

For Service Providers, their eligibility will be considered on a case by case basis and the factors in assessing whether such Service Provider is eligible to participate in the New Share Option Scheme include, in particular: (i) the individual performance of relevant Service Providers; (ii) the length of business relationship with the Group; (iii) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (iv) the background, reputation and track record of the relevant Service Providers; (v) the scale of business dealings with the Group, in particular, whether such Service Providers could bring positive impacts to the Group's business with regard to factors such as the actual or expected increase in the Group's revenue or profits or reduction in costs which is or may be attributable to the Service Provider; and (vi) the Group's future business plans in relation to further collaboration with such Service Providers and the long term support that the Group may receive accordingly.

Further, with respect to the eligibility of each category of the Service Providers, the Board will, on a case by case basis, specifically consider the following factors:

**(1) Supplier**

Service Providers under this category are mainly (i) suppliers of food and electronic products and related shipping and logistics services, who/which support the Group's businesses of trading of food and electronic products in the PRC; and (ii) suppliers of other product(s) and/or service(s), who/which may support such other business(es) that may be carried out by the Group from time to time.

The Board will, on a case by case basis, take into account, amongst others, (i) the nature, reliability and quality of the products and/or services supplied and/or provided by the relevant supplier; (ii) the value of products and/or services supplied and/or provided by the relevant supplier; (iii) the frequency of collaboration and length of business relationship with the Group; (iv) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (v) the background, reputation and track record of the relevant supplier; (vi) the replacement cost of such supplier and/or the goods or services (including continuity and stability of supply or provision of such goods or services); and (vii) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such supplier could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by goods and/or services supplied and/or provided by such supplier.

**(2) Distributor**

Service Providers under this category are mainly (i) distributors of food and electronic products, who/which support the Group's business of trading of food and electronic products in the PRC; and (ii) distributors of other product(s), who/which may support such other business(es) that may be carried out by the Group from time to time.

The Board will, on a case by case basis, take into account, amongst others, (i) the monthly average number of products distributed by the relevant distributor; (ii) the value of the products distributed by the relevant distributor; (iii) the distribution network of the relevant distributor; (iv) the frequency of collaboration and length of business relationship with the Group; (v) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (vi) the background, reputation and track record of the relevant distributor; (vii) the replacement cost of such distributor and/or the products (including continuity and stability of distribution of such products); and (viii) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such distributor could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by the sales of products attributable to the distribution of products by the relevant distributor.

**(3) Business partner, contractor, agent, consultant and adviser**

Service Providers under this category are mainly business partners, independent contractors, agents, consultants and advisers who provide advisory services, consultancy services, and/or other professional services to the Group on areas relating to the Group's principal business activities in (i) the trading of food and electronic products in the PRC; (ii) the provision of money lending and loan factoring services; (iii) the provision of leasing and sale-and-leaseback services; (iv) the provision of securities dealing broking, placing, underwriting, margin financing and asset management services in Hong Kong; and/or (v) other principal business activity(ies) that may be carried out by the Group from time to time, or on areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields.

The Board will, on a case by case basis, take into account, amongst others, (i) individual performance of the relevant business partner, contractor, agent, consultant and/or adviser; (ii) their knowledge, experience and network in the relevant industry; (iii) the frequency of collaboration and length of business relationship with the Group; (iv) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (v) the background, reputation and track record of the relevant business partner, contractor, agent, consultant and/or adviser; (vi) the potential and/or actual contribution to the business affairs of the Group, in particular, whether such business partner, contractor, agent, consultant and/or adviser could bring positive impacts to the Group's business, such as an increase in revenue or profits or a reduction in costs attributable to or brought by services provided by such business partner, contractor, agent, consultant and/or adviser; (vii) the replacement cost of such business partner, contractor, agent, consultant and/or adviser (including continuity and stability of provision of the necessary services); and (viii) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant business partner, contractor, agent, consultant and/or adviser, and/or the synergy between the relevant business partner, contractor, agent, consultant and/or adviser and the Group.

In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board will take into consideration (i) the length and type of services provided and the recurrences and regularity of such services; (ii) the nature of the services provided to the Group by the Service Provider; and (iii) whether such services form part of or are directly ancillary to the businesses conducted by the Group.

#### **4. GRANT AND ACCEPTANCE OF OPTIONS**

The Board shall, subject to the terms of the New Share Option Scheme and the Listing Rules, be entitled (but shall not be bound) at any time and from time to time on any Business Day within a period of ten (10) years commencing on the Adoption Date to make an Offer to such Eligible Participant as it may in its absolute discretion select, and subject to such conditions as the Board may think fit, to subscribe for such number of Shares (being a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof) as the Board may, subject to paragraph (7) below, determine the subscription price pursuant to paragraph (6) below, provided that no such grant shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws or if such grant will result in the breach by the Company or the Directors of any applicable securities laws and regulations in any jurisdiction.

An Offer shall be made to Eligible Participants in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine either generally or on a case-by-case basis specifying the number of Shares and the Option Period in respect of which the Offer is made and further requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including his or her Personal Representative(s) for a period of twenty-one (21) days inclusive of, and from the Offer Date provided that no such Offer shall be open for acceptance after the earlier of the Termination Date or the termination of the New Share Option Scheme.

An Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant with the number of Shares in respect of which the Offer is accepted as stated therein, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company.

Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof.

#### **5. VESTING PERIOD**

Save for the circumstances prescribed below, an Option must be held by the Grantee for at least twelve (12) months before the Option can be exercised.

The Board may at its discretion grant a shorter vesting period to an Employee Participant in the following circumstances:

- (a) grants of “make-whole” Option(s) to new joiners to replace the share options they forfeited when leaving the previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or occurrence of any out of control event;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted (*Note 1*);
- (d) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months (*Note 2*); or
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria (*Note 3*).

*Notes:*

1. For illustration purpose only, grants may be made in batches during a year where (i) the management and/or the remuneration committee of the Company only meet and assess the Employee Participants' performance on a regular basis, and make such grants in batches; or (ii) Shareholders' approval is required for certain grants which should have been granted on an earlier date but had to wait for a subsequent batch due to compliance requirement. In such circumstances, the vesting date may be adjusted to take into account of the time from which such Options would have been granted but for the administrative or compliance requirements, enabling the Company to reward past contribution which may otherwise be neglected due to administrative or compliance reasons and is in line with the purpose of the New Share Option Scheme to recognise contributions made by the Eligible Participants.
2. The Board may consider granting Options which are to be vested evenly over a period of twelve (12) months in circumstances where the Company is optimistic about a certain business or development plan that is a work-in-progress, for the purposes of providing incremental incentives as the business or the plan continues to develop. Since the reward in the form of equity incentive materialises incrementally over the twelve (12)-month period, this enable the Group to retain the Employee Participants for the continual operation and development of the businesses of the Group which aligns with the purposes of the New Share Option Scheme.
3. The Board may allow the vesting period to be accelerated upon the fulfilment of performance target(s) where the Employee Participant is an exceptional performer who is expected to fulfill the performance target(s) in less than twelve (12) months or when the Group recruits and/or retains talented personnel taking into account of business needs of the Group, changing market conditions and industry competition.

**6. EXERCISE OF OPTIONS AND SUBSCRIPTION PRICE OF SHARES**

An Option may be exercised in whole or in part by the Grantee giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised. Each of such notice must be accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given. Within twenty-eight (28) days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate of the Company's auditors or independent financial advisers, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by his or her Personal Representative, to the estate of the Grantee) credited as fully paid and instruct the share registrar of the Company to issue to the Grantee (or his or her Personal Representative(s)) a share certificate for the Shares so allotted.

Holders of the Options are not entitled to voting, dividend, transfer and other rights of the holders of the Shares, including those arising on a liquidation of the Company, save as otherwise provided in the New Share Option Scheme or under the relevant laws or the bye-laws of the Company in effect from time to time.

The subscription price for Shares to be subscribed under the New Share Option Scheme may be determined by the Board at its absolute discretion, provided that it shall not be less than the highest of:

- (a) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the Offer Date, which must be a Business Day;
- (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive Business Days immediately preceding the Offer Date; and
- (c) the nominal value of the Share on the Offer Date.

Where a relevant Option is to be granted under paragraph (8) or (9) below, for the purposes of the sub-paragraph (a) and (b) above, the date of the Board meeting at which the grant was proposed shall be taken to be the Offer Date for such relevant Option, and the provisions as set above shall apply *mutatis mutandis*.

#### **7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE**

- (a) Subject to the Listing Rules, the total number of Shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of Shares as equals to 10% of the issued share capital of the Company as at the Adoption Date (the “Scheme Mandate Limit”), unless Shareholders’ approval has been obtained pursuant to sub-paragraphs (c) and (d) below. Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

- (b) Subject to the limit mentioned in paragraph (7)(a) above, within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all Options which may be granted at any time under the New Share Option Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company to Service Providers shall not exceed such number of Shares as equals to 1% of the issued share capital of the Company as at the Adoption Date (i.e. the Service Provider Sublimit).
- (c) The Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit and/or the Service Provider Sublimit under the New Share Option Scheme after three (3) years from the Adoption Date (or the date of Shareholders' approval for the last refreshment), provided that the limit so refreshed must not exceed 10% of the relevant class of Shares in issue as at the date of passing the relevant resolution. The Company must send a circular to the Shareholders containing such information as required under the Listing Rules. Any refreshment of the Scheme Mandate Limit and/or the Service Provider Sublimit to be made within three (3) years from the Adoption Date (or the date of Shareholders' approval for the last refreshment) shall be subject to independent Shareholders' approval pursuant to Rule 17.03C(1) of the Listing Rules and any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting.
- (d) The Company may also seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of Shareholders under this sub-paragraph (d), the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Participants who may be granted such Options, the number and terms of Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose and such other information as required under the Listing Rules. The number and terms (including the subscription price) of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the subscription price.

**8. GRANT OF OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OR THE COMPANY OR ANY OF THEIR ASSOCIATES**

Any grant of Options to a Director, a chief executive of the Company or substantial Shareholder (as defined under the Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of an Option).

Where Options are proposed to be granted to an independent non-executive Director or a substantial Shareholder (as defined under the Listing Rules) or any of their respective associates and if such grant would result in the Shares issued and to be issued in respect of all options and awards granted and to be granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in any twelve (12)-month period up to and including the date of grant representing in aggregate over 0.1% of the total issued Shares, such further grant of Options must be approved by Shareholders in a general meeting of the Company with such Grantee, his/her associates and all core connected persons of the Company abstaining from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour at the general meeting pursuant to Rule 17.04(1) of the Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders. Any vote taken at the general meeting to approve the grant of such Options must be taken on a poll and comply with the requirements under the Listing Rules.

A circular must be prepared by the Company explaining the proposed grant, containing, among other matters, (i) details of the number and terms of the Options to be granted to each Eligible Participant, which must be fixed before Shareholders' approval; (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who and whose associate is a Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and (iii) information as may be required by the Stock Exchange from time to time.

Shareholders' approval in a general meeting is also required for any change in the terms of Options granted to an Eligible Participant who is a substantial Shareholder (as defined under the Listing Rules) or an independent non-executive Director, or any of their respective associates.

**9. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT**

Where any grant of Options to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Options to be granted (and options previously granted to such Eligible Participant in the twelve (12)-month period), the purpose of granting Options to the Eligible Participant, an explanation as to how the terms of the Options serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms (including the subscription price) of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

**10. TIME OF EXERCISE OF OPTIONS**

Subject to the terms of the New Share Option Scheme, an Option may be exercised in whole or in part at any time during the period to be determined and notified by the Directors to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination of the New Share Option Scheme.

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Option which must be satisfied before an Option may be exercised. Save as determined by the Board on a case-by-case basis taking into account the nature of the duties of and services provided by the Eligible Participant(s) and set out in the offer letter of the grant of the relevant Option at the discretion of the Board, there is no performance target which must be achieved before an Option can be exercised under the terms of the New Share Option Scheme. Where performance targets are to be imposed upon Grantees in the relevant offer letter of the grant of Options, the Board will have regard to the purpose of the New Share Option Scheme in assessing such performance targets with reference to factors including but not limited to, key performance indicators in respect of the Group as a whole, its principal businesses and operations, geographic markets and/or performance of Eligible Participant(s), which may include cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; customer satisfaction metrics; reviews; and such other goals as the Board may determine from time to time.

Furthermore, save for the clawback mechanisms in the event where (i) an Option is sold, transferred, charged, mortgaged, encumbered or any interest is created or an agreement to create any interest in favour of any third party is entered into; (ii) a Grantee of an Option who is an Employee Participant or a Related Entity Participant ceases to be an Eligible Participant by reasons set out in paragraph 13; (iii) a Grantee of an Option who ceases to be an Eligible Participant by reason of his or her death as set out in paragraph 14; (iv) a Grantee of an Option who ceases to be an Eligible Participant by reason of ill-health or retirement as set out in paragraph 15; (v) a Grantee of an Option who is an Employee Participant or a Related Entity Participant ceases to be an Eligible Participant for any reason other than as set out in paragraphs 13 to 15; and (vi) the Grantee of an Option who is a Service Provider ceases to be an Eligible Participant due to a breach of contract under the reasons set out in paragraph 17, there is no clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participant.

#### **11. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS**

Grant of Options may not be made:

- (a) after inside information (having the meaning as defined in the SFO) has come to its knowledge until (and including) the trading day after it has been announced by the Company pursuant to the requirements of the Listing Rules; and
- (b) during the period commencing from one (1) month immediately preceding the earlier of:
  - (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year or quarter-year period or any other interim period (whether or not required under the Listing Rules); and
  - (ii) the deadline for the Company to publish its results for any year, half-year or quarter-year period under the Listing Rules, or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcements (or during any period of delay in publishing results announcements).

For the avoidance of doubt, in compliance with the Listing Rules, a Director must not deal in any securities of the Company (and no Options may be granted to a Director) on any day on which its financial results are published and:

- (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in Rule 14 of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

## **12. RIGHTS ARE PERSONAL TO GRANTEES**

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option or any part thereof granted to such Grantee to the extent not already exercised.

## **13. RIGHTS ON CESSATION OF EMPLOYMENT OR DIRECTORSHIP**

If the Grantee of an Option is an Employee Participant or a Related Entity Participant and ceases to be an Eligible Participant by reason of voluntary resignation or dismissal or upon expiration of his or her term of employment or directorship (unless immediately renewed upon expiration), or by termination of his or her employment or directorship on any one or more of the grounds that he or she has been guilty of persistent or serious misconduct, or has become bankrupt or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute) or any other ground(s) on which the Group or the holding companies, fellow subsidiaries or associated companies of the Company would be entitled to terminate the Grantee's employment or directorship pursuant to any applicable law before exercising the Option in full, his or her Option (to the extent not already exercised) will lapse on the date of cessation or termination and not be exercisable.

**14. RIGHTS ON DEATH**

If the Grantee of an Option ceases to be an Eligible Participant by reason of his or her death before exercising the Options in full, and none of the events referred to in paragraph (13) above (in the case for Employee Participants or Related Entity Participants) or paragraph (17) below (in the case for Service Providers) as ground for termination of his or her employment or directorship or contract (as the case may be) arises, his or her Personal Representative(s) may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the terms of the New Share Option Scheme within a period of twelve (12) months following the date of death, or up to the expiration of the Option Period, whichever is earlier, failing which it will lapse. If any of the events referred to in paragraphs (18) to (20) below occurs during such period, his or her Personal Representative(s) may exercise the Option pursuant to paragraphs (18) to (20) respectively.

**15. RIGHTS ON ILL-HEALTH OR RETIREMENT**

If the Grantee of an Option ceases to be an Eligible Participant by reason of ill-health or retirement before exercising the Option in full, he or she may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the terms of the New Share Option Scheme within a period of three (3) months following the date of such cessation, failing which it will lapse. The date of cessation shall be the last day on which the Grantee is actually at work whether salary is paid in lieu of notice or not. If any of the events referred to in paragraphs (18) to (20) below occurs during such period, he or she may exercise the Option pursuant to paragraphs (18) to (20) respectively.

**16. RIGHTS ON CESSATION FOR OTHER REASONS**

If the Grantee of an Option who is an Employee Participant or a Related Entity Participant ceases to be an Eligible Participant for any reason other than the reasons set out in paragraphs (13) to (15) above, his or her Option (to the extent not already exercised) will lapse on the date of cessation of his or her employment or directorship.

**17. RIGHTS ON BREACH OF CONTRACT**

If the Grantee of an Option who is a Service Provider ceases to be an Eligible Participant by reason of breach of contract entered into between such Eligible Participant and the Group, or termination of his/her/its engagement or appointment, or in the absolute determination of the Board that such Grantee shall cease to be an Eligible Participant by reason of a legal dispute in respect an alleged breach of contract entered into between such Eligible Participant and the Group, or, in the absolute determination of the Board or the Board in its sole and absolute opinion believes such Grantee has become a competitor of the Group, or the Grantee has become bankrupt or has become insolvent or has made any arrangement or composition with his/her/its creditors generally, has committed any serious misconduct, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute), the Options (to the extent not already exercised) shall lapse on the date of the Board's determination and not be exercisable.

*Note:* Paragraphs 13 and 16 do not apply to a Grantee who is not an employee or a director of the Group. Unlike employees or directors who are employed or appointed on a continuous basis, the relationship between the Group and the Grantees who are not employees or directors are based on different contracts which may or may not be consecutive or continuous in nature and may be on a project or order basis.

**18. RIGHTS ON A GENERAL OFFER**

In the event of a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner being made to all Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert (as defined in the Takeovers Code) with the offeror) and such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders during the Option Period of the relevant Option, the Grantee (or his or her Personal Representative(s)) shall be entitled to exercise the Option in full (to the extent not already exercised) at any time within one (1) month after the date on which such offer becomes or is declared unconditional, or within one (1) month after the record date for entitlements under the scheme of arrangement, as the case may be.

**19. RIGHTS ON WINDING UP**

In the event a notice is given by the Company to its Shareholders to convene a special general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as it despatches such notice to each Shareholder give notice thereof to all Grantees and any Grantee or his or her Personal Representative(s) may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate subscription price in respect of the relevant Option (such notice shall be received by the Company no later than two (2) Business Days prior to the proposed general meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent that he or she may specify in his or her notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue such number of Shares to the Grantee credited as fully paid.

**20. RIGHTS ON RECONSTRUCTION, COMPROMISE OR ARRANGEMENT**

If a compromise or arrangement between the Company and the Shareholders or its creditors being proposed for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to the Shareholders or creditors to summon a meeting to consider such a scheme or arrangement and the Options (to the extent not already exercised) shall become exercisable in whole or in part on such date until the earlier of (i) two (2) months after that date or (ii) at any time not later than two (2) Business Days prior to the date of the meeting directed to be convened by the court for the purposes of considering such a scheme or arrangement (the "Suspension Date"), accompanied by a remittance of the full amount of the aggregate subscription price for the Shares in respect of which the notice is given exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and the Company shall as soon as possible and in any event no later than 3:00p.m. on the Business Day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee or his or her Personal Representative(s) which falls to be issued on such exercise of the Option credited as fully paid and register the Grantee as holder thereof. With effect from the Suspension Date, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and terminated.

**21. CANCELLATION OF OPTIONS**

Any Option granted but not exercised may not be cancelled except with the written consent of the relevant Grantee and the prior approval of the Directors. Where the Company cancels Options and makes a new grant to the same Grantee, such new grant may only be made under the New Share Option Scheme with available unissued Options within the limit approved by the Shareholders pursuant to paragraph 7. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Limit.

**22. EFFECT OF ALTERATIONS TO SHARE CAPITAL**

In the event of any alteration in the capital structure of the Company by way of capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction while any Option remains exercisable), such corresponding alterations (if any) will be made in (i) the number or nominal amount of Shares subject to the New Share Option Scheme or any Option so far as such Option remains unexercised; and/or (ii) the subscription price per Share as the auditors or independent financial advisers for the time being of the Company shall at the request of the Company or any Grantee certify in writing to be in their opinion fair and reasonable (other than in the case of capitalisation issue), provided that any such adjustment shall be made on the basis that the Grantee shall have the same proportion of the issued share capital of the Company to which he or she would have been entitled to had he or she exercised all the Options held by him or her immediately prior to such event and the aggregate subscription price payable by the Grantee on the full exercise of any Option shall remain as nearly as possible the same as (but not greater than) it was before such event, but so that no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value and the issue of securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment. Save in the case of capitalisation issue, the auditors or independent financial advisers for the time being of the Company must confirm to the Directors in writing that such adjustment(s) satisfy the aforesaid requirements.

**23. RANKING OF SHARES**

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the bye-laws of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “Exercise Date”) and accordingly will entitle the holders of Shares to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividends or other distributions previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the Exercise Date. A Share allotted upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered onto the register of members of the Company as the holder thereof.

**24. DURATION OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme shall continue in force for the period commencing from the Adoption Date, and expiring at the close of business on the date which falls ten (10) years after the Adoption Date, after such period no further Options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in respect of any Options granted before its expiry or termination but not yet exercised.

**25. ALTERATIONS TO THE TERMS OF THE NEW SHARE OPTION SCHEME**

Save for the provisions prescribed below, the New Share Option Scheme may be altered in any respect by a resolution of the Board.

- (a) The provisions relating to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Eligible Participants without the prior approval of Shareholders in a general meeting.
- (b) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by Shareholders, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (c) Any change to the authority of the Directors or the administrator of the New Share Option Scheme to alter the terms of New Share Option Scheme must be approved by the Shareholders in a general meeting.

- (d) The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

**26. CONDITIONS OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company upon the exercise of Options that may be granted under the New Share Option Scheme; and
- (b) the passing of ordinary resolutions at a general meeting of the Company approving the adoption of the New Share Option Scheme and authorising the Directors to grant Options to Eligible Participants and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme.

**27. LAPSE OF OPTIONS**

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

- (a) the expiry of the Option Period;
- (b) the date on which the Grantee commits a breach of paragraph 12;
- (c) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraphs 13 to 20; and
- (d) the date of the commencement of the winding-up of the Company.

**28. TERMINATION**

The Company may at any time by ordinary resolution in general meeting terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted but not yet exercised prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

**29. MISCELLANEOUS**

The terms of the New Share Option Scheme (and any other schemes adopted by the Company from time to time) shall be in accordance with the requirements set out in Chapter 17 of the Listing Rules.

The Company will comply with the relevant statutory requirements and the Listing Rules from time to time in force on a continuing basis in respect of the New Share Option Scheme and any other schemes of the Company.

Any dispute arising in connection with the number of Shares of an Option and any of the matters referred to in paragraph 22 above shall be referred to the decision of the Company's auditors or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final, conclusive and binding on all persons who may be affected thereby.

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## NOTICE OF ANNUAL GENERAL MEETING

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### HONG KONG CHAOSHANG GROUP LIMITED

### 香港潮商集團有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2322)**

**NOTICE IS HEREBY GIVEN THAT** an annual general meeting (the “**Annual General Meeting**”) of Hong Kong ChaoShang Group Limited (the “**Company**”) will be held at Suite 2202, 22nd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Thursday, 28 September 2023 at 4:00 p.m. for the following purposes:

#### **ORDINARY RESOLUTIONS**

1. To receive and consider the audited consolidated financial statements and the reports of the directors of the Company and of the auditors of the Company for the year ended 31 March 2023;
2.
  - (a) To re-elect Ms. Zheng Juhua as executive director of the Company;
  - (b) To re-elect Mr. Yu Pak Yan, Peter as independent non-executive director of the Company; and
  - (c) To authorise the board of directors of the Company to fix the remuneration of the directors;
3. To re-appoint Lau & Au Yeung C.P.A. Limited as auditors of the Company and to authorise the board of directors of the Company to fix their remuneration;

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## NOTICE OF ANNUAL GENERAL MEETING

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4. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to repurchase the shares (the “**Shares**”) of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange and all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total number of issued Shares to be repurchased pursuant to the approval in paragraph (a) above during the relevant period shall not exceed 10% of the total number of issued Shares of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and
  - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution passed by the Company’s shareholders in general meeting.”;

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## NOTICE OF ANNUAL GENERAL MEETING

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5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT**

- (a) pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange, the exercise by the directors (the “**Directors**”) of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options which would or might require Shares to be allotted, issued or dealt with during or after the end of the Relevant Period (as defined below), be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to (i) a rights issue where Shares are offered or warrants, options or other securities giving rights to subscribe for Shares are offered or issued to shareholders on a fixed record date in proportion to their then holdings of shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) or (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or any eligible grantee pursuant to the scheme of Shares or rights to acquire Shares, or (iii) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company, the total number of additional Shares to be allotted, issued, dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with shall not in total exceed 20% of the total number of issued Shares of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (b) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution passed by the Company’s shareholders in general meeting; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(iii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held.”;

6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** the general mandate granted to the Directors pursuant to resolution no. 5 above and for the time being in force to exercise the powers of the Company to allot Shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by the total number of issued Shares of the Company repurchased by the Company pursuant to the exercise by the Directors of the powers of the Company to purchase such number of Shares since the granting of such general mandate referred to in the above resolution no. 4, provided that such number of Shares shall not exceed 10% of the total number of issued Shares of the Company as at the date of passing of this resolution.”;

7. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT**

- (a) subject to and conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which may fall to be issued and allotted pursuant to the exercise of any options which may be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), the rules of which have been produced to the AGM and marked “A” and initialed by the chairman of the AGM for identification purpose, the rules of the New Share Option Scheme be and are hereby approved and adopted and the Directors be and are hereby authorised to grant options to allot, issue and deal in the Shares as maybe required to be allotted and issued upon the exercise of any option granted thereunder and to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the New Share Option Scheme; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the total number of Shares to be allotted and issued pursuant to (a) above, together with any issue of Shares upon the exercise of any options and awards granted under any other share schemes of the Company as may from time to time be adopted by the Company, shall not exceed such number of Shares as equals to 10 per cent. of the Shares in issue as at the date of passing of this resolution.”;
8. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the New Share Option Scheme being approved and adopted by way of ordinary resolution of the Company numbered 7 above, the sublimit on the total number of Shares that may be issued in respect of all options and awards to be granted to service providers under all the share schemes of the Company of 1% of the total number of Shares in issue on the date of approval of the New Share Option Scheme be and is hereby approved and adopted.”;

### SPECIAL RESOLUTION

9. To consider as special business and, if thought fit, pass the following resolution as a special resolution:

“**THAT**

- (a) the existing bye-laws (the “**Existing Bye-laws**”) of the Company be and is hereby amended in the manner as set out in Appendix III to the circular of the Company dated 5 September 2023 (the “**Proposed Amendments**”);
- (b) the amended and restated bye-laws of the Company (the “**Amended and Restated Bye-laws**”), a copy of which has been produced to the AGM and marked “B” and initialed by the chairman of the AGM for identification purpose, reflecting all the Proposed Amendments, be and is hereby approved and adopted as the bye-laws of the Company in substitution for and to the exclusion of the Existing Bye-Laws with immediate effect; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) any one of the Directors or the company secretary of the Company be and is hereby authorised to do all things necessary to implement the Proposed Amendments and the adoption of the Amended and Restated Bye-laws, including without limitation, attending to the necessary filings in Bermuda and Hong Kong.”.

By order of the Board  
**Hong Kong ChaoShang Group Limited**  
**Ms. Zheng Juhua**  
*Chairlady*

Hong Kong, 5 September 2023

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM II  
Bermuda

*Head Office and Principal Place  
of Business in Hong Kong:*

Suite 2202, 22nd Floor  
China Resources Building  
26 Harbour Road  
Wanchai, Hong Kong

*Notes:*

- (a) As at the date hereof, the Board comprises Ms. Zheng Juhua and Mr. Chan Chi Yuen as executive directors and Mr. Man Kwok Leung, Mr. Yu Pak Yan, Peter and Mr. Chi Chi Hung, Kenneth as independent non-executive directors.
- (b) Where there are joint registered holders of any share, any one of such persons may vote at the Annual General Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the Annual General Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
- (c) The Register of Members of the Company will be closed from Monday, 25 September 2023 to Thursday, 28 September 2023 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to attend the Annual General Meeting, all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company’s branch registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 22 September 2023.
- (d) A shareholder of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote on his or her behalf. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (e) To be valid, a form of proxy and the instrument appointing the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be lodged with the Company's Branch Registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time fixed for holding the Annual General Meeting or the adjournment thereof.
  
- (f) Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, all resolutions set out in this Notice will be decided by poll at the meeting. Where the chairman in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted, such resolution will be decided by a show of hands.