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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect 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 Orient Overseas (International) Limited, you should at once hand this Circular and the proxy form to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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### ORIENT OVERSEAS (INTERNATIONAL) LIMITED

東方海外(國際)有限公司\*

*(Incorporated in Bermuda with members' limited liability)*

(Stock Code: 316)

#### (1) CONTINUING CONNECTED TRANSACTIONS (2) PROPOSED ADOPTION OF NEW BYE-LAWS AND (3) NOTICE OF SPECIAL GENERAL MEETING

**Independent Financial Adviser**

**to the Independent Board Committee and the Independent Shareholders**



**First Shanghai Capital Limited**

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Capitalized terms used in this cover page have the same meanings as those defined in the section headed "Definitions" in this Circular. A letter from the Board is set out on pages 9 to 28 of this Circular. A letter from the Independent Board Committee is set out on pages 29 to 30 of this Circular. A letter from the Independent Financial Adviser is set out on pages 31 to 50 of this Circular. The notice convening the SGM of the Company to be held on Thursday, 24th November 2022 at 10:00 a.m. at Dynasty Room, 7th Floor, The Dynasty Club, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong is set out on pages (i) to (iii) of this Circular. A proxy form for use by the Shareholders at the SGM is also enclosed with this Circular.

Whether or not you intend to attend the SGM, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon and deposit the same with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited (the "**Branch Share Registrar**"), at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for the SGM (or any adjournment thereof). Completion and return of the proxy form will not preclude you from attending and voting at the SGM (or any adjournment thereof) should you so wish.

As part of our control measures to safeguard the health and safety of the Shareholders, the Company encourages the Shareholders to appoint the chairman of the SGM as their proxy to vote as instructed by the Shareholders on the relevant resolutions at the SGM, instead of attending the SGM in person. Subject to the prevailing Hong Kong Government regulations, it is possible that Shareholders and/or their proxies may not be able to attend in person at the SGM. Please see pages (iv) and (v) of this Circular for precautionary measures being taken at the SGM, which shall be subject to Hong Kong Government regulations as at the date of the SGM.

21st October 2022

\* For identification purpose only

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## DEFINITIONS

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*In this Circular, the following expressions have the following meanings unless the context requires otherwise:*

“associates”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors of the Company;
“Board Meeting”	the meeting of the Board held on 19th August 2022 for approving, among other things, the New Master Agreements (including the annual caps relating thereto) and the adoption of the New Bye-laws;
“Bunker Service”	the service (including the annual caps relating thereto) contemplated under the New Bunker Master Agreement;
“Circular”	this circular of the Company dated 21st October 2022;
“Company”	Orient Overseas (International) Limited, a company incorporated in Bermuda with members’ limited liability and listed on the Main Board of the Stock Exchange (stock code: 316);
“connected person”	has the meaning ascribed to it under the Listing Rules;
“COSCO SHIPPING”	China COSCO SHIPPING Corporation Limited* (中國遠洋海運集團有限公司), a PRC state-owned enterprise and indirectly controls more than 50% of the issued share capital of the Company and is also an indirect controlling shareholder of COSCO SHIPPING Holdings;
“COSCO SHIPPING Finance”	COSCO SHIPPING Finance Company Limited* (中遠海運集團財務有限責任公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of COSCO SHIPPING;

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## DEFINITIONS

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“COSCO SHIPPING Holdings”	COSCO SHIPPING Holdings Co., Ltd.* (中遠海運控股股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 1919) and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601919), an indirect controlling shareholder of the Company;
“COSCO SHIPPING Group”	COSCO SHIPPING and its subsidiaries and associates (as defined under the Listing Rules);
“CSH Financial Services Agreement”	the financial services agreement dated 30th August 2022 entered into between COSCO SHIPPING Finance and COSCO SHIPPING Holdings in relation to the provision of certain financial services by COSCO SHIPPING Finance to COSCO SHIPPING Holdings and its subsidiaries, for a term of three years from 1st January 2023 to 31st December 2025;
“Deposit Caps”	the maximum daily limit (comprising the deposits to be placed by OOIL Group with COSCO SHIPPING Finance, the relevant accrued interest and handling fee payable by OOIL Group) of the Deposit Service under the New Financial Services Master Agreement;
“Deposit Service”	the deposit service contemplated under the New Financial Services Master Agreement (including the Deposit Caps relating thereto);
“Directors”	the directors of the Company;
“Existing Bunker Master Agreement”	the master agreement dated 30th October 2019 and entered into between the Company and COSCO SHIPPING in relation to the purchase of bunker, fuel and oil by OOIL Group from COSCO SHIPPING Group;

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## DEFINITIONS

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“Existing Business Master Agreement”	the master agreement dated 30th October 2019 and entered into between the Company and COSCO SHIPPING in relation to the provision of containerized liner, logistics and information technology services between COSCO SHIPPING Group and OOIL Group;
“Existing Bye-laws”	the bye-laws of the Company currently in force;
“Existing Equipment Procurement Master Agreement”	the master agreement dated 30th October 2019 and entered into between the Company and COSCO SHIPPING in relation to the provision of equipment to be produced by COSCO SHIPPING Group and equipment procurement services, including container acquisition, and pooling and related services between COSCO SHIPPING Group and OOIL Group;
“Existing Financial Services Master Agreement”	the master agreement dated 30th October 2019 and entered into between the Company and COSCO SHIPPING in relation to the provision of deposit service, loan service and other financial services by COSCO SHIPPING Group to OOIL Group;
“Existing Master Agreements”	namely the Existing Business Master Agreement, the Existing Bunker Master Agreement, the Existing Terminal Master Agreement, the Existing Equipment Procurement Master Agreement, the Existing Vessel Services Master Agreement and the Existing Financial Services Master Agreement;
“Existing Terminal Master Agreement”	the master agreement dated 30th October 2019 and entered into between the Company and COSCO SHIPPING in relation to the provision of the terminal services and related services between COSCO SHIPPING Group and OOIL Group;
“Existing Vessel Services Master Agreement”	the master agreement dated 30th October 2019 and entered into between the Company and COSCO SHIPPING in relation to the provision of vessel services, including vessel chartering, vessel supervision, and other vessel-related services between COSCO SHIPPING Group and OOIL Group;

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## DEFINITIONS

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“Faulkner”	Faulkner Global Holdings Limited, a company incorporated in the British Virgin Islands and is a member of COSCO SHIPPING Group, and directly holds 71.07% of the issued share capital of the Company;
“Fully-exempt Transactions”	together, the transactions under the following services (including the respective annual caps relating thereto): (a) three types of services to be provided by COSCO SHIPPING Group to OOIL Group under the New Business Master Agreement: (i) the vessel operating common carrier services under liner services; (ii) other services under liner services, including information technology service; and (iii) other services, including use of common facilities, ad-hoc use of business facilities, and crew manning service/manning agency service; (b) three types of services to be provided by OOIL Group to COSCO SHIPPING Group under the New Business Master Agreement: (i) the operation services under liner services; (ii) other contractual arrangements, including office lease and insurance service; and (iii) other services, including use of common facilities, ad-hoc use of business facilities, and crew manning service/manning agency service; and (c) the other financial services under the New Financial Services Master Agreement;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent board committee of the Board comprising all the Independent Non-Executive Directors (except Mr. Yang Liang Yee Philip and Ms. Chen Ying), who have no material interests in the Non-exempt Transactions;

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## DEFINITIONS

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“Independent Financial Adviser”	First Shanghai Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Non-exempt Transactions (including the respective annual caps relating thereto);
“Independent Non-Executive Directors”	the independent non-executive Directors, namely Mr. Chow Philip Yiu Wah, Dr. Chung Shui Ming Timpson, Mr. Yang Liang Yee Philip, Ms. Chen Ying and Mr. So Gregory Kam Leung;
“Independent Shareholders”	Shareholders other than members of COSCO SHIPPING Group;
“Latest Practicable Date”	14th October 2022, being the latest practicable date before the printing of this Circular for ascertaining certain information for the purpose of inclusion in this Circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange;
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 to the Listing Rules;
“New Bunker Master Agreement”	the master agreement dated 30th August 2022 and entered into between the Company and COSCO SHIPPING in relation to the purchase of bunker, fuel and oil by OOIL Group from COSCO SHIPPING Group;
“New Business Master Agreement”	the master agreement dated 30th August 2022 and entered into between the Company and COSCO SHIPPING in relation to the provision of containerized liner, logistics and information technology services between COSCO SHIPPING Group and OOIL Group;

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## DEFINITIONS

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“New Bye-laws”	the bye-laws of the Company, incorporating all Proposed Amendments, proposed to be adopted by the Company at the SGM, as set out in Appendix I to this Circular;
“New Equipment Procurement Master Agreement”	the master agreement dated 30th August 2022 and entered into between the Company and COSCO SHIPPING in relation to the provision of equipment to be produced by COSCO SHIPPING Group and equipment procurement services, including container acquisition, and pooling and related services between COSCO SHIPPING Group and OOIL Group;
“New Financial Services Master Agreement”	the master agreement dated 30th August 2022 and entered into between the Company and COSCO SHIPPING Finance in relation to the provision of the Deposit Service, loan service and other financial services by COSCO SHIPPING Finance to OOIL Group;
“New Master Agreements”	namely the New Business Master Agreement, the New Bunker Master Agreement, the New Terminal Master Agreement, the New Equipment Procurement Master Agreement, the New Vessel Services Master Agreement and the New Financial Services Master Agreement;
“New Terminal Master Agreement”	the master agreement dated 30th August 2022 and entered into between the Company and COSCO SHIPPING in relation to the provision of terminal services and related services between COSCO SHIPPING Group and OOIL Group;
“New Vessel Services Master Agreement”	the master agreement dated 30th August 2022 and entered into between the Company and COSCO SHIPPING in relation to the provision of vessel services, including vessel chartering, vessel supervision, and other vessel-related services between COSCO SHIPPING Group and OOIL Group;



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## DEFINITIONS

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“Non-exempt Equipment Procurement Service”	the service (including the annual caps relating thereto) to be provided by COSCO SHIPPING Group to OOIL Group contemplated under the New Equipment Procurement Master Agreement;
“Non-exempt Transactions”	together, the Bunker Service, the Non-exempt Equipment Procurement Service and the Deposit Service;
“Ocean Alliance”	a leading alliance formed by CMA CGM S.A., COSCO SHIPPING Lines Co., Ltd. (a member of COSCO SHIPPING Group), Evergreen Marine Corporation (Taiwan) Ltd. and Orient Overseas Container Line Limited and OOCL (Europe) Limited (both are wholly owned subsidiaries of the Company and acting as one party) to operate a comprehensive service network covering the various trade lanes globally;
“OOIL Group”	the Company and its subsidiaries and associates (as defined under the Listing Rules);
“Partially-exempt Transactions”	together, the transactions under the New Business Master Agreement, the New Terminal Master Agreement, the New Equipment Procurement Master Agreement and the New Vessel Services Master Agreement, except the Fully-exempt Transactions and the Non-exempt Transactions;
“PRC” or “China”	the People’s Republic of China;
“Proposed Amendments”	the proposed amendments to the Existing Bye-laws as set out in Appendix I to this circular;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGM”	the special general meeting of the Company to be held to consider, and if thought fit, approve each of the Non-exempt Transactions (including the respective annual caps relating thereto) and the adoption of the New Bye-laws;

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## DEFINITIONS

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“Shares”	ordinary shares of US\$0.10 each in the share capital of the Company;
“Shareholders”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiaries”	has the meaning ascribed to it under the Listing Rules; and “subsidiary” means any one of them;
“TEU”	twenty-foot equivalent container unit;
“US\$”	United States Dollars, the lawful currency of the United States; and
“%”	per cent.

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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### ORIENT OVERSEAS (INTERNATIONAL) LIMITED

東方海外(國際)有限公司\*

*(Incorporated in Bermuda with members' limited liability)*

(Stock Code: 316)

**Executive Directors:**

Mr. WAN Min (*Chairman*)  
Mr. HUANG Xiaowen (*Chief Executive Officer*)  
Mr. YANG Zhijian

**Non-Executive Directors:**

Mr. TUNG Lieh Cheung Andrew  
Mr. YAN Jun  
Ms. WANG Dan  
Mr. IP Sing Chi

**Independent Non-Executive Directors:**

Mr. CHOW Philip Yiu Wah  
Dr. CHUNG Shui Ming Timpson  
Mr. YANG Liang Yee Philip  
Ms. CHEN Ying  
Mr. SO Gregory Kam Leung

**Principal Office:**

31st Floor  
Harbour Centre  
25 Harbour Road  
Wanchai  
Hong Kong, China

**Registered Office:**

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

21st October 2022

*To the Shareholders of the Company*

Dear Sir or Madam,

**(1) CONTINUING CONNECTED TRANSACTIONS  
(2) PROPOSED ADOPTION OF NEW BYE-LAWS  
AND  
(3) NOTICE OF SPECIAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this Circular is to provide the Shareholders with, among others, (i) further information on (a) each of the Non-exempt Transactions (including the respective annual caps relating thereto), and (b) the proposed adoption of the New Bye-laws; (ii) a letter from the Independent Board Committee; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of SGM and other information in accordance with the requirements of the Listing Rules.

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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### 2. CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 30th August 2022 in relation to the continuing connected transactions between OOIL Group and COSCO SHIPPING Group.

The Existing Master Agreements will expire on 31st December 2022. On 30th August 2022, the Company and COSCO SHIPPING entered into the New Business Master Agreement, the New Bunker Master Agreement, the New Terminal Master Agreement, the New Equipment Procurement Master Agreement and the New Vessel Services Master Agreement for a further term of three years commencing from 1st January 2023 and ending on 31st December 2025.

On 30th August 2022, the Company and COSCO SHIPPING Finance entered into the New Financial Services Master Agreement for a term of three years commencing from 1st January 2023 and ending on 31st December 2025.

Among the transactions contemplated under the New Master Agreements, the Bunker Service, the Non-exempt Equipment Procurement Service and the Deposit Service (together, the **Non-exempt Transactions**) are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the Non-exempt Transactions are set out below:

#### A. New Bunker Master Agreement

Date:	30th August 2022
Parties:	(1) the Company (for itself and on behalf of its subsidiaries and associates); and  (2) COSCO SHIPPING (for itself and on behalf of its subsidiaries and associates)
Scope of Services:	Purchase of bunker, fuel and oil by OOIL Group from COSCO SHIPPING Group.

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## LETTER FROM THE BOARD

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**Term:** The New Bunker Master Agreement is for a term of three years commencing from 1st January 2023 and ending on 31st December 2025, and is renewable for successive periods of three years subject to mutual agreement of the Company and COSCO SHIPPING. Any renewal of the New Bunker Master Agreement will be subject to compliance with the applicable Listing Rules requirements (including, if required, independent shareholders' approval requirement).

**Consideration:** The Company and COSCO SHIPPING have entered into and will enter into one or more agreements setting out details of the transactions contemplated under the agreement(s), including the scope of the services, the duration of the agreement(s) (which are not expected to exceed 3 years) and the fees for the transactions. The service fees charged under the New Bunker Master Agreement shall be paid in cash and shall be determined with reference to the prevailing market price, being the price charged by independent third party vendors or suppliers (quotations will normally be requested, where appropriate, from at least two independent third party vendors or suppliers) in their ordinary and usual course of business for the same or comparable service type, and taking into account factors including costs and operational efficiency, and subject to normal commercial terms, and in accordance with the principle of fairness and reasonableness.

**Estimated Annual Caps:** Under the synergy between COSCO SHIPPING Group and OOIL Group, OOIL Group is anticipating growth and operation of new and larger fleet of vessels.

The annual caps for the transactions contemplated under the New Bunker Master Agreement for the three financial years ending 31st December 2025 are as follows:

### **Annual Caps**

Year 2023:	US\$627,000,000
Year 2024:	US\$726,000,000
Year 2025:	US\$825,000,000

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## LETTER FROM THE BOARD

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The above annual caps are determined by reference to (i) the existing scale and operations of OOIL Group's business and the business plan of OOIL Group, as well as the anticipated growth and development of OOIL Group, taking into account of the expected increase in the bunker demand following the delivery of the newly ordered vessels in 2023 to 2025; (ii) the expected continued co-operation with COSCO SHIPPING Group, which provides bunker to OOIL Group mainly in the PRC; and (iii) anticipated increase in costs and the global environment in our industry, in particular, the imbalance of supply and demand of fuel and oil in the foreseeable future caused by the political and geographical conflicts and the expected increase usage of biofuels in OOIL Group owned vessels; against the below historical transaction amounts of the relevant transactions for the period from 1st January 2020 to 31st July 2022:

Historical Amounts			
		From 1st	
Year 2020	Year 2021	January 2022 to	2022
<i>(US\$'000)</i>	<i>(US\$'000)</i>	31st July 2022	Annual Cap
		<i>(US\$'000)</i>	<i>(US\$'000)</i>
113,661	175,158	183,364	410,000

### B. New Equipment Procurement Master Agreement

Date: 30th August 2022

Parties: (1) the Company (for itself and on behalf of its subsidiaries and associates); and

(2) COSCO SHIPPING (for itself and on behalf of its subsidiaries and associates)

Scope of Services: Provision of equipment (mainly containers) to be produced by COSCO SHIPPING Group and equipment procurement services, including container acquisition, and pooling and related services (including leasing of containers and equipment repositioning) between OOIL Group and COSCO SHIPPING Group.

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## LETTER FROM THE BOARD

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- Term:** The New Equipment Procurement Master Agreement is for a term of three years commencing from 1st January 2023 and ending on 31st December 2025, and is renewable for successive periods of three years subject to mutual agreement of the Company and COSCO SHIPPING. Any renewal of the New Equipment Procurement Master Agreement will be subject to compliance with the applicable Listing Rules requirements (including, if required, independent shareholders' approval requirement).
- Consideration:** The Company and COSCO SHIPPING have entered into and will enter into one or more agreements setting out details of the transactions contemplated under the agreement(s), including the scope of the services, the duration of the agreement(s) and the fees for the transactions. The service fees (including the price of the equipment, if applicable) charged under the New Equipment Procurement Master Agreement shall be paid in cash and determined with reference to the prevailing market price, being the price charged by independent third party operators or service providers (quotations will normally be requested, where appropriate, from at least two independent third party operators or service providers) operating or providing similar types of services in their ordinary and usual course of business for the same or comparable service type, and taking into account the manufacturing capacity of the independent container manufacturer(s) and the market demand, and subject to normal commercial terms, and in accordance with the principle of fairness and reasonableness.
- Estimated Annual Caps:** Under the synergy between COSCO SHIPPING Group and OOIL Group, OOIL Group is anticipating growth and operation of new and larger fleet of vessels and new services.

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## LETTER FROM THE BOARD

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The annual caps for the transactions contemplated by the New Equipment Procurement Master Agreement for the three financial years ending 31st December 2025 are as follows:

	Annual Caps		
	Year 2023 (US\$'000)	Year 2024 (US\$'000)	Year 2025 (US\$'000)
Provision of services by COSCO SHIPPING Group to OOIL Group ( <b>Non-exempt Equipment Procurement Service</b> )	590,000	829,000	1,085,000
Provision of services by OOIL Group to COSCO SHIPPING Group ( <i>Note</i> )	237,000	247,000	247,000

*Note:* The annual caps relating to the provision of services by OOIL Group to COSCO SHIPPING Group under the New Equipment Procurement Master Agreement are set out above for information only, as such services are only subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules and are exempt from the independent shareholders' approval requirement pursuant to rule 14A.76(2) of the Listing Rules.

The above annual caps are determined by reference to (i) the existing scale and operations of OOIL Group's business and its business plan, as well as the anticipated growth and development of OOIL Group, including, the expected increase in the OOIL Group's container demand following the delivery of the new vessels in 2023 to 2025; and the envisaged purchase of new containers manufactured by members of COSCO SHIPPING Group, which purchase contributed to the bulk of the annual caps; (ii) the anticipated synergies and better operational efficiency growth between OOIL Group and COSCO SHIPPING Group, including OOIL's enhanced ability to reposition container boxes through synergy with COSCO SHIPPING Group; and (iii) the anticipated increase in costs and the global environment in our industry; against the below historical transaction amounts of the relevant transactions for the period from 1st January 2020 to 31st July 2022:



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## LETTER FROM THE BOARD

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	Historical Amounts			2022 Annual Cap (US\$'000)
	Year 2020 (US\$'000)	Year 2021 (US\$'000)	From 1st January 2022 to 31st July 2022 (US\$'000)	
Provision of services by COSCO SHIPPING Group to OOIL Group	106,959	152,399	26,495	590,000
Provision of services by OOIL Group to COSCO SHIPPING Group	7,932	13,124	17,092	101,000

The annual caps for the Non-exempt Equipment Procurement Service for the three financial years ending 31st December 2025 are determined primarily based on the procurement of containers to meet the operational needs of a total of 22 new-build vessels with a total of 436,000 TEU which are expected to be delivered from 2023 to 2025. The Group may procure the additional containers by purchasing or leasing depending on the upcoming container procurement market and the shipping industry in the coming three years.

As the containers are expected to be gradually procured as the new vessels phase-in, the 2024 and 2025 annual caps for the Non-exempt Equipment Procurement Service are higher than that of 2023.

### C. New Financial Services Master Agreement

Date:	30th August 2022
Parties:	(1) the Company (for itself and on behalf of its subsidiaries and associates); and  (2) COSCO SHIPPING Finance
Scope of Services:	Provision of deposit service, loan service and other financial services (including but not limited to clearing services and foreign exchange services) by COSCO SHIPPING Finance to OOIL Group.

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## LETTER FROM THE BOARD

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- Term:** The New Financial Services Master Agreement is for a term of three years commencing from 1st January 2023 and ending on 31st December 2025, and is renewable for successive periods of three years subject to mutual agreement of the Company and COSCO SHIPPING Finance. Any renewal of the New Financial Services Master Agreement will be subject to compliance with the applicable Listing Rules requirements (including, if required, independent shareholders' approval requirement).
- Consideration:** The Company and COSCO SHIPPING Finance have entered into and will enter into one or more agreements setting out details of the transactions contemplated under the agreement(s), including the scope of the services, the duration of the agreement(s) and the fees for the transactions. The Company and COSCO SHIPPING Finance have agreed that the transaction terms of the services shall be on normal commercial terms and fair and reasonable, and shall not be less favourable to OOIL Group than those offered by COSCO SHIPPING Finance to the other members of COSCO SHIPPING Group with same level of status for the same type of services at the same period of time and also shall not be less favourable than the terms then offered by independent third party onshore financial institutions (which are generally onshore commercial banks) (quotations will normally be requested, where appropriate, from at least one independent third party onshore commercial bank) to OOIL Group for the same type of services.

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## LETTER FROM THE BOARD

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The Company and COSCO SHIPPING Finance have further agreed that:

- (i) the interest rates for deposits shall not be lower than the benchmark deposit rates stipulated by the People's Bank of China for the same type of deposits for the same period and shall be determined (a) with reference to market interest rates, being interest rates determined by independent third party onshore commercial banks providing the same type of deposit services in their ordinary and usual course of business in the same or nearby service area and subject to normal commercial terms, and shall be in accordance with the principle of fairness and reasonableness; and (b) with reference to the interest rate offered by COSCO SHIPPING Finance for the same type of deposits placed by other entities (being members of COSCO SHIPPING Group) with same level of status;
- (ii) the interest rates for loans shall not be higher than the loan prime rate and shall be determined (a) with reference to market interest rates, being interest rates determined by independent third party onshore commercial banks providing the same type of loan services in their ordinary and usual course of business in the same or nearby service area and subject to normal commercial terms, and shall be in accordance with the principle of fairness and reasonableness; and (b) with reference to the interest rate charged by COSCO SHIPPING Finance for the same type of loans provided to other entities (being members of COSCO SHIPPING Group) with same level of status; and
- (iii) the pricing policies for other financial services shall be determined with reference to (a) the handling fees charged by independent third party onshore commercial banks to OOIL Group for the same type of services; and (b) the handling fees charged by COSCO SHIPPING Finance to independent third parties with the same status for the same type of services.

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## LETTER FROM THE BOARD

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Estimated Annual Caps: Under the synergy between COSCO SHIPPING Group and OOIL Group, OOIL Group has been using the internal financing platform and cash management platform within COSCO SHIPPING Group for better efficiency of fund management.

The Deposit Caps for the three financial years ending 31st December 2025 are as follows:

### Deposit Service

	Year 2023 <i>(US\$'000)</i>	Year 2024 <i>(US\$'000)</i>	Year 2025 <i>(US\$'000)</i>
Maximum daily limit (comprising the deposits to be placed by OOIL Group with COSCO SHIPPING Finance, the relevant accrued interest and the handling fee payable by OOIL Group) <b>(Deposit Caps)</b>	690,000	759,000	828,000

The loan service and the other financial services contemplated under the New Financial Services Master Agreement are fully exempt from the reporting, annual review, announcement and independent shareholder approval requirements under Chapter 14A of the Listing Rules. The caps relating to the loan service and the other financial services are set out below for information only.

### Loan Service

	Year 2023 <i>(US\$'000)</i>	Year 2024 <i>(US\$'000)</i>	Year 2025 <i>(US\$'000)</i>
Maximum daily limit of loan facilities (including accrued interest and handling fee) to be granted by COSCO SHIPPING Finance to OOIL Group	345,000	402,500	460,000

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## LETTER FROM THE BOARD

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### Other Financial Services

	Annual Caps		
	Year 2023	Year 2024	Year 2025
	<i>(US\$'000)</i>	<i>(US\$'000)</i>	<i>(US\$'000)</i>
Provision of services by COSCO SHIPPING Finance to OOIL Group	6,000	6,000	6,000

The above annual caps are determined by reference to (i) the existing scale and operations of OOIL Group's business and its business plan with a view to managing its financial risks effectively and reasonably; (ii) the anticipated business growth and development of OOIL Group; (iii) the anticipated synergies and better operational efficiency growth between OOIL Group and COSCO SHIPPING Group; and (iv) the anticipated increase in costs; against the historical daily cash balance of OOIL Group for the period from 1st January 2020 to 31st July 2022.

	Historical Amounts			2022 Annual Cap <i>(US\$'000)</i>
	Year 2020	Year 2021	From 1st January 2022 to 31st July 2022	
	<i>(US\$'000)</i>	<i>(US\$'000)</i>	<i>(US\$'000)</i>	
Maximum daily outstanding balance of deposits (including accrued interest and handling fee) placed by OOIL Group with COSCO SHIPPING Group	58,960	240,296	315,545	385,000
Maximum daily outstanding balance of loans (including accrued interest and handling fee) granted by COSCO SHIPPING Group to OOIL Group	–	–	–	250,000
Provision of other financial services by COSCO SHIPPING Group to OOIL Group	–	61	–	6,000

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## LETTER FROM THE BOARD

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### **D. Reasons for and Benefits of the Continuing Connected Transactions**

The continuing connected transactions contemplated under each of the New Business Master Agreement, the New Bunker Master Agreement, the New Terminal Master Agreement, the New Equipment Procurement Master Agreement and the New Vessel Services Master Agreement are in line with the business and commercial objectives of the Group and would enable the Group to leverage on COSCO SHIPPING Group's global shipping network to drive for future growth, synergies and operational efficiency.

OOIL Group and COSCO SHIPPING Group mutually provide similar service to each other under each of the New Business Master Agreement, the New Terminal Master Agreement, the New Equipment Procurement Master Agreement and the New Vessel Services Master Agreement because (i) OOIL Group and COSCO SHIPPING Group each owns vessel capacity, and marine terminals and depots in different geographical locations, and requires services provided by each other in various geographical locations; and (ii) as members of the Ocean Alliance, OOIL Group and COSCO SHIPPING Group co-operate to offer services to each other, in the capacity of an owner to a user of the relevant facility or vessel and to promote slot utilization and reduce idle capacity.

The continuing connected transactions contemplated under the New Financial Services Master Agreement would enable OOIL Group to obtain financial services on terms not less favourable than the terms offered by independent banks and financial institutions and would provide for efficient fund management between OOIL Group and COSCO SHIPPING Finance by OOIL Group utilizing the financial and cash management platform of COSCO SHIPPING Finance.

The Board (including the Independent Non-Executive Directors after taking into account the advice from the Independent Financial Adviser) considers that the entering into of the New Master Agreements and the continuing connected transactions contemplated thereunder (including the Non-exempt Transactions) are in the ordinary and usual course of business of the Group, and that the terms of continuing connected transactions contemplated under each of the New Master Agreements (including the annual caps relating thereto) are on normal commercial terms or better, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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## LETTER FROM THE BOARD

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On the date of Board Meeting, Mr. Wan Min, Mr. Huang Xiaowen and Mr. Yang Zhijian, the Executive Directors of the Company, were holding directorships and/or senior management positions in COSCO SHIPPING, its subsidiaries and/or its associates; Mr. Tung Lih Cheung Andrew, a Non-Executive Director of the Company, had interests in the shares and the underlying shares of COSCO SHIPPING Holdings; Mr. Ip Sing Chi, a Non-Executive Director of the Company, was a non-executive director of COSCO SHIPPING Development Co. Ltd.; Mr. Yang Liang Yee Philip, an Independent Non-Executive Director of the Company, was an independent non-executive director of COSCO SHIPPING Ports Limited; and Ms. Chen Ying, an Independent Non-Executive Director of the Company, was an external director of COSCO SHIPPING (Guangzhou) Co., Ltd. and COSCO SHIPPING Lines Co., Ltd. Accordingly, each of them was considered to have a material interest in the transactions contemplated under each of the New Master Agreements (including the Non-exempt Transactions) and had abstained from voting on the relevant resolution at the Board Meeting.

Other than Mr. Wan Min, Mr. Huang Xiaowen, Mr. Yang Zhijian, Mr. Tung Lih Cheung Andrew, Mr. Ip Sing Chi, Mr. Yang Liang Yee Philip and Ms. Chen Ying, none of the other Directors on the date of Board Meeting (including Mr. Chow Philip Yiu Wah, Dr. Chung Shui Ming Timpson and Mr. So Gregory Kam Leung, the Independent Non-Executive Directors) had a material interest in the transactions contemplated under each of the New Master Agreements (including the Non-exempt Transactions) and none of the other Directors had abstained from voting on the relevant resolution.

### **E. Listing Rules Implications**

COSCO SHIPPING indirectly controls more than 50% of the issued share capital of the Company. Accordingly, members of COSCO SHIPPING Group are connected persons of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under each of the New Master Agreements constitute continuing connected transactions of the Company.

#### ***Non-exempt Transactions***

As one or more of the applicable percentage ratios of the annual caps in respect of each of the Bunker Service and the Non-exempt Equipment Procurement Service and the Deposit Caps (the **Non-exempt Transactions**) exceed 5%, each of these Non-exempt Transactions is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## LETTER FROM THE BOARD

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For avoidance of doubt, under each of the New Master Agreements, if a service contemplated thereunder is subject to independent shareholders' approval requirements under the Listing Rules, regardless of whether such independent shareholders' approval is obtained, it will not affect the performance by OOIL Group or COSCO SHIPPING Group of its respective obligations with respect to the other services which are exempt from such independent shareholders' approval requirement under the Listing Rules.

An Independent Board Committee comprising all Independent Non-Executive Directors (except Mr. Yang Liang Yee Philip and Ms. Chen Ying) has been established to advise the Independent Shareholders on, among other thing, the terms of the Non-exempt Transactions (and the annual caps relating thereto) and on how to vote on the resolutions in respect thereof at the SGM. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

### ***Transactions which are partially-exempt or fully-exempt from requirements under Chapter 14A***

As the highest of the applicable percentage ratios of the annual caps in respect of the Partially-exempt Transactions exceed 0.1% but are less than 5%, the Partially-exempt Transactions are only subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules and are exempt from the independent shareholders' approval requirement pursuant to rule 14A.76(2) of the Listing Rules.

The loan service contemplated under the New Financial Services Master Agreement constitutes financial assistance to be received by OOIL Group from COSCO SHIPPING Group. As such loan service will be conducted on normal or better commercial terms and will not be secured by the assets of OOIL Group, the loan service under the New Financial Services Master Agreement is fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios of the annual caps in respect of the Fully-exempt Transactions are less than 0.1%, the Fully-exempt Transactions are fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.



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## LETTER FROM THE BOARD

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### *Discloseable transactions under Chapter 14*

As one or more of the applicable percentage ratios in respect of the annual caps for the Non-exempt Equipment Procurement Service and the Deposit Caps exceed 5% but all applicable percentage ratios are less than 25%, the Non-exempt Equipment Procurement Service and the Deposit Service also constitute discloseable transactions of the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **F. Internal Control Procedures**

Annual review by the auditors and Independent Non-Executive Directors, as part of the Group's internal controls systems, are in place to ensure that the transactions between the Group and its connected persons are conducted in accordance with the pricing policy. Apart from this, the Company would:

- identify and register the connected transactions in a system designed to track the connected transactions;
- carry out regular checking and reconciliation to ensure the completeness and accuracy of the connected transactions recorded in the system;
- report the transaction amounts monthly, so that the Group's management is informed of the status of the connected transactions timely and assess if the transactions are conducted within the annual caps;
- examine the pricing of transactions regularly to ensure that the connected transactions are conducted in accordance with the pricing terms thereof, including reviewing the transaction records of OOIL Group, for the purchase or provision of similar goods or services from or to independent third parties; and
- in relation to each annual cap under the New Master Agreements, set appropriate internal monitoring limits, such that the Company will be alerted at appropriate time prior to reaching the relevant annual caps.

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## LETTER FROM THE BOARD

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In addition, OOIL Group shall obtain the rates for deposits, loans and service fee for other financial services offered by several onshore commercial banks as needed when dealing with the financial services provided by connected persons, to ensure that the rates offered by COSCO SHIPPING Finance are no less favourable to OOIL Group than those offered by independent third parties and that the terms are in the interests of the Company as a whole.

If the terms obtained above from the banks are more favourable to OOIL Group than those provided by COSCO SHIPPING Finance, the Company will report to the management and re-negotiate the relevant terms with COSCO SHIPPING Finance. Other banks would be selected if the offer from COSCO SHIPPING Finance cannot meet the pricing principle.

### *Capital risk control measures*

- COSCO SHIPPING Finance shall ensure the security of the funds of the OOIL Group, that its funds management information system (a) operates safely; (b) has passed the security test in respect of the interface with online banking of commercial banks; (c) has attained the security standards for commercial banks in the PRC; and (d) has adopted the certification authority security certificate mode.
- COSCO SHIPPING Finance shall operate strictly in compliance with the risk monitoring indicators guidelines for finance companies issued by the China Banking and Insurance Regulatory Commission (“CBIRC”), and shall ensure that its main regulatory indicators such as gearing ratio and liquidity ratio comply with the requirements of the CBIRC and other relevant PRC laws and regulations.
- COSCO SHIPPING Finance shall (a) submit monthly financial statements to the Company’s senior management and Executive Directors for review by the fifth business day of the following month; and (b) provide the Company with sufficient information on its various financial indicators and interim and annual financial statements to enable OOIL Group to monitor and review its financial conditions.
- COSCO SHIPPING Finance shall obtain the Company’s prior written consent if COSCO SHIPPING Finance makes any long-term equity investment.
- The Company shall have the right to assign professional parties and personnel to conduct dynamic assessment and supervise the risk status of the funds it deposited with COSCO SHIPPING Finance, and COSCO SHIPPING Finance shall cooperate accordingly.

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## LETTER FROM THE BOARD

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- If COSCO SHIPPING Finance fails to repay any deposit as scheduled, COSCO SHIPPING Finance agrees that the Company shall have the right to offset any loan payable to COSCO SHIPPING Finance with the deposit of OOIL Group.
- COSCO SHIPPING Finance warrants that it has all the requisite qualifications to provide the Deposit Services and shall strictly comply with the risk management protocols promulgated by CBIRC and the relevant PRC laws and regulations as amended from time to time.
- As informed by its controlling shareholder, COSCO SHIPPING Holdings, COSCO SHIPPING has guaranteed to COSCO SHIPPING Holdings that, in respect of the deposits provided by COSCO SHIPPING Holdings, its subsidiaries and associates (the “**COSCO SHIPPING Holdings Group**”) under the CSH Financial Services Agreement, COSCO SHIPPING Finance will use such deposits primarily for the purpose of facilitating the fund transfer services and entrustment loan services for and among the COSCO SHIPPING Holdings Group (the “**Guarantee to CSH**”). As the Company is a member of the COSCO SHIPPING Holdings Group, the Guarantee to CSH will in effect also (to the extent applicable) apply to the deposits placed by OOIL Group with COSCO SHIPPING Finance pursuant to the Deposit Service.

### **G. Information on the relevant parties**

The Group is principally engaged in the provision of container transport and logistics services.

According to the information provided by COSCO SHIPPING, and to the best of the Directors’ knowledge, information and belief, COSCO SHIPPING is a state-owned enterprise. The scope of business of COSCO SHIPPING includes international shipping, ancillary business in international maritime transportation, import and export of goods and technologies, international freight agency business, leasing of self-owned vessels, sale of vessels, containers and steel, and maritime engineering.

According to the information provided by COSCO SHIPPING Group, and to the best of the Directors’ knowledge, information and belief, COSCO SHIPPING Finance is a company established in the PRC with limited liability and is an indirect non-wholly owned subsidiary of COSCO SHIPPING. It is principally engaged in the provision of deposit services, credit services, financial and financing consultation, credit verification and related consultation and agency services, settlement, and liquidation.

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## LETTER FROM THE BOARD

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### 3. PROPOSED ADOPTION OF THE NEW BYE-LAWS

Reference is made to the announcement of the Company dated 30th August 2022 in relation to the proposed adoption of the New Bye-laws.

The Board proposes to amend the Existing Bye-laws to, amongst others, (i) conform to the core shareholder protection standards set out in Appendix 3 to the Listing Rules; (ii) provide flexibility to the Company to hold general meetings as hybrid meetings or electronic meetings where the Shareholders may attend by means of electronic facilities; (iii) bring the Existing Bye-laws in line with the Listing Rules and the applicable laws of Bermuda; and (iv) make other consequential and housekeeping amendments (collectively, the “**Proposed Amendments**”).

The Board proposes to adopt the New Bye-laws in substitution for, and to the exclusion of, the Existing Bye-laws, subject to the approval of the Shareholders by way of a special resolution at the SGM. Full text of the New Bye-laws is set out in Appendix I to this Circular. The Chinese translation of the New Bye-laws is for reference only. In case of any discrepancy or inconsistency, the English version shall prevail.

The legal advisers to the Company as to Hong Kong laws have confirmed that the Proposed Amendments conform with the requirements of the Listing Rules and the legal advisers to the Company as to Bermuda laws have confirmed that the Proposed Amendments do not violate the laws of Bermuda. The Company also confirms that there is nothing unusual about the Proposed Amendments for a company listed in Hong Kong.

### 4. SPECIAL GENERAL MEETING

The SGM will be held for the Shareholders to consider, and if thought fit, approve the Non-exempt Transactions (including the respective annual caps relating thereto) and the adoption of the New Bye-laws.

Faulkner, being the connected person of the Company and having material interest in each of the Bunker Service, the Non-exempt Equipment Procurement Service and the Deposit Service, will abstain from voting on the relevant resolutions in respect thereof at the SGM. As at the Latest Practicable Date, Faulkner directly held 71.07% of the issued share capital of the Company. To the best knowledge of the Directors, as at the Latest Practicable Date, save as disclosed above, no other Shareholder is required to abstain from voting on the resolutions proposed at the SGM.

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## LETTER FROM THE BOARD

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A notice of the SGM is set out on pages (i) to (iii) of this Circular. Whether or not you intend to be present at the SGM, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon and deposit the same with the Branch Share Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time fixed for the SGM (or any adjournment thereof). Completion and return of the proxy form will not preclude you from attending and voting at the SGM (or any adjournment thereof) should you so wish and in such event, the proxy form appointing the proxy shall be deemed to be revoked.

As part of our control measures to safeguard the health and safety of the Shareholders, the Company encourages the Shareholders to consider appointing the chairman of the SGM as their proxy to vote as instructed by the Shareholders on the relevant resolutions at the SGM, instead of attending the SGM in person.

The register of members of the Company will be closed during the period from 21st November 2022 to 24th November 2022, both days inclusive, to ascertain the Shareholders entitled to attend and vote at the SGM. During this period, no transfer of shares will be registered. To be eligible to attend and vote at the above meeting, all share transfer documents must be accompanied with the relevant share certificates and lodged with the Branch Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 18th November 2022.

### **5. VOTING BY POLL**

Pursuant to rule 13.39(4) of the Listing Rules, all resolutions set out in the notice of the SGM will be voted by way of a poll. An announcement on the results of the poll voting will be made by the Company after the SGM in the manner prescribed under rule 13.39(5) of the Listing Rules.

### **6. RECOMMENDATION**

Your attention is drawn to the letter from the Independent Board Committee set out on pages 29 to 30 of this Circular and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 31 to 50 of this Circular in connection with the Non-exempt Transactions (including the respective annual caps relating thereto) and the principal factors and reasons considered by the Independent Financial Adviser in arriving at such advice.

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## LETTER FROM THE BOARD

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The Independent Board Committee, having taken into account the terms of the Non-exempt Transactions and the advice of the Independent Financial Adviser, is of the opinion that the Non-exempt Transactions are on normal commercial terms or better, and in the ordinary and usual course of business of the Group, and that the terms of the Non-exempt Transactions (including the respective annual caps relating thereto for each of the three years ending 31st December 2023, 2024 and 2025) are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions to approve the Non-exempt Transactions (including the respective annual caps relating thereto).

The Board recommends the Independent Shareholders to vote in favour of the resolutions to approve the Non-exempt Transactions (including the respective annual caps relating thereto for each of the three years ending 31st December 2023, 2024 and 2025) at the SGM.

The Board is also of the view that the adoption of the New Bye-laws is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the special resolution at the SGM to approve the adoption of the New Bye-laws.

### 7. ADDITIONAL INFORMATION

Your attention is drawn to the information set out in Appendix I and Appendix II to this Circular.

Yours faithfully,  
By order of the Board  
**Orient Overseas (International) Limited**  
**WAN MIN**  
*Chairman*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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### ORIENT OVERSEAS (INTERNATIONAL) LIMITED

東方海外(國際)有限公司\*

*(Incorporated in Bermuda with members' limited liability)*

**(Stock Code: 316)**

21st October 2022

*To the Independent Shareholders of the Company*

Dear Sir or Madam,

#### CONTINUING CONNECTED TRANSACTIONS

We refer to the circular issued by the Company to the Shareholders dated 21st October 2022 (the “**Circular**”) of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings in this letter.

We have been appointed by the Board to advise the Independent Shareholders as to whether (i) the Non-exempt Transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and (ii) the terms of the Non-exempt Transactions (including the respective annual caps relating thereto for each of the three years ending 31st December 2023, 2024 and 2025) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

First Shanghai Capital Limited has been appointed to act as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt Transactions. The text of the letter of advice from the Independent Financial Adviser containing their recommendations and the principal factors they have taken into account in arriving at their recommendations are set out from pages 31 to 50 of the Circular.

Having taken into account the terms of the Non-exempt Transactions and the advice of the Independent Financial Adviser, we are of the opinion that (i) the Non-exempt Transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and that (ii) the terms of the Non-exempt Transactions (including the respective annual caps relating thereto for each of the three years ending 31st December 2023, 2024 and 2025) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

\* *For identification purpose only*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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We therefore recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM to approve the Non-exempt Transactions (including the respective annual caps relating thereto).

Yours faithfully,

For and on behalf of

THE INDEPENDENT BOARD COMMITTEE

<b>Mr. Chow Philip Yiu Wah</b>	<b>Dr. Chung Shui Ming Timpson</b>	<b>Mr. So Gregory Kam Leung</b>
<i>Independent Non-Executive</i>	<i>Independent Non-Executive</i>	<i>Independent Non-Executive</i>
<i>Director</i>	<i>Director</i>	<i>Director</i>



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of the letter to the Independent Board Committee and the Independent Shareholders from the Independent Financial Adviser setting out its opinion and recommendation regarding the Non-exempt Transactions (including the respective annual caps relating thereto for each of the three financial years ending 31st December 2023, 2024 and 2025), for the purpose of inclusion in the Circular.*



**First Shanghai Capital Limited**

First Shanghai Capital Limited  
19th Floor  
Wing On House  
71 Des Voeux Road Central  
Hong Kong

21st October 2022

*To the Independent Board Committee and  
the Independent Shareholders*

Orient Overseas (International) Limited  
31st Floor, Harbour Centre  
25 Harbour Road  
Wanchai  
Hong Kong

Dear Sirs,

### CONTINUING CONNECTED TRANSACTIONS

#### INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Non-exempt Transactions (including the respective annual caps relating thereto), details of which are set out in the circular to the Shareholders dated 21st October 2022 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, capitalized terms used in this letter shall have the same meanings as those defined in the Circular.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Existing Master Agreements will expire on 31st December 2022. On 30th August 2022, the Company and COSCO SHIPPING entered into the New Business Master Agreement, the New Bunker Master Agreement, the New Terminal Master Agreement, the New Equipment Procurement Master Agreement and the New Vessel Services Master Agreement for a further term of three years commencing from 1st January 2023 and ending on 31st December 2025. On 30th August 2022, the Company and COSCO SHIPPING Finance entered into the New Financial Services Master Agreement for a term of three years commencing from 1st January 2023 and ending on 31st December 2025.

COSCO SHIPPING indirectly controls more than 50% of the issued share capital of the Company. Accordingly, members of COSCO SHIPPING Group (including COSCO SHIPPING Finance) are connected persons of the Company under Chapter 14A of the Listing Rules. Hence, the transactions contemplated under each of the New Master Agreements constitute continuing connected transactions of the Company.

According to the letter from the Board in the Circular (the “**Board Letter**”), among the transactions contemplated under the New Master Agreements, (i) the Bunker Service; (ii) the Non-exempt Equipment Procurement Service; and (iii) the Deposit Service (collectively as the Non-exempt Transactions) are subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

### THE INDEPENDENT BOARD COMMITTEE

An Independent Board Committee comprising three out of the five Independent Non-Executive Directors, being Mr. CHOW Philip Yiu Wah, Dr. CHUNG Shui Ming Timpson and Mr. SO Gregory Kam Leung, who have no material interests in the Non-exempt Transactions, has been established to advise the Independent Shareholders on, among other things, the terms of the Non-exempt Transactions (including the annual caps relating thereto) and on how to vote on the resolutions in respect thereof at the SGM. We, First Shanghai Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### OUR INDEPENDENCE

The Independent Shareholders should note that, within the past two years prior to the Latest Practicable Date:

- we were engaged as the independent financial adviser by the Company for three occasions including (i) the major and connected transaction regarding the construction of seven vessels and the revision of annual caps for the Existing Bunker Master Agreement as detailed in the circular of the Company dated 11th November 2020; (ii) the discloseable and connected transaction regarding the construction of ten vessels as detailed in the circular of the Company dated 24th September 2021; and (iii) a potential transaction of the Company that is currently under negotiation; and
  
- we were also engaged as the independent financial adviser by COSCO SHIPPING Holdings (stock code: 1919 HK/601919 CH), which is a controlling shareholder of the Company, for four occasions, including (i) the discloseable and connected transaction regarding the construction of seven vessels as detailed in the circular of COSCO SHIPPING Holdings dated 16th November 2020; (ii) the major and connected transaction regarding the leasing of vessels as detailed in the circular of COSCO SHIPPING Holdings dated 16th November 2020; (iii) the discloseable and connected transaction regarding the construction of ten vessels as detailed in the circular of COSCO SHIPPING Holdings dated 5th August 2021; and (iv) the discloseable and connected transaction regarding the construction of ten vessels as detailed in the circular of COSCO SHIPPING Holdings dated 24th September 2021.

Apart from normal professional fees paid or payable to us in connection with the aforesaid engagements (the “**Previous Engagements**”), we did not have any other relationships or interests with COSCO SHIPPING Group (including OOIL Group). Given (i) our independent roles in the Previous Engagements; (ii) none of the members of our parent group is a direct party to the Non-exempt Transactions; and (iii) our fee for this present engagement with the Company, in addition to those for the Previous Engagements, represented an insignificant percentage of revenue of our parent group, we consider that the Previous Engagements would not affect our independence, and we consider ourselves independent pursuant to rule 13.84 of the Listing Rules, to provide our advice and form our opinion in respect of the Non-exempt Transactions (including the annual caps relating thereto).

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### BASIS OF OUR ADVICE

In putting forth our opinion and recommendation, we have relied on the accuracy of the information and representations included in the Circular and provided to us by the management of the Group (the “**Management**”), and have assumed that all such information and representations made or referred to in the Circular and provided to us by the Management were true and accurate at the time they were made and continued to be true up to the Latest Practicable Date. During the course of our due diligence, we have reviewed, among other documents, the annual report of the Company for the year ended 31st December 2021 (the “**2021 Annual Report**”), the interim report of the Company for the six months ended 30th June 2022 (the “**2022 Interim Report**”), the relevant New Master Agreements, sample transactions documents in relation to the Non-exempt Transactions and relevant industry information as further elaborated in our letter.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular the omission of which would make any such statement contained in the Circular, including this letter, misleading. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Management nor have we conducted any form of investigation into the business, affairs or future prospects of the Group and the COSCO SHIPPING Group. We consider that we have taken sufficient and necessary steps to form a reasonable basis and an informed view for our opinion in compliance with rule 13.80 of the Listing Rules.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation regarding each of the Non-exempt Transactions (including the respective annual caps relating thereto), we have taken into consideration the following principal factors and reasons:

#### 1. Background information on the Group

The Group is principally engaged in the provision of container transport and logistics services. According to the 2021 Annual Report and the 2022 Interim Report, almost all (i.e. over 99%) of the revenue of the Group for each of the years ended 31st December 2020 and 2021 and the six months ended 30th June 2022 were generated from the container transport and logistics business segment.

#### 2. Background information on COSCO SHIPPING Group

COSCO SHIPPING is a state-owned enterprise and indirectly controls more than 50% of the issued share capital of the Company. Its business scope includes international shipping, ancillary business in international maritime transportation, import and export of goods and technologies, international freight agency business, leasing of self-owned vessels, sale of vessels, containers and steel and maritime engineering.

We understand members of COSCO SHIPPING Group include but are not limited to:

- COSCO SHIPPING Development Co., Ltd. (stock code: 2866 HK/601866 CH);
- COSCO SHIPPING Energy Transportation Co., Ltd. (stock code: 1138 HK/600026 CH);
- COSCO SHIPPING Holdings (stock code: 1919 HK/601919 CH); and
- COSCO SHIPPING Specialized Carriers Co., Ltd. (stock code: 600428 CH).

We have reviewed the official website of COSCO SHIPPING and we understand that, in respect of the scale of the fleet of COSCO SHIPPING as of 30th June 2022, (i) its total fleet comprised 1,413 vessels with a capacity of approximately 113 million deadweight tonnage (DWT), ranking the first in the world; and (ii) its container fleet capacity was approximately 3 million TEU, which was the top few largest in the world.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We have also reviewed the Fortune Global 500 list of 2022 and we understand that (i) COSCO SHIPPING ranked 127th in the world in terms of revenue; and (ii) COSCO SHIPPING was one of the largest shipping companies in the world in terms of revenue for the year ended 31st December 2021.

### **3. Background information on COSCO SHIPPING Finance**

COSCO SHIPPING Finance is a company established in the PRC with limited liability and is an indirect non-wholly owned subsidiary of COSCO SHIPPING. It is principally engaged in the provision of deposit services, credit services, financial and financing consultation, credit verification and related consultation and agency services, settlement, and liquidation.

### **4. Background of and reasons for the Non-exempt Transactions**

OOIL Group has been leveraging on, and is expected to continue to leverage on, the global shipping network and platform of COSCO SHIPPING Group to drive for future growth, synergies and operational efficiency of OOIL Group. The Existing Master Agreements will expire on 31st December 2022 and hence the New Master Agreements were entered into on 30th August 2022 to renew for a further term of three years commencing from 1st January 2023 and ending on 31st December 2025.

In respect of the Non-exempt Transactions under the New Bunker Master Agreement, the New Equipment Procurement Master Agreement and the New Financial Services Master Agreement:

- Bunker Service facilitates OOIL Group to purchase bunker, fuel and oil from COSCO SHIPPING Group for the ordinary business operation of OOIL Group;
- Non-exempt Equipment Procurement Service facilitates OOIL Group to procure equipment to be produced by COSCO SHIPPING Group and equipment procurement services (including container acquisition, and pooling and related services) from COSCO SHIPPING Group for the ordinary business operation of OOIL Group; and
- Deposit Service provides flexibility to OOIL Group to place deposit at COSCO SHIPPING Finance and earn interest income.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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All of the New Bunker Master Agreement, the New Equipment Procurement Master Agreement and the New Financial Services Master Agreement provide OOIL Group with the option, but do not impose an obligation on OOIL Group, to transact with COSCO SHIPPING Group.

Having considered, in particular, (i) the background and strengths of the COSCO SHIPPING, being one of the largest shipping companies in the world in terms of revenue for the year ended 31st December 2021; (ii) OOIL Group has been leveraging on, and is expected to continue to leverage on, the global shipping network and platform of COSCO SHIPPING Group for the business development of OOIL Group; (iii) the nature of the Non-exempt Transactions, primarily being the procurement of bunker and container and the deposit of cash; and (iv) the terms of the Non-exempt Transactions and the respective annual caps relating thereto are fair and reasonable as discussed below, we are of the view that the entering into of the Non-exempt Transactions (including the respective annual caps relating thereto) are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

### **5. Principal terms of the Non-exempt Transactions**

The principal terms of the Non-exempt Transactions contemplated under the New Bunker Master Agreement, the New Equipment Procurement Master Agreement and the New Financial Services Master Agreement, which are set out in more details in the Board Letter, are summarized in the following table.

Bunker Service	The service fees charged under the New Bunker Master Agreement shall be paid in cash and shall be determined with reference to the prevailing market price, being the price charged by independent third party vendors or suppliers in their ordinary and usual course of business for the same or comparable service type, and taking into account factors including costs and operational efficiency and subject to normal commercial terms, and in accordance with the principle of fairness and reasonableness.
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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Non-exempt Equipment Procurement Service      The service fees (including the price of the equipment, if applicable) charged under the New Equipment Procurement Master Agreement shall be paid in cash and determined with reference to the prevailing market price, being the price charged by independent third party operators or service providers operating or providing similar types of services in their ordinary and usual course of business for the same or comparable service type, and taking into account the manufacturing capacity of the independent container manufacturer(s) and the market demand, and subject to normal commercial terms, and in accordance with the principle of fairness and reasonableness.

Deposit Service      The interest rates for deposits shall not be lower than the benchmark deposit rates stipulated by the People's Bank of China for the same type of deposits for the same period and shall be determined (a) with reference to market interest rates, being interest rates determined by independent third party onshore commercial banks providing the same type of deposit services in their ordinary and usual course of business in the same or nearby service area and subject to normal commercial terms, and shall be in accordance with the principle of fairness and reasonableness; and (b) with reference to the interest rate offered by COSCO SHIPPING Finance for the same type of deposits from other entities (being members of COSCO SHIPPING Group) with same level of status.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Regarding the principal terms of the Non-exempt Transactions, we understand that the fees/rates with connected persons shall be no less favourable to the Group than those with independent third parties for comparable products/services in the market. As part of the internal control measures of OOIL Group, OOIL Group examines the pricing of transactions to ensure that the connected transactions are conducted in accordance with the pricing terms thereof, including reviewing the transaction records of OOIL Group, for the purchase or provision of similar goods or services from or to independent third parties. Moreover, the independent auditors of the Company and the Independent Non-Executive Directors have reviewed and will continue to review the continuing connected transactions of OOIL Group in accordance with the Listing Rules. In addition, capital risk control measures of OOIL Group in relation to the Deposit Service include, among other things, (i) COSCO SHIPPING Finance shall (a) submit monthly financial statements to the Company's senior management and Executive Directors for review by the fifth business day of the following month; and (b) provide the Company with sufficient information on its various financial indicators and interim and annual financial statements to enable OOIL Group to monitor and review its financial conditions; and (ii) COSCO SHIPPING Finance shall obtain the Company's prior written consent if COSCO SHIPPING Finance makes any long-term equity investment. Further details of the internal control measures (including the capital risk control measures) of OOIL Group are set out in the Board Letter. Our review of the internal control measures (including the capital risk control measures) of OOIL Group primarily covered (i) our review of the track record of compliance with the Listing Rules of the continuing connected transactions of the Group mentioned below in this section; (ii) our review of sample transaction documents in connection with the Non-exempt Transactions as described below in this section; and (iii) our review of the credit risk for the placing of deposits with COSCO SHIPPING Finance as described under the paragraph headed "**The Deposit Caps**" in the next section. Having primarily considered that the internal control measures (including the capital risk control measures) allow OOIL Group to (i) ensure the terms with connected parties are no less favourable than those with independent third parties; and (ii) monitor the financial position of COSCO SHIPPING Finance on an ongoing basis, we consider the measures can safeguard the interest of the Company.

We note from the two latest annual reports of the Company that, in accordance with the Listing Rules, (i) the Company had engaged its independent auditors to report on the continuing connected transactions of the Group for each of the years ended 31st December 2020 and 2021 and the independent auditors of the Company issued their unqualified letters in respect of such transactions; and (ii) the Independent Non-Executive Directors had also reviewed the continuing connected transactions of the Group for each of the years ended 31st December 2020 and 2021 and confirmed that such transactions were, among other things, on normal commercial terms or better and on terms that were fair and reasonable.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We have also reviewed three sets of sample transaction documents in connection with each of the Non-exempt Transactions. The selection bases were to obtain samples covering three random sets of historical transactions with connected parties for each of the Non-exempt Transactions (i.e. a total of nine sets of transactions with connected parties), where the transactions were within the past two years. For each set of the samples with connected parties, we have reviewed their corresponding quotation or transaction documents with independent third parties for the comparison of the terms. We understand that the terms of these reviewed transactions had adhered to the aforementioned principal terms, where the pricing terms with connected parties were no less favourable to the Group than those with independent third parties. In particular, based on our work done, we note that (i) for the Bunker Service, the unit prices with connected party were no less favourable than those offered by independent third parties; (ii) for the Non-exempt Equipment Procurement Service, the unit prices with connected party were no less favourable than those offered by independent third parties; and (iii) for the Deposit Service, the deposit rates with connected party were no less favourable than those offered by independent third parties. Taking into account (i) our samples covered each of the Non-exempt Transactions; (ii) the sample size is in line with our usual practice; (iii) our samples were from a recent period; (iv) our review results were positive; and (v) the positive track record of compliance based on the reviews performed annually by the independent auditors of the Company and the Independent Non-Executive Directors, on balance, we consider our assessment procedures and review results facilitated us to conclude that the terms of the transactions were on normal commercial terms and the internal control measures were sufficient.

Having considered, in particular, (i) our review of the principal terms of the Non-exempt Transactions, where the pricing terms with connected persons shall be no less favourable than those with independent third parties; (ii) the internal control measures of the Group, particularly the review and comparison of the terms with independent third parties; and (iii) our understanding of the positive track record of compliance where the independent auditors of the Company and the Independent Non-Executive Directors had reviewed and will continue to review the Non-exempt Transactions, we are of the view that the internal control measures (including the capital risk control measures) of the Group are sufficient and the terms of the Non-exempt Transactions are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 6. The historical actual amounts and the annual caps for the Non-exempt Transactions

The following table sets out the historical actual amounts of the Non-exempt Transactions for each of the years ended 31st December 2020 and 2021 and the seven months ended 31st July 2022 as well as the respective annual caps relating thereto for each of the years ending 31st December 2023, 2024 and 2025:

	Historical actual amounts			Proposed Annual Caps		
	For the	For the	For the	For the year ending 31st December		
	year ended	year ended	seven months	2023	2024	2025
	31st December	31st December	31st July	2023	2024	2025
	2020	2021	2022	2023	2024	2025
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Bunker Service	113,661	175,158	183,364	627,000	726,000	825,000
Non-exempt Equipment						
Procurement Service	106,959	152,399	26,495	590,000	829,000	1,085,000
Deposit Service <sup>(i)</sup>	58,960	240,296	315,545	690,000	759,000	828,000

*Note:*

- The amounts represent the maximum daily limit (comprising the deposits to be placed by OOIL Group with COSCO SHIPPING Finance, the relevant accrued interest and the handling fee payable by OOIL Group)

**(i) The annual caps for the Bunker Service**

We have reviewed the relevant historical actual amounts and the proposed annual caps for the Bunker Service and we note that:

- the historical actual amount for the year ended 31st December 2021 was approximately US\$175 million, representing an annual growth of approximately 54%;
- the historical actual amount for the seven months ended 31st July 2022 was approximately US\$183 million, where the annualized amount would be approximately US\$314 million for the year ending 31st December 2022, representing an annual growth rate of approximately 79% (the “**2022 Bunker Growth Rate**”);

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- assuming the amount for the year ended 31st December 2022 grows at the 2022 Bunker Growth Rate, the amount for the year ending 31st December 2023 would be approximately US\$564 million (the “**2023 Assumed Bunker Amount**”), where the proposed annual cap for the year ending 31st December 2023 of approximately US\$627 million would represent a buffer of approximately 11% as compared with the 2023 Assumed Bunker Amount (the “**2023 Bunker Buffer**”); and
- the annual cap for each of the years ending 31st December 2024 and 2025 represents an annual growth rate of approximately 16% and 14%, respectively.

We have discussed with the Management and we are advised by the Management that the 2022 Bunker Growth Rate of 79% was driven mainly by the increase in the price of bunker, fuel and oil under the then business environment and we are also advised by the Management that the major factors considered for the determination of the annual caps include (i) the ongoing business development and fleet expansion of the Group, where larger business scale and fleet capacity would lead to a higher demand of bunker, fuel and oil; (ii) the outlook of the overall economic environment as it affects global trade volume and international shipping demand and hence the bunker, fuel and oil demand of the Group for vessel operation; (iii) the fluctuating oil price given the products under the Bunker Service are related products of crude oil; and (iv) the expected co-operation with COSCO SHIPPING Group, which provides bunker to OOIL Group mainly in the PRC.

In respect of the ongoing business development and fleet expansion of the Group, we have reviewed the 2021 Annual Report, the 2022 Interim Report and the relevant announcements published by the Company. We note that the revenue of the Group achieved (i) an annual growth of approximately 105% for the year ended 31st December 2021; and (ii) a year-on-year growth of approximately 58% for the six months ended 30th June 2022. We also note that (i) the operating capacity of the fleet of the Group was approximately 751,618 TEU as at 31st December 2021; (ii) twelve 23,000 TEU container vessels ordered by the Group, being a total of 276,000 TEU and representing approximately 37% of the fleet capacity as at 31st December 2021, are expected to be delivered starting from 2023; and (iii) ten 16,000 TEU container vessels ordered by the Group, being a total of 160,000 TEU and representing approximately 21% of the fleet capacity as at 31st December 2021, are expected to be delivered in 2024 and 2025. We understand the continuous expansion of business scale and fleet capacity of the Group would lead to an increase in demand of bunker, fuel and oil.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In respect of global economic prospects, we have reviewed, among other things, the economic information in the report titled World Economic Outlook (the “**IMF Report**”) dated October 2022 published by the International Monetary Fund (國際貨幣基金組織), which is a global organisation with 190 member countries. The following table illustrates the expected performance of the macro-economic environment in terms of annual percentage change of gross domestic product (“**GDP**”) and trade volume.

	For the year ended 31st December				For the year ending 31st December	
	2018	2019	2020	2021	2022F	2023F
World real GDP of which	+3.6%	+2.8%	-3.0%	+6.0%	+3.2%	+2.7%
– PRC	+6.8%	+6.0%	+2.2%	+8.1%	+3.2%	+4.4%
World trade volume	+4.1%	+0.9%	-7.8%	+10.1%	+4.3%	+2.5%

Source: the IMF Report

With reference to the above table, despite the adverse impacts brought by the prolonged COVID-19 pandemic and the outbreak of the military conflict between Ukraine and Russia, we note that the global macro-economy, including trade volume, was adversely impacted in year 2020, but recovery commenced from year 2021 onwards.

In respect of market oil price, we have reviewed the price of crude oil futures with reference to information from Bloomberg for the years ended 31st December 2020 and 2021 and up to the date of the entering into of the New Master Agreements.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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With reference to the above chart, we note the historical oil price was highly volatile and demonstrated an overall increasing trend since mid-2020, where the oil price (i) reached a bottom of negative US\$37.63 per barrel on 20th April 2020; (ii) was generally between US\$50 per barrel to US\$80 per barrel for the year ended 31st December 2021; and (iii) was generally between US\$80 per barrel to US\$120 per barrel for the reviewed period in year 2022. We understand from the IMF Report (April 2022) that crude oil price increased by approximately 36% between August 2021 and February 2022, driven by a strong recovery in oil demand, with short-lived effects of the Omicron variant of COVID-19 in late 2021, followed by geopolitical tensions and Russia's invasion of Ukraine in February 2022 and Brent crude oil temporarily reached US\$140 in early March 2022 as markets started to shun Russian oil and several countries banned imports of Russian oil. In view of the historical volatility and the recent global market environment, we understand the future oil price is highly unpredictable.

In respect of the expected co-operation with COSCO SHIPPING Group, we have reviewed the 2021 Annual Report and we note that the total bunker costs of the Group (including the procurement from both connected persons and independent third parties) amounted to approximately US\$980 million for the year ended 31st December 2021 (the "2021 Total Bunker Cost"), where the historical actual amount of the Bunker Service for the year ended 31st December 2021 represented only approximately 18% of the 2021 Total Bunker Cost. We understand, as aforementioned, (i) the annual cap for the year ending 31st December 2023 represents a buffer of approximately 11% to the 2023 Assumed Bunker Amount; and (ii) the annual cap for each of the years ending 31st December 2024 and 2025 represents an annual growth rate of approximately 16% and 14% along with the expansion of fleet capacity, nonetheless we also note that the annual cap of the Bunker Service for each of the years ending 31st December 2023, 2024 and 2025 represents approximately 64%, 74% and 84%, respectively, of the 2021 Total Bunker Cost, conservatively assuming no growth in total bunker cost from year 2021 to year 2025. In view of the aforementioned total demand of bunker of the Group, we understand the amount of the Bunker Service has potential for substantial increase if the Group shifts its procurement from independent third parties to COSCO SHIPPING Group, which offers terms that are no less favourable than those with independent third parties.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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With reference to the aforesaid, we assessed the annual caps based on a basket of factors from a variety of angles, including (i) the 2023 Assumed Bunker Amount with the 2023 Bunker Buffer; (ii) the volatility of oil price; (iii) the fleet expansion; (iv) the prospect of the macro-economy; and (v) the proportion of the annual caps to the 2021 Total Bunker Cost. These factors should not be individually viewed on an isolated basis, but should be taken into account collectively for an overall assessment. The 2023 Assumed Bunker Amount represents a significant growth as compared with the historical actual amount, but it is based on the derived historical growth rate, being the 2022 Bunker Growth Rate of 79%. The 2022 Bunker Growth Rate was mainly related to the then significant increase in oil price. We note that the recent oil price was on a decreasing trend, but this does not rule out the possibility of another significant increase in the coming years, particularly in view of the extreme volatility of the oil price in the past few years, where the oil price reached a bottom of negative US\$37.63 per barrel in April 2020 and was generally between US\$80 per barrel to US\$120 per barrel for the reviewed period in 2022, and the unknowns brought forward by the military conflict between Ukraine and Russia. Apart from oil price, we also noted that the container vessels ordered by the Group, being the twelve 23,000 TEU container vessels and the ten 16,000 TEU container vessels, represents approximately 58% of the fleet capacity of the Group as at 31st December 2021, where such new vessels are expected to increase the demand of bunker, fuel and oil by the Group in the upcoming years. Moreover, based on our review of the IMF Report, we note that the outlook of the overall economic environment is expected to recover from the decline in 2020. We understand, in general, more international trades would take place in a favourable economic environment as evidenced in the historical figures, where trade volume recorded a decrease in 2020 when the economy worsened. We also understand more international trades would lead to higher demand of shipments and the related energy resources of the vessels, including bunker, fuel and oil. Given the historical growth rate, the volatility in oil price, the favourable economic environment and the fleet expansion, we consider the 2023 Assumed Bunker Amount, the 2023 Bunker Buffer of approximately 11% and the growth rates of the annual cap of approximately 16% for 2024 and 14% for 2025 to be reasonable. As part of our overall assessment, we had further reviewed the 2021 Annual Report and noted that the 2021 Total Bunker Cost was approximately US\$980 million for 2021, where the historical actual amount of the Bunker Service represented only approximately 18% of such total cost. Assuming such total demand in 2021 does not increase in the coming few years, the annual cap of the Bunker Service for each of the years ending 31st December 2023, 2024 and 2025 represents approximately 64%, 74% and 84% of the total demand in 2021, respectively. This was solely an illustration of the annual caps for the upcoming years are still within the total demand recorded in 2021, rather than being unreasonably higher. The Independent Shareholders should note that the annual caps provide the flexibility but not the obligation for the Group to utilize the Bunker Service. In the scenario where the connected parties are able to offer more favourable terms than independent third parties, we consider choosing to procure a higher proportion from connected parties to be favourable to the Group.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Taking into account, in particular, (i) our aforementioned analysis on the annual caps as a whole; and (ii) internal controls are in place to ensure the pricing terms of the procurements from COSCO SHIPPING Group should be no less favourable to OOIL Group as compared to those with independent third parties, we consider the annual caps (including the 2023 Bunker Buffer and the growth rates) for the Bunker Service to be fair and reasonable so far as the Independent Shareholders are concerned.

***(ii) The annual caps for the Non-exempt Equipment Procurement Service***

We have reviewed the relevant historical actual amounts and the proposed annual caps for the Non-exempt Equipment Procurement Service and we note that:

- the historical actual amount for the year ended 31st December 2021 was approximately US\$152 million, representing an annual growth of approximately 42%;
- the historical actual amount for the seven months ended 31st July 2022 was approximately US\$26 million, which was relatively low because the fleet capacity of the Group did not have any significant increase in the past few years and the Group procures containers in bulk volume from time to time rather than on a continuous basis, where container for loading onto container vessels is the primary procurement item type under the Non-exempt Equipment Procurement Service, as advised by the Management;
- the annual cap for the year ending 31st December 2023 is US\$590 million, which is relatively high as compared with the historical actual amounts; and
- the annual cap for each of the years ending 31st December 2024 and 2025 represents an annual growth rate of approximately 41% and 31%, respectively.

We have discussed with the Management and we are advised by the Management that the major factors considered for the determination of the annual caps for the Non-exempt Equipment Procurement Service include (i) business development, particularly fleet expansion, where larger business scale and fleet capacity would lead to a higher demand of containers, being the primary procurement item type under the Non-exempt Equipment Procurement Service; and (ii) the outlook of the overall economic environment as it affects global shipping demand and hence the continuous demand of containers for vessel operation.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We have reviewed the ongoing business development and fleet expansion of the Group as previously discussed. In particular, we note that (i) the revenue of the Group achieved an annual growth of approximately 105% for the year ended 31st December 2021 and a year-on-year growth of approximately 58% for the six months ended 30th June 2022; (ii) twelve 23,000 TEU container vessels, being a total of 276,000 TEU, are expected to be delivered starting from 2023; and (iii) ten 16,000 TEU container vessels, being a total of 160,000 TEU, are expected to be delivered in 2024 and 2025. We are advised by the Management that (i) the historical actual amounts were relatively low because the fleet capacity of the Group did not have any significant increase in the past few years; and (ii) the proposed annual caps are relatively high because the aforementioned new vessels will require the Group to procure more containers in the coming years. In addition, we have reviewed the estimated demand of containers arising from the upcoming delivery of the new vessels as advised by the Management. Based on our review, we understand the estimated annual caps are primarily related to the procurement of containers to meet the operation needs of the new vessels. In aggregate, there will be 22 new build vessels with a total of 436,000 TEU expected to be delivered from 2023 to 2025 (of which 276,000 TEU are expected to be delivered in 2023 and 2024 and 160,000 TEU are expected to be delivered in 2024 and 2025). To fulfil the operation needs, approximately 870,000 TEU additional containers will be in demand by applying an average container-to-slot ratio of 2:1 (meaning that for one TEU operating capacity of vessel, it will require approximately two TEU of containers to support the operation). The Group will procure the additional containers by means of purchase or leasing depending on the upcoming container procurement market and shipping industry in the coming three years. Currently, a high percentage of the Group's containers are owned assets. Based on factors including the expected need of additional containers and the assumed unit price of containers of around but not exceeding US\$3,000 per TEU, the maximum total amount for the containers procurement in the coming three years would be estimated at US\$2,504 million, being the sum of the proposed annual caps for the years ending 31st December 2023, 2024 and 2025. Regarding the average container-to-slot ratio, we have reviewed information published on the website of Singamas Container Holdings Limited (stock code: 716 HK), which is principally engaged in the manufacture and sales of containers, and we understand that, in normal circumstances, the container-to-slot ratio is two times, which is in line with the aforesaid assumption. Regarding the assumed unit price of containers, we note that it is in line with the historical actual unit price of containers based on our aforementioned review of the sample transaction documents in relation to the Non-exempt Equipment Procurement Service. As advised by the Management, we understand the growth rates of the annual caps are attributable to the planned preparation of procurement of containers to align with the upcoming vessel deliveries, for instance we note that the new vessels will be delivered starting from 2023 and all the new vessels will be delivered and new containers will be procured for these vessels by the end of 2025.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We have also reviewed the global economic prospects as previously discussed. In particular, we note that the global macro-economy, including trade volume, was adversely impacted in year 2020, but recovery commenced from year 2021 onwards.

Taking into account, in particular, (i) the proposed annual caps are higher than the historical actual transactions amounts because a substantial number of new vessels are to be delivered in coming years, which will require the Group to procure more containers; (ii) the historical actual amounts were lower because the fleet capacity of the Group did not have any significant increase in the past few years; (iii) our review of the estimated demand of containers arising from the upcoming delivery of the new vessels; (iv) the recovery of the global economy; and (v) the annual caps provide the flexibility but not the obligation for the Group to utilize the Non-exempt Equipment Procurement Service, we consider the annual caps for the Non-exempt Equipment Procurement Service to be fair and reasonable so far as the Independent Shareholders are concerned.

### ***(iii) The Deposit Caps***

We have reviewed the relevant historical actual amounts and the Deposit Caps and we note that:

- the historical actual amount for the year ended 31st December 2021 was approximately US\$240 million, representing an annual growth of approximately 308%;
- the historical actual amount for the seven months ended 31st July 2022 was approximately US\$316 million, which was approximately 31% higher than that for the year ended 31st December 2021;
- the Deposit Cap for the year ending 31st December 2023 of approximately US\$690 million is approximately 119% higher than the historical actual amount for the seven months ended 31st July 2022; and
- the Deposit Cap for each of the years ending 31st December 2024 and 2025 represents an annual growth rate of approximately 10% and 9%, respectively.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We have discussed with the Management and we understand that the Deposits Caps were determined with reference to the expected higher amount of cash to be deposited with COSCO SHIPPING Finance along with the continuous business development of the Group, in particular, a proportion, but not all, of the cash of the Group is expected to be deposited with COSCO SHIPPING Finance. In respect of the scale of the deposit amount under the Deposit Caps, we have reviewed the financial information of the Group and we note that the highest Deposit Cap, being US\$828 million for the year ending 31st December 2025, represents (i) merely approximately 8% of the cash and bank balances of the Group as at 30th June 2022 of approximately US\$10,922 million; and (ii) merely approximately 6% of the total equity of the Group as at 30th June 2022 of approximately US\$13,127 million. With reference to the aforesaid, given a low percentage of the total cash is expected to be placed with COSCO SHIPPING Finance, where credit risk is not concentrated in COSCO SHIPPING Finance, and the fact that the terms with COSCO SHIPPING Finance shall be no less favourable than those with independent third parties as discussed, we consider the proportion of cash to be deposited with COSCO SHIPPING Finance to be reasonable.

In respect of the credit risk for the placing of deposits with COSCO SHIPPING Finance, we have reviewed, among other things, the information provided in the Board Letter, the audited annual report of COSCO SHIPPING Finance for the year ended 31st December 2021 and the various information contained in the announcement published by COSCO SHIPPING Holdings on the Shanghai Stock Exchange dated 30th March 2022. Based on our review, we understand that (i) COSCO SHIPPING Finance is an indirect non-wholly owned subsidiary of COSCO SHIPPING, which is a sizeable state-owned enterprise as previously discussed; (ii) COSCO SHIPPING Finance is a licensed financial institution regulated by the China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會); and (iii) COSCO SHIPPING Finance was profitable and its financial ratios, such as capital adequacy ratio, as at 31st December 2021 met the PRC regulatory requirements. Moreover, with reference to the Board Letter, COSCO SHIPPING has guaranteed to COSCO SHIPPING Holdings that, in respect of the deposits provided by COSCO SHIPPING Holdings, its subsidiaries and associates (the “**COSCO SHIPPING Holdings Group**”) under the CSH Financial Services Agreement, COSCO SHIPPING Finance will use such deposits primarily for the purpose of facilitating the fund transfer services and entrustment loan services for and among the COSCO SHIPPING Holdings Group and, as the Company is a member of the COSCO SHIPPING Holdings Group, such guarantee will in effect also (to the extent applicable) apply to the deposits placed by OOIL Group with COSCO SHIPPING Finance pursuant to the Deposit Service. In addition, we are advised by the Management that there is no historical default record of transactions between COSCO SHIPPING Finance and the Group. Based on the aforesaid, we understand the credit risk for the placing of deposits with COSCO SHIPPING Finance is low.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Taking into account, in particular, (i) the highest Deposit Cap represents merely approximately 8% of the cash and bank balances of the Group as at 30th June 2022, where credit risk is not concentrated in COSCO SHIPPING Finance; (ii) the background and credibility of COSCO SHIPPING Finance, particularly that it is an indirect non-wholly owned subsidiary of COSCO SHIPPING, which is a sizeable state-owned enterprise; and (iii) the Deposit Caps provide the flexibility but not the obligation for the Group to utilize the Deposit Service on terms that are no less favourable as compared with those offered by independent third parties, we consider the Deposit Caps for the Deposit Service to be fair and reasonable so far as the Independent Shareholders are concerned.

### RECOMMENDATION

Having considered the above principal factors and reasons, we are of the opinion that the Non-exempt Transactions are in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. We are also of the opinion that the terms of the Non-exempt Transactions are on normal commercial terms and, together with the respective annual caps relating thereto, are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves advise, the Independent Shareholders to vote in favour of the resolutions to approve the Non-exempt Transactions (including the respective annual caps relating thereto) at the SGM.

Yours faithfully,

For and on behalf of

**First Shanghai Capital Limited**

**Nicholas Cheng**

*Director*

**Roger Tang**

*Vice President*

*Note:* Mr. Nicholas Cheng has been a Responsible Officer and Mr. Roger Tang has been a Representative of Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Both of them have extensive experience in corporate finance industry and have been participating in the provision of independent financial advisory services for, and completed, numerous connected transactions involving listed companies in Hong Kong.

**BYE-LAWS**

**OF**

**ORIENT OVERSEAS (INTERNATIONAL) LIMITED**

**(Adopted by a special resolution passed at the Special Annual General Meeting  
of the Company held on 24th November 2022 ~~29th April 2016~~)**

**BYE-LAWS  
OF  
ORIENT OVERSEAS (INTERNATIONAL) LIMITED**  
(adopted by a special resolution passed at the ~~Special Annual~~ General Meeting  
of the Company held on ~~24th November 2022~~~~29th April 2016~~)

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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.

WORD	MEANING
<u>“announcement”</u>	<u>an official publication of a notice or document of the Company, including a publication, subject to and to such extent permitted by the Listing Rules, by electronic communication or by advertisement published in the newspapers or in such manner or means ascribed and permitted by the Listing Rules and applicable laws.</u>
“Act”	the Companies Act 1981 of Bermuda, as amended from time to time.
“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”	the board of Directors of the Company as constituted from time to time or (as the context may require) the majority of Directors present at a meeting of Directors at which a quorum is present.
“capital”	the share capital from time to time of the Company.
“clear days”	calendar days and in relation to the period of a 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 but not limited to HKSCC.</u>



“close associate”	<u>in relation to any Director, shall have the same meaning as defined in the Listing Rules as modified from time to time, except that for purposes of Bye-law 104 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> <del>the meaning attributed to it in the rules of the Designated Stock Exchange.</del>
“Company”	Orient Overseas (International) Limited.
“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.
“Director(s)”	any director(s) from time to time of the Company <u>and (as the context may require) “Directors” shall have the same meaning as the Board.</u>
“dollars” or “US\$”	dollars, the legal currency of the United States of America.
“ <u>electronic communication</u> ”	<u>a communication sent by electronic transmission in any form through any medium.</u>
“ <u>electronic meeting</u> ”	<u>a general meeting held and conducted wholly and exclusively by virtual attendance and participation by Members and/or proxies by means of electronic facilities.</u>
“Group”	the Company and its subsidiaries.

“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>“HKSCC”</u>	<u>Hong Kong Securities Clearing Company Limited.</u>
<u>“hybrid meeting”</u>	<u>a general meeting convened for the (i) physical attendance by Members and/or proxies at the Principal Meeting Place and where applicable, one or more Meeting Locations and (ii) virtual attendance and participation by Members and/or proxies by means of electronic facilities as to permit all persons participating in the meeting to communicate with each other, and participation in such a meeting shall constitute presence in person at such meeting.</u>
<u>“Listing Rules”</u>	<u>the rules and regulations of the Designated Stock Exchange.</u>
<u>“Meeting Location”</u>	<u>has the meaning given to it in Bye-law 64A.</u>
“Member” or “shareholder”	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.
<u>“officer”</u>	<u>shall have the meaning ascribed to it in section 92A(7) of the Act or Bye-law 128(1).</u>
“paid up”	paid up or credited as paid up.
<u>“physical meeting”</u>	<u>a general meeting held and conducted by physical attendance and participation by Members and/or proxies at the Principal Meeting Place and/or where applicable, one or more Meeting Locations.</u>

<u>“Principal Meeting Place”</u>	<u>shall have the meaning given to it in Bye-law 59(2).</u>
“Register”	the principal register of Members of the Company and where applicable, any branch register of Members of the Company to be kept pursuant to the provisions of the Act.
“Registration Office”	in respect of any class of share capital such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.
“Seal”	common seal or any one or more duplicate seals of the Company (including a securities seal) for use in Bermuda or in any place outside Bermuda.
“Secretary”	any person, firm or corporation appointed by the Board to perform any of the duties of secretary of the Company and includes any assistant, deputy, temporary or acting secretary.
“Statutes”	the Act and every other act of the Legislature of Bermuda for the time being in force applying to or affecting the Company, its memorandum of association and/or these Bye-laws.
“year”	a calendar year.

2. In these Bye-laws, unless there be something within the subject or context inconsistent with such construction:
- (a) words importing the singular include the plural and vice versa;
  - (b) words importing a gender include bothevery gender and the neuter;
  - (c) words importing persons include companies, associations and bodies of persons whether corporate or not;
  - (d) the words:
    - (i) “may” shall be construed as permissive;
    - (ii) “shall” or “will” shall be construed as imperative;
  - (e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing or reproducing words or figures in a legible and non-transitory form or, to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations, any visible substitute for writing (including an electronic communication), or modes of representing or reproducing words partly in one visible form and partly in another visible form, and including where the representation takes the form of electronic display, provided that both the mode of delivery or service of the relevant document or notice and the Membersshareholder’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;

- (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~~ such Members ~~being a~~ as are corporation, 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;
- (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;
- (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;
- (~~l~~k) references to a document (including, but without limitation, a resolution in writing) being signed or executed include references to it being signed or executed under hand or under seal or by electronic signature or by electronic communication or by any other methods 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;
- (m) references to the right of a Member to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of electronic facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting or a designated person shall relay the questions raised or the statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities;
- (n) a reference to a meeting: (a) shall mean a meeting convened and held in any manner permitted by these Bye-laws and any Member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes and these Bye-laws, and attend, participate, attending, participating, attendance and participation shall be construed accordingly, and (b) shall, where the context is appropriate, include a meeting that has been postponed by the Board pursuant to Bye-law 64;

- (o) references to a person’s participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statutes or these Bye-laws to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly;
- (p) references to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise); and
- (q) where a Member is a corporation, any reference in these Bye-laws to a Member shall, where the context requires, refer to a duly authorised representative of such Member.

#### **SHARE CAPITAL**

- 3A. (1) At the date of adoption of these Bye-laws, the authorised share capital of the Company is US\$205,000,000 divided into three classes:
- (a<sup>i</sup>) 50,000,000 Redeemable Preferred Shares of US\$1.00 each (the “Redeemable Preferred Shares”);
  - (b<sup>ii</sup>) 65,000,000 Limited Voting Convertible Redeemable Preferred Shares of US\$1.00 each (the “Convertible Preferred Shares”); and
  - (c<sup>iii</sup>) 900,000,000 Ordinary Shares of US\$0.10 each (the “Ordinary Shares”).

- (2) The Convertible Preferred Shares shall confer on the holders thereof the following rights:
- (a) Income
    - (i) The holders of the Convertible Preferred Shares shall be entitled to be paid out of the profits of the Company available for distribution and resolved by the Directors to be distributed in respect of any financial year of the Company a fixed cumulative preferential dividend at the rate of eight point five per cent (8.5%) per annum on the amount for the time being paid up thereon (“fixed preferential dividend”) (or in the event that insufficient profits are available for distribution an amount equal to the fixed preferential dividend which shall be resolved to be payable out of any contributed surplus) in priority to any payment to the holders of any other class of shares in the capital of the Company other than payments of preferential dividends to the holders of Redeemable Preferred Shares which shall be made and shall rank pari passu with payments of fixed preferential dividends. The fixed preferential dividend shall be payable on 1st July and 1st January in each year in respect of the half-years ended on the previous 30th June and 31st December respectively save that in respect of any Convertible Preferred Share allotted after the date of adoption of these Bye-laws the first such payment shall be made on the next following date for payment of the fixed preferential dividend, in respect of the period from and including the date of allotment of such Convertible Preferred Shares. The holders of the Convertible Preferred Shares shall not otherwise be entitled to participate in the profits of the Company unless and until converted into Ordinary Shares.
    - (ii) The amount of profits available for distribution and resolved by the Directors to be distributed in respect of any financial year shall, insofar as the same would fail to be applied by way of fixed preferential dividend pursuant to sub-paragraph (a)(i) above, be determined by resolution of the Board and shall not require any approval or sanction by the Members (or the holders of any class of shares) in general meeting, and accordingly any provision of these presents which would or might require any such approval or sanction shall not apply to the payment of any fixed preferential dividend pursuant to sub-paragraph (a)(i) above.

(b) Capital

On a return of capital on a liquidation or otherwise, the assets of the Company available for distribution among the Members shall, subject as provided in subparagraph (f)(iv) of this Bye-law 3A(2) be applied in repaying to the holders of the Convertible Preferred Shares and the holders of the Redeemable Preferred Shares rateably the amounts paid up or credited as paid up on such shares and a sum equal to any arrear and accrual of the fixed dividends due thereon to be calculated down to the date of the return of capital and to be payable whether or not such dividends have been declared or earned. The Convertible Preferred Shares and the Redeemable Preferred Shares shall rank on a return of capital on a liquidation or otherwise *pari passu*, and in priority to any other shares of the Company in issue but the Convertible Preferred Shares shall not otherwise carry any right to participate in assets of the Company unless and until converted into Ordinary Shares.

(c) Voting

The Convertible Preferred Shares shall confer on the holders thereof the right to receive notice of and attend at general meetings of the Company but shall not entitle the holders to vote upon any resolution unless either:

- (i) at the date the notice convening a meeting the fixed preferential dividend on the Convertible Preferred Shares is six (6) months or more in arrear and remains unpaid at the date of the meeting (and so that for this purpose the dividend shall be deemed to be payable half-yearly on the dates and in respect of the periods hereinbefore mentioned), or
- (ii) the business of the meeting includes the consideration of a resolution for winding up the Company or reducing its share capital where such reduction requires the confirmation of a court or varying or abrogating any of the special rights attached to the Convertible Preferred Shares,

in which case the holders of such shares will be entitled to vote on such a resolution.

Each such holder shall have that number of votes as he would be entitled to if his right to convert had arisen and been exercised in full immediately prior to the relevant general meeting.



(d) Conversion

- (i) Each holder of Convertible Preferred Shares shall be entitled at any time and in the manner set out in this Bye-law to convert all or any of his Convertible Preferred Shares into fully paid Ordinary Shares in the capital of the Company at a rate (subject to adjustment as provided in this Bye-law 3A(2)) of US\$0.71777 per Ordinary Share (the “Conversion Rate”).
- (ii)
  - (1) The right to convert shall be exercisable by completing the notice of conversion endorsed on the certificate relating to the Convertible Preferred Shares to be converted or a notice in such other form as may from time to time be prescribed by the Directors in lieu thereof (a “Conversion Notice”) and delivering the same to the Secretary together with such other evidence (if any) as the Directors may reasonably require to prove the title of the person exercising the right to convert. A Conversion Notice once given may not be withdrawn without the consent in writing of the Company.
  - (2) Conversion of the Convertible Preferred Shares in respect of which the right to convert shall have been duly exercised and which are due to be converted (the “Relevant Shares”) may be effected in such manner as the Directors shall, subject to the Bye-laws and as may be authorised by law, from time to time in their absolute discretion determine, including by way of consolidation and subdivision (which consolidation and subdivision, as the case may be, are hereby resolved upon) or by way of redemption of the Relevant Shares.
  - (3) Fractions of Ordinary Shares arising on conversion will not be allotted to the holders of the Relevant Shares.
  - (4) The Company shall, not less than four (4) weeks and not more than eight (8) weeks before 31st December, 1996, give to the holders of the Convertible Preferred Shares notice in writing reminding them that their right of conversion ceases to be exercisable after 31st December, 1996.

- (5) All necessary allotments of Ordinary Shares arising on conversion howsoever effected shall be made not later than ten (10) days after the relevant conversion date. The Company shall not later than the expiration of one month next following the relevant conversion date forward to each holder of the Relevant Shares a definitive certificate for the Ordinary Shares resulting from conversion and, if appropriate, certificates for any unconverted Convertible Preferred Share comprised in the certificate surrendered by him.
  - (6) The fixed preferential dividend on Convertible Preferred Shares which are converted shall cease to accrue with effect from the date of allotment of the relevant Ordinary Shares. Outstanding arrears of fixed preferential dividends following conversion of Relevant Shares shall be payable within fourteen (14) days of the date of allotment of the relevant Ordinary Shares. The Ordinary Shares resulting from conversion shall carry the right to receive all dividends and other distributions declared made or paid in respect of Ordinary Shares in the Company by reference to a record date on or after the relevant date of allotment and shall rank *pari passu* in all other respects and form one class with the Ordinary Shares in the Company then in issue and fully paid.
- (e) Redemption
- (i) Unless previously redeemed or converted, on 31st December, 1996 the Company shall redeem all outstanding Convertible Preferred Shares.
  - (ii) The Company may at any time from time to time redeem all or any of the Convertible Preferred Shares in integral amounts of US\$1,000,000 nominal amount of Convertible Preferred Shares.

- (iii) The Company shall give to the holders of the outstanding Convertible Preferred Shares to be redeemed not less than twenty-eight (28) days notice in writing and such notice shall state the time and place appointed for the payment of the monies payable on redemption and shall call on such holders to deliver to the Company the certificates for the Convertible Preferred Shares held by them respectively. At the time and place stated in such notice each holder of such Convertible Preferred Shares shall be bound to deliver to the Company for cancellation the certificates for his holding of the Convertible Preferred Shares to be redeemed (or in default an indemnity satisfactory to the Company), together with a receipt for the amount of the monies payable on redemption to which he is entitled, duly signed and authenticated in such manner as the Company may reasonably require. Upon delivery by any holder of his certificate and the said receipt the Company shall pay to such holder (or in the case of joint registered holdings, to the holder whose name stands first in the Register) or as he may direct the amount of the monies payable on redemption to which he is entitled. The receipt of the holder for the time being of any Convertible Preferred Share (or in the case of joint holders the receipt of any of them) for monies payable on redemption shall constitute an absolute discharge to the Company in respect thereof.
- (iv) There shall be paid on each Convertible Preferred Share redeemed the amount paid up thereon and a sum equal to any arrear or accrual of the preferential fixed dividend thereon to be calculated down to and including the date of redemption such sum to be payable whether or not such dividend has been declared or earned.

As from the date of redemption, the fixed preferential dividend shall cease to accrue on the Convertible Preferred Shares.

- (v) If any holder of any of the Convertible Preferred Shares to be redeemed shall fail or refuse to deliver up the certificate or certificates held by him or the receipt at the time and place fixed for the redemption of such shares or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to such holder shall be set aside and paid to a separate account with the Company's bankers and such setting aside shall be deemed for all purposes hereof to be a payment to such holder and all the said holder's rights as a holder of the Convertible Preferred Shares shall cease and determine as from the date fixed for the redemption of such shares and the Company shall thereby be discharged from all obligations in respect thereof. The Company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest (if any) as the said monies may earn whilst on deposit less any expense incurred by the Company in connection therewith.
  
- (vi) If following the redemption of any Convertible Preferred Share pursuant to this Bye-law 3A(2) the nominal amount of the issued share capital of the Company is less than that of the authorised share capital, the difference to the extent of the nominal amount of the Convertible Preferred Shares so redeemed shall, by virtue of this sub-paragraph, be converted into unclassified shares each of a like nominal amount (as nearly as may be) as any unclassified share then forming part of the authorised share capital of the Company, or if there are no such unclassified shares, shall be converted into Ordinary Shares each of a like nominal amount (as nearly as may be) as the Ordinary Shares then in issue.

(f) Other Provisions

(i) So long as any Convertible Preferred Share remains capable of being converted into an Ordinary Share then without the consent of the holders of not less than seventy-five per cent (75%) of the votes cast by the holders of the Convertible Preferred Shares at a meeting of such Convertible Preferred Shareholders or by the consent of the holders of not less than seventy-five per cent (75%) of the Convertible Preferred Shares in writing:

(1) no shares shall be allotted pursuant to a capitalisation of profits or reserves except Ordinary Shares, credited as fully paid, and upon any such allotment of such shares the Conversion Rate shall be adjusted in such manner and to such extent (if any) as is determined to be just by the auditor of the Company for the time being provided that no such allotment shall be made if, as a result thereof, the aggregate nominal amount of the Ordinary Shares into which the Convertible Preferred Shares then in issue and remaining unconverted may be converted will exceed the aggregate nominal amount of such Convertible Preferred Shares;

(2) no shares which, as respects dividends or capital, carry any right to participate beyond a specified amount in a distribution shall be issued which do not rank in all respects with the Ordinary Shares then in issue save:

(a) as to the date from which such capital shall rank for dividend; or

(b) the Redeemable Preferred Shares;

(3) no resolution shall be passed for the reduction of the share capital of the Company or of the liability in respect of share capital not paid up or the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve in any manner where such reduction requires the confirmation of a court provided that this shall not preclude the passing of any resolution involving any such reduction as a result of the repurchase by the Company of any of its shares;

- (4) no resolution shall be passed whereby the rights attaching to any share of the Company shall be modified, varied, altered or abrogated;
  - (5) no resolution shall be passed consolidating or sub-dividing all or any of the Company's share capital if, as a result thereof, the nominal amount of the Ordinary Shares into which the Convertible Preferred Shares then in issue and remaining unconverted may be converted would exceed the nominal amount of such Convertible Preferred Shares. Subject as aforesaid if any such resolution for consolidation or subdivision is passed then the Conversion Rate shall be adjusted in such manner as is determined to be just by the auditor of the Company for the time being;
  - (6) no distribution shall be made by the Company out of capital profits or capital reserves or out of profits or reserves arising from a distribution of capital profits or capital reserves by a subsidiary of the Company otherwise than in the application of the same in the redemption of the Convertible Preferred Shares.
- (ii) The Company shall send to the holders of Convertible Preferred Shares a copy of every document and notice sent to the holders of Ordinary Shares at the same time as it is sent to such holders.
  - (iii) While any of the Convertible Preferred Shares remain capable of conversion if offers are made to the holders of the Ordinary Shares (or all such shareholders other than the offeror and/or any company controlled by the offeror and/or any person acting in concert with the offeror) to acquire the whole or any part of the issued Ordinary Shares of the Company or if any person proposes a scheme with regard to such acquisition, and the Company becomes aware that the right to cast more than fifty per cent (50%) of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such companies or person aforesaid, the Company shall give written notice of such fact to all holders of Convertible Preferred Shares within fourteen (14) days of its becoming so aware.

- (iv) While any of the Convertible Preferred Shares remain capable of conversion if the Company is placed in liquidation the Company shall forthwith give notice thereof in writing to all holders of Convertible Preferred Shares and each holder of Convertible Preferred Shares shall in respect of all or any of his Convertible Preferred Shares be entitled within six (6) weeks after the date of the resolution for winding up the Company or, if earlier, the date of the Order of the Court for such winding up by notice in writing to the Company to elect to be treated as if his conversion rights had been exercisable and had been exercised immediately before the commencement of the winding up on the basis of conversion as provided above and in that event he shall be entitled to be paid in satisfaction of the amount due in respect of such of his Convertible Preferred Shares as are to be treated as if converted a sum equal to the amount to which he would have become entitled in such liquidation if he had been the holder of the shares to which he would have become entitled by virtue of such conversion (fractions being disregarded for this purpose) together with any arrear, deficiency or accrual of the fixed preferential dividend on such Convertible Preferred Shares. At the expiration of the said period of six (6) weeks, any outstanding Convertible Preferred Share shall cease to be capable of such conversion.
  
- (v) The Company shall procure that there shall be sufficient unissued Ordinary Shares available for the purposes of satisfying the requirements of any conversion.

- (3) The Redeemable Preferred Shares shall confer on the holders thereof the following rights:
- (a) Income
    - (i) The holders of the Redeemable Preferred Shares shall be entitled to be paid out of the profits of the Company available for distribution and resolved by the Directors to be distributed in respect of any financial year of the Company a fixed cumulative preferential dividend at the rate of nine point seventy-five per cent (9.75%) per annum on the amount for the time being paid up thereon (“fixed preferential dividend”) (or in the event that insufficient profits are available for distribution an amount equal to the fixed preferential dividend which shall be resolved to be payable out of any contributed surplus) in priority to any payment to the holders of any other class of shares in the capital of the Company other than payments of preferential dividends to the holders of Convertible Preferred Shares which shall be made and shall rank pari passu with payments of fixed preferential dividends. The fixed preferential dividend shall be payable on 1st July and 1st January in each year in respect of the half-years ended on the previous 30th June and 31st December respectively save that in respect of any Redeemable Preferred Share allotted after the date of adoption of these Bye-laws the first such payment shall be made on the next following date for payment of the fixed preferential dividend, in respect of the period from and including the date of allotment of such Redeemable Preferred Shares.
    - (ii) The amount of profits available for distribution and resolved by the Directors to be distributed in respect of any financial year shall, insofar as the same would fail to be applied by way of fixed preferential dividend pursuant to sub-paragraph (a)(i) above, be determined by resolution of the Board and shall not require any approval or sanction by the Members (or the holders of any class of shares) in general meeting, and accordingly any provision of these presents which would or might require any such approval or sanction shall not apply to the payment of any fixed preferential dividend pursuant to sub-paragraph (a)(i) above.



(b) Capital

On a return of capital on a liquidation or otherwise the assets of the Company available for distribution among the Members shall be applied in repaying to the holders of the Redeemable Preferred Shares and the holders of the Convertible Preferred Shares rateably the amounts paid up or credited as paid up on such shares and a sum equal to any arrear and accrual of the fixed dividends due thereon to be calculated down to the date of the return of capital and to be payable whether or not such dividends have been declared or earned. The Redeemable Preferred Shares and the Convertible Preferred Shares shall rank on a return of capital on a liquidation or otherwise *pari passu*, and in priority to any other shares of the Company for the time being in issue.

(c) Voting

The Redeemable Preferred Shares shall confer on the holders thereof the right to receive notice of and attend at general meetings of the Company but shall not entitle the holders to vote upon any resolution unless either:

- (i) at the date of the notice convening a meeting the fixed preferential dividend on the Redeemable Preferred Shares is six (6) months or more in arrear and remains unpaid at the date of the meeting (and so that for this purpose the dividend shall be deemed to be payable half-yearly on the dates and in respect of the periods hereinbefore mentioned); or
- (ii) the business of the meeting includes the consideration of a resolution for winding up the Company or reducing its share capital where such reduction requires the confirmation of a court or varying or abrogating any of the special rights attached to the Redeemable Preferred Shares;

in which case the holders of such shares will be entitled to vote on such a resolution.

Each such holder shall have 300 votes for every one million Redeemable Preferred Shares held at the relevant general meeting.

(d) Redemption

- (i) On 31st December, 1997, the Company shall redeem forty per cent (40%) of the Redeemable Preferred Shares then issued and on 31st December, 1998, the Company shall redeem all Redeemable Preferred Shares previously not redeemed.
- (ii) The Company may at any time and from time to time prior to 31st December, 1998 redeem all or any of the Redeemable Preferred Shares.
- (iii) The Company shall give to the holders of the outstanding Redeemable Preferred Shares to be redeemed not less than twenty-eight (28) days' notice in writing and such notice shall state the time and place appointed for the payment of the monies payable on redemption and shall call on such holders to deliver to the Company the certificates for the Redeemable Preferred Shares held by them respectively. At the time and place stated in such notice each holder of such Redeemable Preferred Shares shall be bound to deliver to the Company for cancellation the certificates for his holding of the Redeemable Preferred Shares to be redeemed (or in default an indemnity satisfactory to the Company), together with a receipt for the amount of the monies payable on redemption to which he is entitled, duly signed and authenticated in such manner as the Company may reasonably require. Upon delivery by any holder of his certificate and the said receipt the Company shall pay to such holder (or in the case of joint registered holdings, to the holder whose name stands first in the Register) or as he may direct the amount of the monies payable on redemption to which he is entitled. The receipt of the holder for the time being of any Redeemable Preferred Share (or in the case of joint holders the receipt of any of them) for monies payable on redemption shall constitute an absolute discharge to the Company in respect thereof.

- (iv) There shall be paid on each Redeemable Preferred Share redeemed the amount paid up thereon and a sum equal to any arrear or accrual of the preferential fixed dividend thereon to be calculated down to and including the date of redemption such sum to be payable whether or not such dividend has been declared or earned.

As from the date of redemption the fixed preferential dividend shall cease to accrue on the Redeemable Preferred Shares.

- (v) If any holder of any of the Redeemable Preferred Shares to be redeemed shall fail or refuse to deliver up the certificate or certificates held by him or the receipt at the time and place fixed for the redemption of such shares or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to such holder shall be set aside and paid to a separate account with the Company's bankers and such setting aside shall be deemed for all purposes hereof to be a payment to such holder and all the said holder's rights as a holder of the Redeemable Preferred Shares shall cease and determine as from the date fixed for the redemption of such shares and the Company shall thereby be discharged from all obligations in respect thereof. The Company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest (if any) as the said monies may earn whilst on deposit less any expense incurred by the Company in connection therewith.

- (e) The Company shall send to the holders of Redeemable Preferred Shares a copy of every document sent to the holders of Ordinary Shares at the same time as it is sent to such holders.

- (4) The Ordinary Shares shall confer on the holders thereof the following rights:

- (a) Income

Each Ordinary Share shall confer on the holder thereof the right to receive such dividends as may be resolved to be paid in accordance with the provisions of Bye-laws 137 to 146 (inclusive) after the payment of the preferential dividend on any other class of shares.

## (b) Capital

On a winding up or other return of capital (other than a redemption of any share of any class of redeemable shares) the holder of each Ordinary Share shall be entitled, subject to the rights of any other class of shares having priority in accordance therewith, to repayment of the nominal amount of the capital paid up thereon and thereafter to any surplus assets then remaining which shall be distributed pari passu among the holders of the Ordinary Shares.

## (c) Voting

The holder of each Ordinary Share shall be entitled to receive notice of general meetings of the Company and to attend and vote thereat. On a show of hands, every holder of Ordinary Shares who (being an individual) is present in person or (being a corporation) is present by representative shall have one vote and on a poll every holder of Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by representative or by proxy shall have one vote in respect of each Ordinary Share registered in the name of such holder.

- 3B. (1) Subject to the Statutes, the Company's memorandum of association and, where applicable, the Listing Rules~~rules of the Designated Stock Exchange~~ and/or any rules of the 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.
- (2) Subject to the Statutes and, where applicable, the Listing Rules~~the rules of the Designated Stock Exchange~~ and/or the rules of any 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~~in accordance with any scheme for the time being in force and approved by the Members in general meeting provide, directly or indirectly, money or other financial assistance for the purpose of or in connection with a purchase of, or subscription for, fully or partly paid shares in the Company or any holding company of the Company, being a purchase of or subscription for shares by a trustee of or to be held by or for the benefit of employees of the Company, any of its subsidiaries, any holding company of the Company or any subsidiary of any such holding company, in each such case whether incorporated in Bermuda or elsewhere and whether or not a wholly-owned subsidiary of the Company including any directors holding a salaried employment or office with or in any such company and so that the residual beneficiary of any such trust may be or include a charitable object.~~

~~(3) Subject to the Statutes and, where applicable, the rules of the Designated Stock Exchange and/or any competent regulatory authority, the Company may give financial assistance on such terms as the Board thinks fit to Directors and bona fide employees of the Company, its subsidiaries and any holding company of the Company and/or any subsidiary of any such holding company, in each such case whether incorporated in Bermuda or elsewhere and whether or not a wholly-owned subsidiary of the Company, in order that they may buy shares (fully or partly paid) in the Company or any holding company of the Company and such terms may include a provision stating that when a Director ceases to be a Director of, or an employee ceases to be employed by the Company or such other company, shares bought with such financial assistance shall or may be sold to the Company or such other company on such terms as the Board thinks fit.~~

#### 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 right previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special right, privilege condition or such restriction 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 right or be subject to any such restriction as compared with the other or others as the Company has power to attach to unissued or new shares;

- (e) cancel any share 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;
  - (f) change the currency denomination of its share capital; and
  - (g) make provision for the issue and allotment of shares which do not carry any voting right.
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, any share premium account~~ (save for the use of share premium in such manner 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 right conferred on the holders of any share or class of shares, any share of 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, any preference share may be issued or converted into a share that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association, is 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 Member 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. If purchases of redeemable shares of the Company are by tender, tenders shall be available to all Members alike.~~

#### VARIATION OF RIGHTS

10. Subject to the Act and without prejudice to Bye-law 8, all or any of the ~~special~~ rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in the nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Bye-laws relating to general meetings of the Company shall, mutatis mutandis, apply, but so that:
- (a) the necessary quorum ~~(other than at an adjourned meeting)~~ shall be two persons holding or representing by proxy not less than one-third ~~in the nominal value of the issued shares of that class and at any adjourned meeting of such holders, two holders present in person 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 vote for every such share held by him; ~~and~~
  - (c) ~~any holder of shares of the class present in person or by proxy may demand a poll.~~
11. The special rights conferred upon the holders of any share 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, ~~and these Bye-laws, any direction that may be given by the Company in general meeting and, where applicable, the Listing Rules and without prejudice to any special right or restriction for the time being attached to any share 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 disposal of shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of Members for any purpose whatsoever.~~
- (2) The Board may issue warrants 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 share 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 certificate for shares or debentures or other securities of the Company 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 representing shares of more than one class. The Board may by resolution determine, either generally or in any particular case or cases, that any signature on any such certificate (or certificates in respect of other securities) need not be autographic but may be affixed to such certificate by some mechanical means or may be printed thereon or that such certificates need not be signed by any person.
17. (1) In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.
- (2) Where a share stands in the names of two or more persons the person first named in the Register shall as regards service of notices and subject to the provisions of these Bye-laws all or any other matters connected with the Company, except the transfer of the share, be deemed the sole holder thereof.
18. Every person whose name is entered 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 by the Statutes or as the Designated Stock Exchange may from time to time determine, whichever is the shorter, after allotment or after lodgment of a transfer with the Company, except in the case of a transfer which the Company is for the time being entitled to refuse to register and does not register.

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 of the Company are satisfied beyond reasonable doubt that the original has been destroyed.

#### **LIEN**

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

23. Subject to these Bye-laws, the Company may sell in such manner as the Board determines any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of fourteen (14) clear days after a notice in writing, stating and demanding payment of the sum presently payable, or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of the intention to sell in default, has been served on the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.
24. The net proceeds of the sale shall be received by the Company and applied in or towards payment or discharge of the debt or liability in respect of which the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the person entitled to the share at the time of the sale. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

#### **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 money unpaid on their shares (whether on account of the nominal value of the shares or by way of premium), and each Member shall (subject to being given at least fourteen (14) clear days' notice specifying the time and place of payment) pay to the Company as required by such notice the amount called on his shares. A call may be extended, postponed or revoked in whole or in part as the Board determines but no Member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.
26. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable either in one lump sum or by instalments. The Directors may make arrangements on the issue of shares for a difference between the shareholders in the amount of calls to be paid and in the times of payment.
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 agree to accept, but the Board may in its absolute discretion waive payment of such interest wholly or in part.
29. No Member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another Member) at any general meeting either personally or by proxy, or be reckoned in a quorum, or exercise any other privilege as a Member until all calls or instalments due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.
30. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder, or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Member sued, in pursuance of these Bye-laws; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
31. Any amount payable in respect of a share upon allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and payable on the date fixed for payment and if it is not paid the provisions of these Bye-laws shall apply as if that amount had become due and payable by virtue of a call duly made and notified.
32. On the issue of shares the Board may differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.
33. The Board may 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 share 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 in writing of its intention on 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. Where any interest is paid, the holder of the share or shares shall not be entitled to participate in respect thereof in a dividend subsequently declared.

**FORFEITURE OF SHARES**

34. (1) If a call remains unpaid after it has become due and payable, the Board may give to the person from whom it is due not less than fourteen (14) clear days' notice:
- (a) requiring payment of the amount unpaid together with any interest which may have accrued and which may still accrue up to the date of actual payment; and
  - (b) stating that if the notice is not complied with, the shares on which the call was made will be liable to be forfeited.
- (2) If the requirements of any such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect, and such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share but not actually paid before the forfeiture.
35. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such notice.
36. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Bye-laws to forfeiture will include surrender.
37. Until cancelled in accordance with the requirements of the Act, a forfeited share shall be the property of the Company and may be sold, re-allotted or otherwise disposed of to such person, upon such terms and in such manner as the Board determines, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board determines.

38. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited share 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 share, 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 share, 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 of a share as aforesaid, the Board may at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, permit the share forfeited to be bought back upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit.
41. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.

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

#### **REGISTER OF MEMBERS**

43. (1) The Company shall keep in one or more books a Register of its Members 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 share 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 (or any class of Members) 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 (including the branch register of members in Hong Kong) shall be open to inspection between 10 a.m. and 12 noon during business hours by members of the public without charge at the Office or such other place at which the Register is kept in accordance with the Act. 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 ~~rules of~~ the Designated Stock Exchange or by any means in such manner as may be required or 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, 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 of securities ~~and such record date may be on, or at any time not more than thirty (30) days before or after, any date on which such dividend, distribution, allotment or issue is declared, paid or made;~~
  - (b) determining the Members entitled to receive notice of and to vote at any general meeting of the Company.

**TRANSFER OF SHARES**

46. Subject to these Bye-laws, any Member may transfer all or any of his shares in any manner permitted by and in accordance with the Listing Rules or by an instrument of transfer in the usual common form 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 ~~and where applicable, in any manner permitted by and in accordance with the rules of the Designated Stock Exchange.~~
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. 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 on the principal register to any branch register or any share on any branch register to the principal register or any other branch register. In the event of any such transfer, the shareholder requesting such transfer shall bear the cost of effecting the transfer unless the Board otherwise determines.
- (4) Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time determine, and which agreement it shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares on the principal register shall be transferred to any branch register nor shall shares on any branch register be transferred to the principal register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any share on a branch register, at the relevant Registration Office, and, in the case of any share on the principal register, at the Office or such other place in Bermuda at which the principal register is kept in accordance with the Act.
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 not exceeding 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 announcement or by electronic communication or by advertisement in any newspaper ~~or announcement~~ in accordance with the Listing Rules~~rules of the Designated Stock Exchange~~ or in any other manner as may be required or 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 or such other period permitted~~required~~ by the Designated Stock Exchange) as the Board may determine.

#### **TRANSMISSION OF SHARES**

52. If a Member dies, the survivor or survivors where the deceased was a joint holder, and his legal personal representatives where he was a sole or only surviving holder, will be the only persons recognised by the Company as having any title to his interest in the shares; but nothing in this Bye-law will release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share which had been solely or jointly held by him.
53. Subject to Section 52 of the Act, any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a Member ~~or by operation of law~~ 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 ~~or by operation of law~~ shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Bye-law 75(2) being met, such a person may vote at meetings.

## UNTRACEABLE MEMBERS

55. (1) Without prejudice to the rights of the Company under paragraph (2) of this Bye-law, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.
- (2) The Company shall have the power to sell, in such manner as the Board thinks fit, any share of a Member who is untraceable, but no such sale shall be made unless:
- (a) all cheques or warrants in respect of the dividend of the shares in question, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Bye-laws 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 Listing Rules~~rules governing the listing of shares on the Designated Stock Exchange~~, has given notice to and caused advertisement in newspapers or announcement in accordance with the requirements of the Designated Stock Exchange of its intention to sell such shares in the manner required by the Designated Stock Exchange, and a period of three (3) months or such shorter period as may be allowed by the Designated Stock Exchange has elapsed since the date of such advertisement.

For the purpose of the foregoing, the “relevant period” means the period commencing twelve (12) years or such other periods as may be allowed by the Designated Stock Exchange before the date of publication of the advertisement or announcement referred to in paragraph (c) of this Bye-law and ending at the expiry of the period referred to in that paragraph.

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

#### GENERAL MEETINGS

56. Subject to the Act, An annual general meeting of the Company shall be held in each financial year other than the year of incorporation at such time and such annual general meeting must be held within six (6) months after the end of the Company's financial year (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting unless a longer period would not infringe the Listing Rules rules of any Designated Stock Exchange, if any) at such time and place as may be determined by the Board.
57. Each general meeting, other than an annual general meeting, shall be called a special general meeting. GeneralAll general meetings (including an annual general meeting, any adjourned meeting or postponed meeting) may be held as a physical meeting in any part of the world and at one or more locations as provided in Bye-law 64A or as a hybrid meeting or as an electronic meeting, as may be determined by the Board in its absolute discretion.
58. The Board may whenever it thinks fit call special general meetings, and Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Act.

## NOTICE OF GENERAL MEETINGS

59. (1) An annual general meeting shall be called by notice of not less than twenty-one (21) clear days ~~or such period as mandatorily prescribed by the Designated Stock Exchange~~. All other special general meetings shall be called by notice of not less than fourteen (14) clear days ~~or such period as mandatorily prescribed by the Designated Stock Exchange~~, 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 an annual general meeting, by all the Members entitled to attend and vote thereat; and
  - (b) in the case of any other general meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together representing not less than ninety-five per cent (95%) of the total voting rights at the meeting of all the Members.
- (2) ~~The period of notice shall be exclusive of the day on which it is served or deemed to be served and exclusive of the day on which the meeting is to be held, and the n~~Notice of a general meeting shall specify (a) the time and date of the meeting, (b) save for an electronic meeting, the place of the general meeting and if there is more than one Meeting Location as determined by the Board pursuant to Bye-law 64A, the principal place of the meeting (the “Principal Meeting Place”), (c) if the general meeting is to be a hybrid meeting or electronic meeting, the notice shall include a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting or where such details will be made available by the Company prior to the meeting, and (d) particulars of resolutions to be considered at the meeting, 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 auditor.
60. The accidental omission to give notice of a general 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 Members 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.
- (2+) 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 financial statements and the reports of the Directors and auditor and other documents required to be annexed to the financial statements, the election of Directors and appointment of auditor and other officers in the place of those retiring, the fixing of the remuneration of the auditor, and the voting of remuneration or extra remuneration to the Directors.
- (32) 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 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 unless the Company only has one (1) Member, in which case one (1) Member entitled to vote and present in person or by proxy, or in the case of a Member being a corporation by its duly authorised representative, or by proxy shall form a quorum for all purposes.
62. If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and (where applicable) same place(s) or to such time (where applicable) and such place(s) and in such form and manner referred to in Bye-law 57 as the chairman of the meeting (or in default, as the Board) may absolutely determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.

63. (1) The President of the Company if there be one or the Chairman shall preside as chairman at every general meeting. If at any meeting the President or the Chairman, as the case may be, is not present within fifteen (15) minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the Chairman chosen shall retire from the chair, the Members present and entitled to vote shall elect one of their number to be chairman of the meeting.
- (2) If the chairman of a general meeting is participating in the general meeting using an electronic facility or facilities and becomes unable to participate in the general meeting using such electronic facility or facilities, another person (determined in accordance with Bye-law 63(1) above) shall preside as chairman of the meeting unless and until the original chairman of the meeting is able to participate in the general meeting using the electronic facility or facilities.
64. Prior to the holding of a general meeting, the Board may postpone, and at a general meeting subject to Bye-law 64B, the~~The~~ chairman of the meeting may; (without the consent of any~~the meeting at which a quorum is present (and shall if so directed by)~~ or shall at the direction of the meeting), adjourn, the meeting from time to time (or indefinitely) and/or from place to place(s) and/or from one form to another (a physical meeting or a hybrid meeting or an electronic meeting) as the meeting shall determine, but no business shall be transacted at any adjourned or postponed 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 details set out in Bye-law 59(2) ~~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. ~~No business shall be transacted at any such adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.~~

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

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

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

(b) Members present in person or by proxy at a Meeting Location and/or Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities shall be counted in the quorum for and entitled to vote at the meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the chairman of the meeting is satisfied that adequate electronic facilities are available throughout the meeting to ensure that Members at all Meeting Locations and Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities are able to participate in the business for which the meeting has been convened;

(c) where Members attend a meeting by being present at one of the Meeting Locations and/or where Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities, a failure (for any reason) of the electronic facilities or communication equipment, or any other failure in the arrangements for enabling those in a Meeting Location other than the Principal Meeting Place to participate in the business for which the meeting has been convened or in the case of an electronic meeting or a hybrid meeting, the inability of one or more Members or proxies to access, or continue to access, the electronic facilities despite adequate electronic facilities having been made available by the Company, shall not affect the validity of the meeting or the resolutions passed, or any business conducted there or any action taken pursuant to such business provided that there is a quorum present throughout the meeting; and



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

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

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

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

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

- 64D. The Board and, at any general meeting, the chairman of the meeting may from time to time make arrangements for managing attendance and/or participation and/or voting at the Principal Meeting Place, any Meeting Location(s) and/or participation in an electronic meeting or a hybrid meeting by means of electronic facilities (whether involving the issue of tickets or some other means of identification, passcode, seat reservation, electronic voting or otherwise) as it shall in its absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a Member who, pursuant to such arrangements, is not entitled to attend, in person or by proxy, at any Meeting Location shall be entitled so to attend at one of the other Meeting Locations; and the entitlement of any Member so to attend the meeting or adjourned meeting or postponed meeting at such Meeting Location or Meeting Locations shall be subject to any such arrangement as may be for the time being in force and by the notice of meeting or adjourned meeting or postponed meeting stated to apply to the meeting.
65. If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

#### VOTING

66. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a poll, show of hands every Member present in person or by proxy or by attorney or (being a corporation) is present by a representative duly authorised under Section 78 of the Act shall have one vote and on a poll every Member present in person or by proxy shall have one vote for every fully paid share of which he is the holder. A resolution put to the vote of a meeting shall be decided by way of a poll save that in the case of a physical meeting, the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by ~~on~~ a show of hands ~~unless~~ in which case every Member present in person or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Bye-law, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views. Votes may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.

~~(2) Where a show of hands is allowed and voting by way of poll is required by the rules of the Designated Stock Exchange or is demanded pursuant to the rules of the Designated Stock Exchange or the provisions of these Bye-laws before or on the declaration of the result of the show of hands, or on the withdrawal of any other demand for a poll: Voting by poll may be demanded:~~

- ~~(a) by the Chairman; or~~
- ~~(b) by at least three Members present in person or by proxy for the time being entitled to vote at the meeting; or~~
- ~~(c) by a Member or Members present in person or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or~~
- ~~(d) by a Member or Members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or~~
- ~~(e) if required by the Listing Rules rules of the Designated Stock Exchange.~~

~~A demand for voting by poll by a person as proxy for a Member shall be deemed to be the same as a demand by the Member.~~

67. ~~Unless~~Where a poll resolution is duly demanded and the demand is not withdrawn voted on by a show of hands, a declaration by the Chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

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

69. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner (including the use of ballot or voting papers or tickets) and either forthwith or at such time (being not later than thirty (30) days after the date of the demand) and place as the Chairman directs. It shall not be necessary (unless the Chairman otherwise directs) for notice to be given of a poll not taken immediately.
70. The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded, and, with the consent of the chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.
71. On a poll, votes may be given either personally or by proxy.
72. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.
73. 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. In the case of joint holders of a share, if more than one of such joint holders be present at any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this Bye-law be deemed joint holders thereof.
75. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs, may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may vote on a poll by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting or postponed meeting~~poll~~, as the case may be.

- (2) Any person entitled under Bye-law 53 to be registered as the holder of any share may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight (48) hours at least before the time of the holding of the meeting or adjourned meeting or postponed meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his entitlement to such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof.
76. (1) No Member shall, unless the Board otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of the shares of the Company have been paid.
- (2) Where the Company has knowledge that any Member is, under the Listing Rules ~~rules of the Designated Stock Exchange~~, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any vote 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 vote has been counted which ought not to have been counted or which might have been rejected; or
- (c) any vote is not counted which ought to have been counted;

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

## PROXIES

78. (1) Any Member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy in respect of part or whole of his holding of the shares of the Company, to attend and vote instead of him.
- (2) Unless otherwise required by the Statutes, a proxy need not be a Member. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at any meeting of the Company or at meeting of any class of Members provided that if more than one proxy is so appointed, the appointment shall specify the number and the class of shares in respect of which each such proxy is so appointed. 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.
79. The instrument appointing a proxy shall be in writing and if the Board in its absolute discretion determines, may be contained in an electronic communication, and: (i) if in writing but not contained in an electronic communication, 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;~~ or (ii) in the case of an appointment contained in an electronic communication, submitted by or on behalf of the appointer, subject to such terms and conditions and authentication in such manner as the Board may in its absolute discretion determine. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.

80. (1) The Company may, at its absolute discretion, provide an electronic address for the receipt of any document or information relating to proxies for a general meeting (including any instrument of proxy or invitation to appoint a proxy, any document necessary to show the validity of, or otherwise relating to, an appointment of proxy (whether or not required under these Bye-laws) and notice of termination of the authority of a proxy). If such an electronic address is provided, the Company shall be deemed to have agreed that any such document or information (relating to proxies as aforesaid) may be sent by electronic means to that address, subject as hereafter provided and subject to any other limitations or conditions specified by the Company when providing the address. Without limitation, the Company may from time to time determine that any such electronic address may be used generally for such matters or specifically for particular meetings or purposes and, if so, the Company may provide different electronic addresses for different purposes. The Company may also impose any conditions on the transmission of and its receipt of such electronic communications including, for the avoidance of doubt, imposing any security or encryption arrangements as may be specified by the Company. If any document or information required to be sent to the Company under this Bye-law is sent to the Company by electronic means, such document or information is not treated as validly delivered to or deposited with the Company if the same is not received by the Company at its designated electronic address provided in accordance with this Bye-law or if no electronic address is so designated by the Company for the receipt of such document or information.
- (2) The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in, or in electronic form, by way of note to, or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate), or if the Company has provided an electronic address in accordance with the preceding paragraph, shall be received at the electronic address specified, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting or postponed meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting or postponed 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 postponed meeting or on a poll demanded at a meeting or an adjourned meeting or postponed meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

81. Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment or postponement of the meeting as for the meeting to which it relates.
82. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) two (2) hours at least before the commencement of the meeting or adjourned meeting or postponed meeting, 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.

#### **CORPORATIONS ACTING BY REPRESENTATIVES**

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



- 84A. 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 or proxies at any meeting of the Company or at any meeting of any class of Members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person or proxy 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 the right to speak and vote individually on a show of hands and on a poll.

#### **WRITTEN RESOLUTIONS OF MEMBERS**

85. 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.

#### **BOARD OF DIRECTORS**

86. (1) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than three (3). There shall be no maximum number of Directors. The Directors shall be elected or appointed in the first place at the statutory meeting of Members and thereafter in accordance with the Bye-law 87 unless the Statutes otherwise require or at any special general meeting called for such purpose and shall hold office for such term as the Members may determine or, in the absence of such determination, in accordance with Bye-law 87 or 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 qualified 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 provided~~ 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 first annual general meeting of the Company after his appointment ~~the next following annual general meeting of the Company~~ and shall then be eligible for re-election at that meeting but shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation at such meeting.
- (3) Unless otherwise required by the Statutes, neither a Director nor an alternate Director shall be required to hold any share 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) Unless otherwise provided by the Statutes ~~and the Listing Rules~~ rules of the Designated Stock Exchange, the Members may, at any general meeting convened and held in accordance with these Bye-laws, by ordinary resolution remove a Director at any time before the expiration of his ~~period~~ term of office notwithstanding anything 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 of the Members at the meeting at which such Director is removed to hold office until the next appointment of Directors or until their successors are elected or appointed or, in the absence of such election or appointment such general meeting may authorise the Board to fill any vacancy in the number left unfilled.
- (6) The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall never be less than three (3).

**RETIREMENT OF DIRECTORS**

87. (1) The provisions of this Bye-law shall, subject to the provisions of Bye-law 86 and the Statutes, govern the retirement of Directors.
- (2) At each annual general meeting 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 less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.
- (3) 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.
- (4) The Company at the meeting at which a Director retires under any provision of these presents may by ordinary resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for election. In default the retiring Director shall, if willing, continue in office until the next annual general meeting and so on from year to year until his place is filled except in any of the following cases:
- (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost;
- (b) where at such meeting it is determined to reduce the number of Directors; or
- (c) where such Director has given notice in writing to the Company that he is unwilling to be re-elected.
- (5) The retirement of a Director pursuant to the foregoing sub-paragraphs of this Bye-law shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost. Accordingly, a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

88. A resolution for the election of two or more persons as Directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.
89. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice in writing 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 in writing signed by the person to be proposed of his willingness to be elected shall have been lodged at the Office or the head office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

#### **DISQUALIFICATION OF DIRECTORS**

90. 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 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;
  - (4) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
  - (5) is prohibited by law from being a Director; or
  - (6) ceases to be a Director by virtue of any provision of the Statutes or is removed from office pursuant to these Bye-laws.

**EXECUTIVE DIRECTORS**

91. 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 the Statutes) 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 for any breach of any contract of service between him and the Company which may be involved in such revocation or termination. 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.
92. Notwithstanding Bye-laws 97, 98, 99 and 100, an Executive Director appointed to an office under Bye-law 91 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**

93. Subject to the Statutes, any Director may at any time by notice in writing delivered to the Office or head office or at a meeting of the Directors appoint any person to be his alternate Director and may at his discretion remove such alternate Director. If such alternate Director is not another Director, such appointment, unless previously approved by the Board, shall have effect only upon and subject to it being so approved. Any appointment or removal of an alternate Director shall be effected by notice in writing signed by the appointor and delivered to the Office or head office or tendered at a meeting of the Board. 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.

94. Subject to the Statutes, every alternate Director when performing the functions of a Director shall (except as regards power to appoint an alternate Director and remuneration) be subject in all respects to the provisions of the Act and these Bye-laws relating to Directors 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 in writing to the Company from time to time direct.
95. 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.
96. An alternate Director shall *ipso facto* cease to be an alternate Director if his appointor ceases for any reason to be a Director provided that, if at any meeting any Director retires by rotation or otherwise but is re-elected at the same meeting, any appointment 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**

97. 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 it 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.
98. 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.

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

#### **DIRECTORS' INTERESTS**

101. 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. 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 of the Company 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.
102. Subject to the Act and to these Bye-laws, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with Bye-law 103 herein.



103. 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.

104. (1) Subject to such other applicable requirements under the Listing Rules~~rules of the Designated Stock Exchange~~, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving of any contract or arrangement or any other proposal in which he or any of his close associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

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

- (be) 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;
- (cd) 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; and
- ~~(e) any proposal concerning any other company in which the Director or his close associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director or his close associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his close associate(s) are not in aggregate beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of any of his close associates is derived); or~~
- (df) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries; including:
- (i) the adoption, modification or operation of ~~(i) any employees' share scheme or any share incentive or share option scheme under which at the Director or his close associate(s) may benefit; or (ii) a pension fund or retirement, death or disability benefits scheme~~
- (ii) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme ~~or other arrangement~~ which relates ~~both~~ to the Director, his close associate(s) and employee(s) of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates.

- ~~(2) Subject to such other applicable requirements under the rules of the Designated Stock Exchange, a company shall be deemed to be a company in which a Director and/or his close 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 close associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his/their interest or that of any of his close associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his close associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his close associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his close associate(s) is/are interested only as a unit holder.~~
- ~~(3) Subject to such other applicable requirements under the rules of the Designated Stock Exchange, where a company in which a Director and/or his close associate(s) holds five (5) per cent or more is/are materially interested in a transaction, then that Director and/or his close associate(s) shall also be deemed materially interested in such transaction.~~
- (24) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or his close associate(s) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or his close associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

**GENERAL POWERS OF THE DIRECTORS**

105. (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 one of the Directors on behalf of the Company and the same shall be deemed to be validly entered into or executed by the Company as the case may be and shall, subject to any rule of law, be binding on the Company.
- (3) Without prejudice to the general powers conferred by these Bye-laws, it is hereby expressly declared that the Board shall have the following powers:
- (a) To give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed.
- (b) To give to any Director, officer or servant 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.

106. The Board may establish any regional or local board or agency for managing any of the affairs of the Company in any place, and may appoint any person to be a member of such local board, or any manager or agent, and may fix his or 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 him or them for the purpose of carrying on 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 the local board or any of them to fill any vacancy 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.
107. The Board may by power of attorney appoint under the Seal or as a deed 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 Company's Seal.
108. 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.
109. 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.

110. (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 scheme or fund 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 term or condition, pension 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**

111. 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, debenture stock, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
112. Debentures, debenture stock, bonds and other securities may be made assignable free from any equity between the Company and the person to whom the same may be issued.
113. Any debenture, debenture stock, bond or other securities may be issued at a discount (other than shares), premium or otherwise and with any special privilege as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.
114. (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**

115. 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.
116. A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person) or by telephone or by electronic means to an electronic address from time to time notified to the Company by such Director or (if the recipient consents to it being made available on a website) by making it available on a website ~~via electronic mail or in such other manner as the Board may from time to time determine. Any Director may waive notice of any meeting either prospectively or retrospectively.~~
117. (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 such telephone, electronic or other communications facilities through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participating were present in person.
- (3) Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of such Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

118. 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.
119. The President or the Chairman, as the case may be, shall act as chairman at all meetings of the Board at which he is present~~Board may elect a chairman and one or more deputy chairman of its meetings and determine the period for which they are respectively to hold such office. If no chairman or deputy chairman is elected, or if at any meeting neither the chairman nor any deputy chairman is present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.~~
120. A meeting of the Board at which a quorum is present shall be competent to exercise all the power, authorities and discretions for the time being vested in or exercisable by the Board.
121. (1) The Board may delegate any of its powers, authorities and discretions to committees, consisting of such Director or Directors and such other person or persons who are the employees of the Group as it thinks fit, and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committee 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 regulation 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.
122. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Bye-laws for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulation imposed by the Board under Bye-law 121.



123. A resolution in writing signed by a majority of the Directors (excluding such as are temporarily not in Hong Kong or unable to act through ill-health or disability), and all the alternate Directors (excluding such as temporarily not in Hong Kong or unable to act through ill-health or disability), if appropriate, whose appointors ~~subject to Bye-law 93~~ are temporarily not in Hong Kong or unable to act as aforesaid shall (provided that such number is sufficient to constitute a quorum and further provided that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Bye-laws and further provided that no Director approving the resolution is aware of or has received any objection to the resolution from any Director) be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held. A notification of consent to such resolution given by a Director in writing to the Board by any means (including by means of electronic communication) shall be deemed to be his/her signature to such resolution in writing for the purpose of this Bye-law. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or alternate Directors and for this purpose a facsimile signature of a Director or an alternate Director shall be treated as valid, ~~provided that the document containing the original signature of the Director or alternate Director is deposited with the Secretary within twenty-one (21) days from the date of the facsimile.~~
124. 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**

125. The Board may from time to time appoint a General Manager, 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 for the purpose of carrying on the business of the Company.
126. 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 they may think fit.

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

#### OFFICERS

128. (1) ~~Subject to the Statutes, the~~The officers of the Company shall consist of a ~~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 ~~Statutes~~Act and these Bye-laws.
- (2) Subject to the Statutes, the Directors of the Company shall, as soon as may be after each appointment or election of Directors, elect one of their number to be Chairman and may appoint another of their number to be Managing Director; and if more than one 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) ~~Subject to the Statutes, where~~Where the Company appoints and maintains a resident representative ~~does not have a quorum of Directors ordinarily resident in Bermuda;~~ ~~the Company shall in accordance with the Statutes appoint and maintain a resident representative (being a person ordinarily resident in Bermuda) and~~Act, the resident representative shall ~~maintain an office in Bermuda and~~ comply with the provisions of the ~~Statutes~~Act.
- (5) The Company shall provide the resident representative with such information as the resident representative may require in order to be able to comply with the provisions of the ~~Statutes~~Act.
129. (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 of the Board and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He/she shall perform such other duties as are prescribed by the Act or these Bye-laws or as may be prescribed by the Board.
130. 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 Board at which he is present. In his absence, a chairman shall be appointed or elected by those present at the meeting.~~
131. 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.
132. 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**

- 132A. (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.
- (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 during business hours.

**MINUTES**

133. The Board shall cause minutes to be duly entered in books provided for the purpose:
- (a) of all elections and appointments of officers;
  - (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and
  - (c) of all resolutions and proceedings of each general meeting of the Members, meetings of the Board and meetings of committees of the Board.

**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 of the Company with the addition of the words "Securities Seal" on its face. 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 on its behalf. Subject as otherwise provided in these Bye-laws, any instrument to which a Seal is affixed shall be signed autographically by one Director and the Secretary or by two Directors or by such other person or persons as the Board may appoint, either generally or in any particular case, save that as regards any certificate 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 manner provided by this Bye-law shall be deemed to be sealed and executed with the authority of the Board previously given.
- (2) Where the Company has a Seal for use abroad, the Board may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such Seal and the Board may impose restrictions on the use thereof as may be thought fit. Wherever in these Bye-laws reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such other Seal as aforesaid.

**AUTHENTICATION OF DOCUMENTS**

135. Any Director or the Secretary or any person appointed by the Board for the purpose may authenticate any document affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee, and any book, record, document and account relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and if any book, record, document or account is kept elsewhere other 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. 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 letter after the expiry of seven (7) years from the date of issue thereof; and
  - (e) copies of powers of attorney, grants of probate and letters of administration at any time after the expiry of seven (7) years after the account to which the relevant power of attorney, grant of probate or letters of administration related has been closed;

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to be made on the basis of any such document 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.

#### **DIVIDENDS AND OTHER PAYMENTS**

137. Subject to the Act and these Bye-laws, the Company in general meeting may from time to time declare dividends in any currency to be paid to the Members according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board. The Company in general meeting or the Directors 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 nor distribution shall be 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 be less than its liabilities.
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 share having deferred or non-preferential rights and may also pay any fixed dividend which is payable on any share 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 share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
142. No dividend nor 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 dividend or other moneys payable or property distributable in respect of the shares held by such joint holders.
144. All dividends or bonuses unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend or bonus 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 Member upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific asset in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instrument of transfer and other documents on behalf of the persons entitled to the dividend, and such appointment shall be effective.
146. (1) Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on 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) in cash in lieu of such allotment. In such case, the following provisions shall apply:
    - (i) the basis of any such allotment shall be determined by the Board;
    - (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' notice in writing 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 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 reserve 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 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 in writing to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
  
  - (iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and

- (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised (the “elected shares”) and in lieu thereof shares 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 reserve or other special account other than the Subscription Rights Reserve (as defined in Bye-law 150) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares 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.
  
  - (b) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Bye-law, with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Board may authorise any person to enter into on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.
  
- (3) The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (1) of this Bye-law a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

- (4) The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (1) of this Bye-law shall not be made available or made to any shareholder with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of such rights of election or the allotment of shares would or might be unlawful, and in such event the provisions aforesaid shall be read and construed subject to such determination.

#### **RESERVES**

147. Before recommending any dividend, the Board may set aside out of the profits of the Company such sum 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 investment 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 profit which it may think prudent not to distribute.

#### **CAPITALISATION**

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

149. The Board may settle, as it considers appropriate, any difficulty arising in regard to any distribution under Bye-law 148 and in particular may issue certificates in respect of fractions of shares or authorise any person to sell and transfer any fraction 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 Member in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

#### **SUBSCRIPTION RIGHTS RESERVE**

150. The following provisions shall have effect at any time and from time to time that they are not prohibited or inconsistent with the Statutes:

- (1) If, so long as any of the rights attached to any warrant 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 adjustment to the subscription price in accordance with the provisions of the conditions of the warrants, would reduce the subscription price to below the par value of a share, then the following provisions shall apply:
  - (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 and credited as fully paid pursuant to sub-paragraph (c) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Rights Reserve in paying up such additional shares in full as and when the same are allotted;
  - (b) the Subscription Rights Reserve shall not be used for any purpose other than that specified above unless all other reserves of the Company (other than share premium account) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by law;

- (c) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrant holder, credited as fully paid, such additional nominal amount of shares as is equal to the difference between:
- (i) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and
  - (ii) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par; and immediately upon such exercise so much of the sum standing to the credit of the Subscription Rights Reserve as is required to pay up in full such additional nominal amount of shares shall be capitalised and applied in paying up in full such additional nominal amount of shares which shall forthwith be allotted credited as fully paid to the exercising warrant holders; and
- (d) if, upon the exercise of the subscription rights represented by any warrant, the amount standing to the credit of the Subscription Rights Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such difference as aforesaid to which the exercising warrant holder is entitled, the Board shall apply any profit or reserve 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 nor other distribution shall be paid or made on the fully paid shares of the Company then in issue. Pending such payment and allotment, the exercising warrant holder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being are transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Board may think fit and adequate particulars thereof shall be made known to each relevant exercising warrant holder upon the issue of such certificate.

- (2) Shares allotted pursuant to the provisions of this Bye-law shall rank pari passu in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned. Notwithstanding anything contained in paragraph (1) of this Bye-law, no fraction of any share shall be allotted on exercise of the subscription rights.
- (3) The provision of this Bye-law as to the establishment and maintenance of the Subscription Rights Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating the provisions for the benefit of any warrant holder or class of warrant holders under this Bye-law without the sanction of a special resolution of such warrant holders or class of warrant holders.
- (4) A certificate or report by the auditor 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 of the Company. No Members (other than a Director of the Company) 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.

153. Subject to Section 88 of the Act and Bye-law 153A, a printed copy of the Director's report, accompanied by the financial statements, 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 auditor's report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the annual general meeting and at the same time as the notice of annual general meeting and laid before the Company at the annual general meeting in accordance with the requirements of the Act provided that this Bye-law shall not require a copy of those documents to be sent to any person whose address the Company is not aware or to more than one of the joint holders of any share or debenture.
- 153A. To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules ~~rules of the Designated Stock Exchange~~, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 153 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.
- 153B. The requirement to send to a person referred to in Bye-law 153 the documents referred to in that provision or a summary financial report in accordance with Bye-law 153A shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules ~~rules of the Designated Stock Exchange~~, the Company publishes copies of the documents referred to in Bye-law 153 and, if applicable, a summary financial report complying with Bye-law 153A, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

## AUDIT

154. (1) Subject to Section 88 of the Act, at the annual general meeting or at a subsequent special general meeting in each year, the Members shall by ordinary resolution appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the Members appoint another auditor. Such auditor may be a Member but no Director nor officer nor employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.
- (2) Subject to Section 89 of the Act, a person, other than an incumbent auditor, shall not be capable of being appointed auditor at an annual general meeting unless notice in writing of an intention to nominate that person to the office of auditor has been given not less than twenty-one (21) days before the annual general meeting and furthermore, the Company shall send a copy of any such notice to the incumbent auditor.
- (3) The Members may, at any general meeting convened and held in accordance with these Bye-laws, by an extraordinary resolution remove the auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another auditor in its place for the remainder of the term.
155. Subject to Section 88 of the Act, the financial statements of the Company shall be audited at least once in every year.
156. (1) The remuneration of the auditor shall be fixed by the Company by ordinary resolution passed at a ~~in~~ general meeting or in such manner as the Members may by ordinary resolution determine.
- (2) The Directors may fill any casual vacancy in the office of auditor but while any such vacancy continues, the surviving or continuing auditor, 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 154(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 Members under Bye-law 154(1) at such remuneration to be determined by the Members under Bye-law 156(1).
157. ~~*Intentionally Deleted* 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 Board shall fill the vacancy and fix the remuneration of the auditor so appointed.~~



158. The auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto; and he may call on the Directors or officers of the Company for any information in their possession relating to the books or affairs of the Company.
159. The financial statements 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 financial statements 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; and the report of the Auditor shall be submitted to the Members in general meeting and shall, after approval at such meeting, be conclusive.

#### NOTICES

160. (1) Any notice or document (including any “corporate communication” within the meaning ascribed thereto under the Listing Rules~~rules of the Designated Stock Exchange~~), whether or not to be given or issued under these Bye-laws, from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such notice and document may be given or issued~~served or delivered~~ by the Company ~~on or to any Member either~~following means:
- (a) by serving it personally on the relevant person;
  - (b) ~~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;
  - (c) ~~or, as the case may be, by transmitting~~by delivering or leaving it to any at such address as aforesaid; or transmitting it to any telex or facsimile transmission number or electronic number or address supplied by him to the Company for the giving of notice or document to him or which the person transmitting the notice or document reasonably and bona fide believes at the relevant time will result in the notice or document being duly received by the Member or

- (d) ~~may also be served by~~ placing an advertisement in appointed newspapers (as defined in the Act) or in any newspapers published daily and circulating generally in the territory of the Designated Stock Exchange or in other publication, and 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 160(5), subject to the Company or, to the extent permitted by complying with the Statutes and any other the applicable laws Statutes, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;
- (f) ~~by placing~~ publishing it on the Company's website or the website of the Designated Stock Exchange, and giving to the Member a notice stating that the notice or document is available there (a "notice of availability");
- (g) by sending or otherwise is making it available to such person through such other means to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations.

~~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, the notice of availability may be given to the Member by any of the means set out above.~~

- (2) The notice of availability may be given by any of the means set out above other than by posting it on a website.
- (3) In the case of joint holders of a share all notices or documents shall be given to that one of the joint holders whose name stands first in the Register and notice or document so given shall be deemed a sufficient service on or delivery to all the joint holders.
- (4) Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.

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

161. Any notice or other document:

- (a) if served or delivered by post, shall be sent airmail where appropriate and shall be deemed to have been served or delivered on the day following that on which when the envelope containing the same properly prepaid, addressed and is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. ~~A notice or document placed on the Company's website or the website of the Designated Stock Exchange is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;~~
- (c) if published on the Company's website or the website of the Designated Stock Exchange, shall be deemed to have been served on the day on which the notice, document or publication first so appears on the Company's website or the website of the Designated Stock Exchange to which the relevant person may have access or the day on which the notice of availability is deemed to have been served or delivered to such person under these Bye-laws, whichever is later;
- (de) 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 dispatch or 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 or transmission or publication shall be conclusive evidence thereof; and
- (e) 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; and

(fd) may be given to a Member either in the English language or ~~the Chinese language~~ ~~or in both English and Chinese language,~~ or with the consent or direction of that Member, in Chinese language only, subject to due compliance with all applicable Statutes ~~and the Listing Rules,~~ ~~rules and regulations of the Designated Stock Exchange.~~

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

#### SIGNATURES

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

#### WINDING UP

164. (1) Subject to the Act and Bye-law 164(2), ~~t~~The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.
- (2) A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

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

#### INDEMNITY

166. (1) Subject to the Statutes, the Directors, Secretary and other officers and every auditor of the Company ~~at any for the time, whether at present or in the past, being of the Company~~ 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 receipt for the sake of conformity, or for any banker or other persons with whom any money or effect 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 money 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 wilful negligence, wilful default, 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 wilful negligence, wilful default, fraud or dishonesty which may attach to such Director.

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

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

**INFORMATION**

168. No Member shall be entitled to require discovery of or any information respecting 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.

**1. RESPONSIBILITY STATEMENT**

The 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 the 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 the Circular misleading.

**2. DISCLOSURE OF INTERESTS****(A) Directors' and Chief Executive's interests and short positions in Shares, underlying Shares and debentures**

As at the Latest Practicable Date, save as disclosed below, so far as is known to the Directors, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares, underlying Shares and the debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules:

**(i) Directors' and Chief Executive's interests and short positions in Shares, underlying Shares and debentures of the Company**

Nil.

*(ii) Directors' and Chief Executive's interests and short positions in shares of associated corporations of the Company*

Name of associated corporation	Name of Director	Capacity	Number of ordinary shares held as personal interest	Total number of shares interested	Approximate percentage of total issued share capital of relevant class of shares of associated corporation
COSCO SHIPPING Development Co., Ltd.	WAN Min	Beneficial owner	200,000 (H Shares)	200,000 (H Shares)	0.00544% <i>(Note 1)</i>
		Interest of spouse	–	2,000 (A Shares)	0.00002% <i>(Note 1)</i>
	YANG Zhijian	Beneficial owner	400,000 (H Shares)	400,000 (H Shares)	0.01088% <i>(Note 1)</i>
COSCO SHIPPING Energy Transportation Co., Ltd.	WAN Min	Interest of spouse	–	16,000 (A Shares)	0.00046% <i>(Note 2)</i>
COSCO SHIPPING Holdings Co., Ltd.	YANG Zhijian	Beneficial owner	130,000 (H Shares)	130,000 (H Shares)	0.00387% <i>(Note 3)</i>
		Beneficial owner	401,544 (A Shares)	401,544 (A Shares)	0.00315% <i>(Note 3)</i>
	TUNG Lieh Cheung Andrew	Beneficial owner	231,544 (A Shares)	231,544 (A Shares)	0.00181% <i>(Note 3)</i>
COSCO SHIPPING Ports Limited	WAN Min	Beneficial owner	302,912	302,912	0.00895% <i>(Note 4)</i>



**(iii) Directors' and Chief Executive's interests and short positions in the underlying shares and debentures of associated corporation of the Company**

Name of associated corporation	Name of Director	Capacity	Date of grant	Exercise price per A share	Number of outstanding share options granted <i>(Note 5)</i>	Total number of shares interested	Approximate percentage of total issued share capital of relevant class of shares of associated corporation <i>(Note 3)</i>
COSCO SHIPPING Holdings Co., Ltd. (A Shares)	YANG Zhijian	Beneficial owner	29th May 2020	RMB1.82	815,256	815,256	0.00639%
	TUNG Lieh Cheung Andrew	Beneficial owner	3rd June 2019	RMB2.28	413,712	413,712	0.00324%

*Notes:*

- (1) The shareholding percentage in COSCO SHIPPING Development Co., Ltd. ("COSCO SHIPPING Development") was calculated on the basis of 3,676,000,000 H shares of COSCO SHIPPING Development in issue and 9,910,477,301 A shares of COSCO SHIPPING Development in issue as at the Latest Practicable Date (as the case may be).
- (2) The shareholding percentage in COSCO SHIPPING Energy Transportation Co., Ltd. ("COSCO SHIPPING Energy") was calculated on the basis of 3,474,776,395 A shares of COSCO SHIPPING Energy in issue as at Latest Practicable Date.
- (3) The shareholding percentage in COSCO SHIPPING Holdings Co., Ltd. ("COSCO SHIPPING Holdings") was calculated on the basis of 3,354,780,000 H shares of COSCO SHIPPING Holdings in issue and 12,739,039,795 A shares of COSCO SHIPPING Holdings in issue as at the Latest Practicable Date (as the case may be).
- (4) The shareholding percentage in COSCO SHIPPING Ports Limited ("COSCO SHIPPING Ports") was calculated on the basis of 3,383,224,798 shares of COSCO SHIPPING Ports in issue as at the Latest Practicable Date.

- (5) According to the terms of the Share Option Incentive Scheme of COSCO SHIPPING Holdings (the “Scheme”) and its amendments approved on 18th May 2020, the Scheme is valid for 10 years from 30th May 2019 and the share options shall be vested 24 months after the date of grant (the “Vesting Period”). Subject to the fulfilment of the relevant conditions of exercise, these share options shall be exercisable in three batches after the expiry of the Vesting Period, i.e. (a) the exercise period of 33% of the share options will commence on the first trading day after expiration of the 24-month period from the date of grant and ending on the last trading day of the 36-month period from the date of grant; (b) the exercise period of 33% of the share options will commence on the first trading day after expiration of the 36-month period from the date of grant and ending on the last trading day of the 48-month period from the date of grant; and (c) the exercise period of 34% of the share options will commence on the first trading day after expiration of the 48-month period from the date of grant and ending on the last trading day of the 84-month period from the date of grant. Details of the Scheme are set out in the announcements dated 3rd June 2019 and 30th March 2020 of COSCO SHIPPING Holdings (A shares). No consideration was paid by the grantees for acceptance of the share options.

**(B) Directors’ interest as a director or employee of a company which has a discloseable interest or short position in the Shares and underlying Shares of the Company**

As at the Latest Practicable Date, save as disclosed below, so far as is known to the Directors, no Director was a director or employee of a company which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of company	Name of Director	Position held by the Director in such company
China COSCO SHIPPING Corporation Limited	Mr. Wan Min	Chairman of the board and the Party Secretary
	Mr. Huang Xiaowen	Executive Vice President and the Party Committee member
	Mr. Yang Zhijian	Employee Representative Director
COSCO SHIPPING Holdings Co., Ltd.	Mr. Wan Min	Executive Director and Chairman of the board
	Mr. Huang Xiaowen	Executive Director and Vice Chairman of the board
	Mr. Yang Zhijian	General Manager, Executive Director and the Party Secretary
Faulkner Global Holdings Limited	Mr. Yang Zhijian	Director
Shanghai International Port (Group) Co., Ltd.	Mr. Yan Jun	Director, President and the Deputy Party Secretary

**3. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had or proposed to enter into a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

**4. DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

COSCO SHIPPING, an indirect controlling Shareholder of the Company, its subsidiaries or its associates are engaged in the same business of container shipping, management and operation of container terminals and/or logistics services (the "Competing Companies") as the Group. As at the Latest Practicable Date, Mr. Wan Min, Mr. Huang Xiaowen and Mr. Yang Zhijian, the Executive Directors of the Company, were holding directorships and/or senior management positions in COSCO SHIPPING, its subsidiaries and/or its associates; Mr. Tung Lih Cheung Andrew, a Non-Executive Director of the Company, had interests in the shares and the underlying shares of COSCO SHIPPING Holdings; Mr. Ip Sing Chi, a Non-Executive Director of the Company, was a non-executive director of COSCO SHIPPING Development; Mr. Yang Liang Yee Philip, an Independent Non-Executive Director of the Company, was an independent non-executive director of COSCO SHIPPING Ports; and Ms. Chen Ying, an Independent Non-Executive Director of the Company, was an external director of COSCO SHIPPING (Guangzhou) Co., Ltd. and COSCO SHIPPING Lines Co., Ltd.

As the Board of the Company is independent of the board of directors of the Competing Companies, the Directors of the Company are of the view that the Group is capable of carrying on its business independently of, and at arm's length from the businesses of the Competing Companies.

Save as disclosed above, at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

**5. DIRECTORS' INTERESTS IN CONTRACTS**

There are no contracts or arrangements of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party, and in which a Director had a material interest, subsisted as at the date of the Circular.

**6. DIRECTORS' INTERESTS IN ASSETS**

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

**7. NO MATERIAL ADVERSE CHANGE**

The Directors confirm that, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31st December 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

**8. EXPERT AND CONSENT**

The following is the qualification of the expert who has given an opinion or advice, which is contained or referred to in the Circular:

<b>Name</b>	<b>Qualification</b>
First Shanghai Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, First Shanghai Capital Limited did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, First Shanghai Capital Limited did not have any direct or indirect interest in any asset which has been, since 31st December 2021, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or is proposed to be acquired or disposed of by or leased to any member of the Group.

First Shanghai Capital Limited has given and has not withdrawn its written consent to the issue of the Circular, with the inclusion herein of their letter dated 21st October 2022 in connection with their advice to the Independent Board Committee and the Independent Shareholders, and references to their name and logo in the form and context in which they appear.

**9. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.ooilgroup.com>) for a period of not less than 14 days before the date of the SGM:

- (a) the New Bunker Master Agreement;
- (b) the New Equipment Procurement Master Agreement; and
- (c) the New Financial Services Master Agreement.

**10. MISCELLANEOUS**

The English text of the Circular shall prevail over the Chinese text in case of inconsistencies.

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## NOTICE OF SPECIAL GENERAL MEETING

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### ORIENT OVERSEAS (INTERNATIONAL) LIMITED

東方海外(國際)有限公司\*

*(Incorporated in Bermuda with members' limited liability)*

**(Stock Code: 316)**

### NOTICE OF SPECIAL GENERAL MEETING

NOTICE is hereby given that the Special General Meeting of ORIENT OVERSEAS (INTERNATIONAL) LIMITED (the "Company") will be held on Thursday, 24th November 2022 at 10:00 a.m. at Dynasty Room, 7th Floor, The Dynasty Club, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong (the "SGM") to transact the following business.

Unless the context requires otherwise, the terms used in this notice of SGM shall have the same meanings as those defined in the Company's circular dated 21st October 2022.

#### ORDINARY RESOLUTIONS

1. "THAT the Bunker Service transactions (including the annual caps relating thereto) for the three years ending 31st December 2025 be and are hereby approved and confirmed and that any Director of the Company be and is hereby authorized to do all such further acts and things, to execute such further documents and to take all such steps which in their opinion may be necessary, desirable or expedient to implement and/or give effect to the terms of such agreement."
2. "THAT the Non-exempt Equipment Procurement Service transactions (including the annual caps relating thereto) for the three years ending 31st December 2025 be and are hereby approved and confirmed and that any Director of the Company be and is hereby authorized to do all such further acts and things, to execute such further documents and to take all such steps which in their opinion may be necessary, desirable or expedient to implement and/or give effect to the terms of such agreement."

\* For identification purpose only

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## NOTICE OF SPECIAL GENERAL MEETING

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3. “**THAT** the Deposit Service transactions (including the Deposit Caps relating thereto) for the three years ending 31st December 2025 be and are hereby approved and confirmed and that any Director of the Company be and is hereby authorized to do all such further acts and things, to execute such further documents and to take all such steps which in their opinion may be necessary, desirable or expedient to implement and/or give effect to the terms of such agreement.”
4. To consider and, if thought fit, to pass the following resolution as a special resolution:–

### SPECIAL RESOLUTION

“**THAT** the Proposed Amendments to the Existing Bye-laws as set forth in Appendix I to the circular of the Company dated 21st October 2022 be and are hereby approved, and the New Bye-laws, a copy of which has been produced to the meeting marked “A” and initialled by the chairman of the meeting for the purpose of identification, be and is hereby approved and adopted as the new bye-laws of the Company in substitution for, and to the exclusion of, the Existing Bye-laws with immediate effect, and **THAT** any Director or the Secretary of the Company be and is hereby authorised to do all things necessary to effect and record the adoption of the New Bye-laws.”

By order of the Board  
**Orient Overseas (International) Limited**  
**XIAO Junguang**  
*Company Secretary*

Hong Kong, 21st October 2022

*Notes:*

- (i) Any shareholder of the Company entitled to attend and vote at the SGM (or at any adjournment thereof) is entitled to appoint a proxy or proxies to attend and vote on his/her behalf in accordance with the Bye-laws of the Company. A proxy need not be a shareholder of the Company.
- (ii) Where there are joint registered holders of any share, any one of such persons may vote at the SGM (or at any adjournment thereof), either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders shall be present at the SGM personally or by proxy, that one of the holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (iii) The proxy form must be deposited at the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited (the “Branch Share Registrar”), at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.

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## NOTICE OF SPECIAL GENERAL MEETING

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- (iv) The register of members of the Company will be closed from 21st November 2022 to 24th November 2022, both days inclusive, to ascertain the shareholders entitled to attend and vote at the SGM. During this period, no transfer of shares will be registered. To be eligible to attend and vote at the SGM, all share transfer documents must be accompanied with the relevant share certificates and lodged with the Branch Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 18th November 2022.
- (v) If a typhoon signal No.8 (or above) is hoisted or extreme conditions and/or a black rainstorm warning signal are in force at any time between 6:00 a.m. and 10:00 a.m. on the date of the SGM, the SGM may be adjourned in accordance with the bye-laws of the Company.

The Company will publish an announcement on the websites of both the Stock Exchange (<https://www.hkex.com.hk>) and the Company (<https://www.ooilgroup.com>) to notify the shareholders that the SGM has been adjourned (however, a failure to publish such a notice shall not affect the adjournment of such meeting). Shareholders may also contact the Branch Share Registrar (telephone: 852 2862 8555) for enquiries.

The Company will publish a further announcement on the websites of the Stock Exchange and the Company to notify the shareholders of the date, time and location of the adjourned SGM.

Shareholders should in any event exercise due care and caution when deciding to attend the SGM in adverse weather conditions.

- (vi) In the event of any regulation imposed by the Hong Kong Government due to COVID-19 requiring change of the date or venue of the SGM, the shareholders of the Company will be notified of the revised arrangements in the same manner as provided in note (v) above.
- (vii) If any shareholder of the Company has any particular access request or special needs for participating in the SGM, please contact the Branch Share Registrar (telephone: 852 2862 8555) on or before 22nd November 2022.
- (viii) The Chinese translation of this notice is for reference only. In case of any inconsistency, the English version shall prevail.



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## PRECAUTIONARY MEASURES FOR SPECIAL GENERAL MEETING

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The health of the Shareholders, staff and stakeholders of the Company is of paramount importance to us. In view of the ongoing COVID-19 pandemic, the Company will implement the following at the SGM as part of the control measures to safeguard the health and safety of our attending Shareholders, staff and stakeholders of the Company:

- (i) compulsory body temperature checks will be conducted for every attending shareholder, proxy or other attendee at the entrance of the SGM venue. Any person with a body temperature of over 37.5 degrees Celsius or who has any flu-like symptom or is otherwise apparently unwell will be denied entry into the SGM venue or be required to leave the SGM venue;
- (ii) each attendee must scan the “LeaveHomeSafe” venue QR code and comply with the requirements of the Vaccine Pass Direction (defined under the Prevention and Control of Disease (Vaccine Pass) Regulation (Cap. 599L of the Laws of Hong Kong)) prior to entry into the SGM venue;
- (iii) each attendee would be required to wear a surgical face mask throughout the SGM and inside the SGM venue;
- (iv) any person who does not comply with the precautionary measures to be taken at the SGM, or is subject to any Hong Kong Government prescribed quarantine will be denied entry into the SGM venue or be required to leave the SGM venue;
- (v) seating at the SGM venue will be arranged so as to allow for appropriate social distancing in accordance with prevailing requirements or guidelines published by the Hong Kong Government of the SGM date. Accordingly, for compliance reason, there will be limited capacity for Shareholders to attend SGM; and
- (vi) no refreshments and beverages will be served.

The Company would like to remind all attending Shareholders that physical attendance in person at the SGM is not necessary for the purpose of exercising voting rights. The Company encourages the Shareholders to appoint the chairman of the SGM as their proxy to vote as instructed by the Shareholders on the relevant resolutions at the SGM, instead of attending the SGM in person.

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## PRECAUTIONARY MEASURES FOR SPECIAL GENERAL MEETING

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If any Shareholder not attending the SGM in person has any question about the resolutions proposed to be passed at the SGM or about the Company, or has any matter for communication with the Board, he/she is welcome to send such question or matter in writing to the Company's principal office at 31st Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong, China (Attention: Company Secretary) or to the Company's email at [ooil@computershare.com.hk](mailto:ooil@computershare.com.hk).

In the event of any regulation imposed by the Hong Kong Government due to COVID-19 requiring change of the date or venue of the SGM, the Shareholders will be notified of the revised arrangements in the same manner as provided in note (v) in the notice of SGM.

If any Shareholder has any question relating to the SGM, please contact the Branch Share Registrar as follows:

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong  
Enquiries: <https://www.computershare.com/hk/contact>  
Tel: 852 2862 8555  
Fax: 852 2865 0990