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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 ABC Communications (Holdings) Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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## **ABC COMMUNICATIONS (HOLDINGS) LIMITED**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 30)**

**(1) PROPOSED GENERAL MANDATES  
TO ISSUE SHARES AND REPURCHASE SHARES,  
(2) PROPOSED RE-ELECTION OF DIRECTORS,  
(3) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME,  
(4) PROPOSED CHANGE OF COMPANY NAME,  
(5) PROPOSED ADOPTION OF NEW BYE-LAWS  
AND  
(6) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of ABC Communications (Holdings) Limited to be held at Basement 2 (B2), The Wharney Guang Dong Hotel, 57-73 Lockhart Road, Wanchai, Hong Kong, on Monday, 30 September 2013 at 10 a.m. is set out on pages 41 to 45 of this circular.

A letter from the Board of directors of ABC Communications (Holdings) Limited is set out on pages 4 to 12 of this circular.

If you are not able to attend such meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the share registrar of ABC Communications (Holdings) Limited in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so desire.

4 September 2013

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## DEFINITIONS

*In this circular (other than in the notice of the AGM), the following expressions have the meanings respectively set opposite them unless the context otherwise requires:*

“Adoption Date”	the date on which the New Share Option Scheme of the Company is conditionally adopted by resolution of the Shareholders at the AGM;
“AGM”	the annual general meeting of the Company to be convened on Monday, 30 September 2013;
“AGM Notice”	the notice of the AGM set out on pages 41 to 45 of this circular;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	board of directors of the Company;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities;
“Bye-laws”	the bye-laws of the Company;
“Companies Act”	the Companies Act 1981 of Bermuda;
“Company”	ABC Communications (Holdings) Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange (stock code: 30);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“Eligible Participant(s)”	any person(s) who satisfies the eligibility criteria under the New Share Option Scheme;
“Grantee(s)”	any Eligible Participant(s) who accepts an Offer in accordance with the terms of the New Share Option Scheme or, where the context so permits, a legal personal representative entitled to any such Options in consequence of the death of the original Grantee(s);
“Group”	the Company and its Subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

## DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	30 August 2013, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Bye-laws”	the new Bye-laws proposed to be adopted at the AGM, the principal terms of which are summarized in Appendix IV to this circular;
“New Share Option Scheme”	the share option scheme proposed to be approved adopted by the Company by the Shareholders at the AGM, a summary of the principal terms of which are set out in the Appendix III to this circular;
“Offer”	the offer of the grant of Options made in accordance with the New Share Option Scheme;
“Offer Date”	the date on which an Offer is made to an Eligible Participant;
“Old Share Option Scheme”	the share option scheme as adopted by the Company on 27 March 2002 and expired on 26 March 2012;
“Option Period”	in respect of any particular Option, a period to be notified by the Board to each Grantee during which an Option may be exercised, such period not exceeding a period of ten years commencing on the Offer Date and expiring on the last day of such period;
“Option(s)”	share option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme;
“Repurchase Mandate”	a general unconditional mandate to be granted to the Directors at the AGM authorizing the Company to repurchase up to 10% of the fully paid Shares in issue at the date of the AGM;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

## DEFINITIONS

“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company;
“Share Issue Mandate”	a general unconditional mandate to be granted to the Directors at the AGM authorizing the Company to allot additional Shares of up to 20% of the nominal amount of the share capital of the Company in issue at the date of the AGM;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in the New Share Option Scheme;
“Subsidiary”	a company which is, for the time being and from time to time, a subsidiary (within the meaning of Section 2 of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong) of the Company;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Takeover Codes”	The Hong Kong Code on Takeovers and Mergers; and
“%”	per cent.

LETTER FROM THE BOARD



**ABC COMMUNICATIONS (HOLDINGS) LIMITED**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 30)**

*Executive Directors:*

Mr. Chen Jiasong (*Chairman*)

Mr. Cheung Wai Shing

Mr. Song Gaofeng

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

*Non-executive Director:*

Mr. Qiu Hai Jian

*Principal Place of Business in Hong Kong:*

Room 2709-10

27/F China Resources Building

No. 26 Harbour Road

Wanchai

Hong Kong

*Independent Non-Executive Directors:*

Mr. Chen Haoyun, Jordy

Mr. Lee Kwong Yiu

Mr. Yau Chung Hang

Mr. Zhang Guang Hui

4 September 2013

*To the Shareholders*

Dear Sirs

**(1) PROPOSED GENERAL MANDATES  
TO ISSUE SHARES AND REPURCHASE SHARES,  
(2) PROPOSED RE-ELECTION OF DIRECTORS,  
(3) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME,  
(4) PROPOSED CHANGE OF COMPANY NAME,  
(5) PROPOSED ADOPTION OF NEW BYE-LAWS  
AND  
(6) NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

This circular includes information required by the Listing Rules to be given to the Shareholders concerning (1) the proposed general mandates for the issue and repurchase of shares to be granted to the Directors; (2) the proposed re-election of Directors; (3) the proposed adoption of the New Share Option Scheme; (4) the proposed change of name of the Company; and (5) the proposed adoption of the New Bye-laws at the AGM of the Company to be held on Monday, 30 September 2013.

## LETTER FROM THE BOARD

### **2. SHARE ISSUE MANDATE**

Resolution No. 5 set out in the accompanying AGM Notice will, if passed, give a general unconditional mandate to the Directors authorizing the Company to allot additional Shares of up to 20% of the nominal amount of the share capital of the Company in issue at the date of the AGM. As at the Latest Practicable Date, the total number of Shares in issue was 1,379,457,200 Shares. Assuming the number of Shares in issue remains unchanged from the Latest Practicable Date to the date of the AGM, the maximum number of Shares that can be issued upon approval of the Share Issue Mandate would be 275,891,440 Shares.

### **3. REPURCHASE MANDATE**

Resolutions No. 6 and 7 set out in the AGM Notice will, if passed, give a general unconditional mandate to the Directors authorizing the Company to repurchase up to 10% of the fully paid Shares in issue at the date of the AGM. Assuming the number of Shares in issue remains unchanged from the Latest Practicable Date to the date of the AGM, the maximum number of Shares that can be repurchased upon approval of the Repurchase Mandate would be 137,945,720 Shares.

### **4. RE-ELECTION OF DIRECTORS**

In relation to the proposed Resolution No. 2 as set out in the AGM Notice regarding the re-election of the retiring Directors, Mr. Qiu Hai Jian, Mr. Song Gaofeng and Mr. Yau Chung Hang are eligible and are offering themselves for re-election in accordance with the Bye-laws at the AGM.

### **5. PROPOSED ADOPTION OF A NEW SHARE OPTION SCHEME**

The Old Share Option Scheme was adopted by the Company on 27 March 2002 for a period of ten years and expired on 26 March 2012. In order to continue to provide the Company with a flexible means of giving incentive to Eligible Participants to recognize and acknowledge the contributions that Eligible Participants made or may make to the Group, the Board proposes that the New Share Option Scheme be approved and adopted by the Shareholders at the AGM.

No options have been granted or are currently outstanding under the Old Share Option Scheme.

## LETTER FROM THE BOARD

Adoption of the New Share Option Scheme is subject to the following conditions precedent:

- (i) passing of the ordinary resolution to approve and adopt the New Share Option Scheme at the AGM;
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares to be issued and allotted by the Company upon the exercise of the Options to be granted under the New Share Option Scheme; and
- (iii) if necessary, the Bermuda Monetary Authority granting permission for the issue and free transfer of any Shares to be issued by the Company upon the exercise of the Options to be granted under the New Share Option Scheme.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued and allotted upon the exercise of the Options granted under the New Share Option Scheme.

In compliance with Rule 17.02(2) of the Listing Rules, the total number of new Shares in respect of which share options may be granted under the New Share Option Scheme and any other schemes shall not exceed 10% of the Shares in issue as the date of approval of the New Share Option Scheme, unless the Company obtains approval from its shareholders to refresh the 10% limit and on the basis that the maximum number of new Shares in respect of which Options may be granted and yet to be exercised under the New Share Option Scheme and any other schemes shall not exceed 30% of the Shares in issue from time to time.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,379,457,200 Shares. Assuming that there is no change in the share capital of the Company from the Latest Practicable Date to the date of adoption of the New Share Option Scheme, the maximum number of new Shares in the Company that may be issued under the New Share Option Scheme on the date of its adoption will be 137,945,720 Shares.

The New Share Option Scheme does not specify a minimum period for which an Option must be held nor a performance target which must be achieved before an Option can be exercised. However, the rules of the New Share Option Scheme provide that the Directors may determine, at their sole discretion, such terms on the grant of an Option. This determination may vary on a case by case basis but no such terms shall be imposed the result of which will be to the advantage of the Eligible Participants without the prior approval of Shareholders in general meeting. The basis for determination of the Subscription Price is also specified precisely in the rules of the New Share Option Scheme. The Directors consider that these criteria and rules will serve to preserve the value of the Company and encourage the Eligible Participants to acquire proprietary interests in the Company.

None of the Directors are appointed as trustees of the New Share Option Scheme or have a direct or indirect interest in the trustees of the New Share Option Scheme.

## LETTER FROM THE BOARD

The Board considers that it is inappropriate to state the value of all Options that may be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date given that the variables which are critical for the calculation of the value of such Options, including the Subscription Price, the timing of the grant of such Options, the period during which the Options may be exercised and any other condition that the Board may impose on the Options, have not been determined. As no Options have been granted under the New Share Option Scheme, these variables are not available for calculating the value of the Options. With a scheme life of 10 years it is too premature to state at present whether or not any Options will be granted under the New Share Option Scheme. Accordingly, the Board believes that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of theoretical bases and speculative assumptions would not be meaningful to Shareholders.

The Board considers that in order to attract, retain and motivate employees, including directors of the Group to strive for the future development of the Group, it is important that the Group should continue to provide them with an additional incentive and encouragement by offering them an opportunity to obtain an ownership interest in the Company and to enjoy the results of the Company attained through their efforts and contributions.

The Board further considers that in order to enable the Group to motivate Eligible Participants to utilise their performance and efficiency for the benefit of the Group and to attract and retain or otherwise maintain an on-going business relationship with such Eligible Participants whose contributions are or will be beneficial to the long term growth of the Group, it is important that the Group should be permitted to provide them, where appropriate, with an additional incentive by also offering them an opportunity to obtain an ownership interest in the Company and to reward them for contributing to the success of the business of the Group. The Board believes that the adoption of the New Share Option Scheme will benefit the Company's future business development and is in the best interests of the Company and the Shareholders as a whole.

A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. Copies of the draft New Share Option Scheme are also available for inspection at the Company's principal place of business in Hong Kong up to and including the date of the AGM, and at the AGM.

### 6. PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the English name of the Company from "**ABC Communications (Holdings) Limited**" to "**Optimum Resources Group Holdings Limited**" and adopt "佳源控股集團有限公司" as its Chinese secondary name. Upon the adoption of the new Chinese secondary name, the Company will cease to use its existing Chinese name "佳訊(控股)有限公司" for identification purposes.

The change of company name is subject to: (a) the approval by the Shareholders by way of a special resolution at the AGM; and (b) the Registrar of Companies in Bermuda granting approval for the use of the proposed new English and Chinese names of the Company.

## LETTER FROM THE BOARD

The Company will carry out the necessary filing procedures with the Registrar of Companies in Bermuda and Hong Kong to effect the change of company name once it is approved by the Shareholders at the AGM.

The change of company name will not affect any of the rights of the Shareholders. All existing share certificates in issue bearing the Company's existing name shall continue to be evidence of title to the shares of the Company and shall be valid for trading, settlement, registration and delivery purposes. Accordingly, there will not be any arrangement for the free exchange of the existing share certificates for new share certificates under the new name of the Company. However, Shareholders may upon payment of a fee of HK\$2.50 for each certificate to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, arrange for new share certificates with the new Company name to be issued to replace existing share certificates. Once the change of the Company's name has become effective, new share certificates for new shares will be issued in the new name of the Company.

The Company has previously passed a special resolution on 6 August 2009 to change its English name to "Global Energy Investments Group Limited" and adopt 環球能源投資集團有限公司 as its Chinese secondary name (the "2009 Change of Name"). The 2009 Change of Name has not been registered by the Registrar of Companies in Bermuda and Hong Kong and will not be put into effect.

The Group is currently engaged in two identifiable business segments, namely, the mining operations and the provision of financial quotation services. The mining operations refer to the exploration and exploitation of mineral resources in China conducted by Jun Qiao and its subsidiaries. The provision of financial quotation services includes (i) financial quotation services and securities trading system licensing provided by QuotePower International Limited; and (ii) wireless applications development provided by ABC QuickSilver Limited.

The Board proposes to change the company name to refresh the Company's corporate image and identity, and considers that the proposed new English and Chinese names can more accurately reflect the new strategy of the Company. The Board believes that the change of company name will benefit the Company's future business development and is in the best interests of the Company and the Shareholders as a whole.

### **7. PROPOSED ADOPTION OF NEW BYE-LAWS**

The Bye-laws of the Company have not been amended since August 2006. The Board considers that it is appropriate to make corresponding amendments to the Bye-laws to bring them in line with the amendments to the Listing Rules and the Companies Act between 2006 and now, including the following major changes:

#### **(a) Voting at general meetings**

The Listing Rules have been amended, whereby any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The New Bye-laws will put this into effect.

## LETTER FROM THE BOARD

### **(b) Voting at board meetings**

The Listing Rules have been amended, whereby subject to certain exceptions, a director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting. The New Bye-laws will put this into effect, and the exception that a director may vote on such board resolution provided he or any of his associates are not beneficially interested in more than 5% in the party with which the company proposes to enter into a contract or arrangement will be removed from the Bye-laws.

### **(c) Physical board meetings**

The Listing Rules have been amended, whereby if a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. The New Bye-laws will put this into effect.

### **(d) Notices of general meetings**

Appendix 14 to the Listing Rules (The Corporate Governance Code) has been amended to stipulate that notices to shareholders be sent in the case of annual general meetings at least 20 clear business days before the meeting and to be sent at least 10 clear business days in the case of all other general meetings. The proposed changes to the Bye-laws will provide that the notice period for annual general meetings must be not less than twenty-one clear days and not less than twenty clear business days, the notice period for any special general meeting called for the passing of a special resolution must be not less than twenty-one clear days and not less than ten clear business days, and the notice period for any other special general meeting must be not less than fourteen clear days and not less than ten clear business days.

### **(e) Share transfers**

The Companies Act has been amended to allow for transfer of shares of a listed Company without a proper instrument of transfer. The New Bye-laws will bring in line with this change.

### **(f) Dividends and distributions**

The Companies Act has been amended in relation to the solvency test, whereby Bermuda companies are now allowed to declare dividends or distributions when it is, or would after the payment be, unable to pay its liabilities as they become due and the realizable value of its assets would thereby be less than its liabilities. The New Bye-laws will bring in line with this change.

## LETTER FROM THE BOARD

### **(g) Register of members**

The register of members and the branch register of members of the Company shall be open for inspection by members of the public without charge at the registered office of the Company or such other place at which the register is kept in accordance with the Companies Act. The New Bye-laws will bring in line with this change.

### **(h) Financial assistance**

The prohibition against a company giving financial assistance for the acquisition of shares in the company has been removed from the Companies Act. The New Bye-laws will bring in line with this change.

The Board noted that Rule 13.90 of the Listing Rules requires a listed company to publish an updated and consolidated version of its constitutional documents on the websites of both the Company and the Stock Exchange. Therefore, instead of carrying out piecemeal modifications on the existing Bye-laws, the Board proposes to adopt a new set of Bye-laws to conform with the latest amendments to the Listing Rules and the Companies Act.

Shareholders should note that the major changes in the Bye-laws consequential upon the changes in the Listing Rules and the Companies Act described above are not exhaustive. The New Bye-laws also contain other changes which are primarily in line with the standard provisions of the bye-laws of other public listed companies incorporated in Bermuda. Your attention is drawn to the summary of the principal provisions of the New Bye-laws are set out in Appendix IV to this circular. Copies of the existing Bye-laws and the draft New Bye-laws are also available for inspection at the Company's principal place of business in Hong Kong up to and including the date of the AGM, and at the AGM.

The adoption of the New Bye-laws is subject to the approval of Shareholders by way of a special resolution.

The New Bye-laws are available only in English and the Chinese translation is for reference only. In case of any inconsistency, the English version of the New Bye-laws shall prevail.

The Company confirms that there is nothing unusual about the proposed adoption of the New Bye-laws for the Company as a Bermuda company listed on the Stock Exchange.

## **8. VOTING BY POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at a general meeting must be taken by poll (except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative

## LETTER FROM THE BOARD

matter to be voted on by a show of hands). The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the pursuant to Bye-law 70 of the Company's Bye-laws.

No Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

The Company will publish an announcement on the poll results of the AGM after the conclusion of the AGM.

### **9. THE AGM**

The AGM Notice is dispatched to Shareholders together with this circular. A form of proxy for use at the AGM is also enclosed.

A valid proxy must be completed and returned to the share registrar of the Company, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in accordance with the instructions printed on the proxy form not less than 48 hours before the time fixed for holding the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM if you so wish.

Copies of the draft New Share Option Scheme, the existing Bye-laws and the draft New Bye-laws are available for inspection at the Company's principal place of business in Hong Kong at Room 2709-10, 27/F China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong during normal business hours up to and including the date of the AGM, and at the AGM. Your attention is also drawn to Appendix III to this circular headed "Summary of the Principal Terms of the New Share Option Scheme", which contains a summary of the principal provisions of the New Scheme and to Appendix IV to this circular headed "Summary of New Bye-Laws", which contains a summary of the key terms of the New Bye-laws.

### **10. RECOMMENDATIONS**

The Board is of the view that the Share Issue Mandate, the Repurchase Mandate, the proposed re-election of Directors, the proposed adoption of the New Share Option Scheme, the proposed change of name of the Company, and the proposed adoption of the New Bye-laws are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that the Shareholders vote in favour of all resolutions to be proposed at the AGM.

## LETTER FROM THE BOARD

### 11. RESPONSIBILITY STATEMENT

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

The English texts of this circular and the accompanying proxy form shall prevail over the Chinese texts in case of inconsistency.

Yours faithfully,  
For and on behalf of the Board  
**ABC Communications (Holdings) Limited**  
**Cheung Wai Shing**  
*Executive Director*

<b>APPENDIX I      BIOGRAPHICAL INFORMATION OF DIRECTORS PROPOSED FOR RE-ELECTION</b>
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In relation to the proposed Resolution No. 2 as set out in the AGM Notice regarding the re-election of the retiring Directors, Mr. Qiu Hai Jian, Mr. Song Gaofeng and Mr. Yau Chung Hang are eligible and are offering themselves for re-election in accordance with the Company's Bye-laws at the AGM.

The biographical information of the Directors proposed for re-election is set out below:

**Mr. Qiu Hai Jian ("Mr. Qiu")**

Mr. Qiu Hai Jian, aged 45, was appointed as non-executive director of the Company with effect from 28 January 2011. Mr. Qiu held management positions in several enterprises in China after graduation. From 1991 to 2001, he worked in an automobile parts company in Shiyao City. From 2002 to now, he has been working as an assistant manager in a mining company in Gansu. Throughout these years, he was appointed as a committee member of the Political Consultative Committee of Shiyao City, the vice president of Shiyao City Federation of Industry and the deputy chairman of the Committee of China Democratic National Construction Association in Shiyao City.

As at the Latest Practicable Date and save as disclosed above, Mr. Qiu does not (a) hold any position with the Group; (b) have any interest or short position in the shares of the Company which fall to be disclosed under Part XV of the SFO; and (c) have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company. There is no service contract and fixed term of service between Mr. Qiu and the Company but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws. Mr. Qiu will be entitled to a director's fee of HK\$5,000 per month, which is determined by reference to his duties and responsibilities and the prevailing market conditions.

Save as disclosed above, (a) Mr. Qiu did not hold any directorships in other listed public companies in the past three years; (b) there is no other information which is discloseable pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and (c) there are no other matters that need to be brought to the attention of the Shareholders.

**Mr. Song Gaofeng ("Mr. Song")**

Mr. Song, aged 41, was appointed as executive director of the Company with effect from 28 January 2011. Mr. Song was graduated from 深圳大學成教學院 (Adult Education College of Shenzhen University) in July 2007, major in Finance. From 2003 to 2008, Mr. Song formed 深圳市億唯龍環保製品有限公司 (Shenzhen Yiweilong Environmental Friendly Products Company Limited\*), which was engaging in manufacture of environmental-friendly paper and polyethylene inner layers packaging business. In October 2009, he set up 深圳市美京投資有限公司 (Shenzhen Meijing Investment Company Limited\*), which was an investment company focusing on mining businesses in China.

<b>APPENDIX I      BIOGRAPHICAL INFORMATION OF DIRECTORS PROPOSED FOR RE-ELECTION</b>
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As at the Latest Practicable Date and save as disclosed above, Mr. Song does not (a) hold any position with the Group; (b) have any interest or short position in the shares of the Company which fall to be disclosed under Part XV of SFO; and (c) have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company. There is no service contract and fixed term of service between Mr. Song and the Company but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws. Mr. Song will be entitled to a director's fee of HK\$10,000 per month, which is determined by reference to his duties and responsibilities and the prevailing market conditions.

Save as disclosed above, (a) Mr. Song did not hold any directorships in other listed public companies in the past three years; (b) there is no other information which is discloseable pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and (c) there are no other matters that need to be brought to the attention of the Shareholders.

**Mr. Yau Chung Hang ("Mr. Yau")**

Mr. Yau, aged 41, was appointed as an independent non-executive director, a member of audit committee, a member of remuneration committee and nomination committee of the Company with effect from 16 May 2013. Mr. Yau is also the Chairman of the audit committee. Mr. Yau is the chief financial officer and company secretary of Brilliant Circle Holdings International Limited (Stock Code: 1008) listed on the Main Board of the Stock Exchange. Mr. Yau obtained the Bachelor of Arts in Accounting from the University of Bolton, the United Kingdom. Mr. Yau has more than 17 years of experience in finance and accounting. Mr. Yau had worked as financial controller for two listed companies in Hong Kong and had previously worked in an international accounting firm. He is a fellow member of the Association of Chartered Certified Accountants and a certified public accountant of Hong Kong Institute of Certified Public Accountants (HKICPA).

As at the Latest Practicable Date and save as disclosed above, Mr. Yau does not (a) hold any position with the Company and other members of the Company immediately before his present appointment; (b) have any interest or short position in the shares of the Company which fall to be disclosed under Part XV of the SFO; and (c) have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company. There is no service contract and fixed term of service between Mr. Yau and the Company but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws. Mr. Yau will be entitled to a director's fee of HK\$10,000 per month, which is determined by reference to his duties and responsibilities and the prevailing market conditions.

Save as disclosed above, (a) Mr. Yau did not hold any directorships in other listed public companies in the past three years; (b) there is no other information which is discloseable pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and (c) there are no other matters that need to be brought to the attention of the Shareholders.

The information set out below constitutes an explanatory statement for the purpose of Rule 10.06 of the Listing Rules:

**(1) SHARE CAPITAL**

Exercise in full of the Repurchase Mandate (on the basis of 1,379,457,200 Shares in issue as at the Latest Practicable Date) would result in up to 137,945,720 Shares being repurchased by the Company during the Relevant Period (as defined in Resolution No. 5), assuming no Shares are issued or repurchased between the Latest Practicable Date and the date of AGM.

**(2) REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement in the value of the Shares and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

**(3) FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the laws of Bermuda and the Memorandum of Association and Bye-laws of the Company. Such funds may include profits available for distribution and the proceeds of a fresh issue of Shares made for the purpose of the repurchases.

The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

**(4) SHARE PRICE**

The highest and lowest prices at which Shares have been traded on the Stock Exchange during each of the twelve months preceding and up to the Latest Practicable Date were as follows:

	Traded Market Price	
	Highest HK\$	Lowest HK\$
<b>2012</b>		
August		Suspended
September		Suspended
October		Suspended
November		Suspended
December		Suspended
<b>2013</b>		
January		Suspended
February	0.485	0.209
March	0.275	0.212
April	0.275	0.240
May	0.249	0.157
June	0.190	0.163
July	0.202	0.150
August ( <i>up to the Latest Practicable Date</i> )	0.183	0.155

**(5) HONG KONG CODE ON TAKEOVERS AND MERGERS**

If as a result of a repurchase of Shares by the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a shareholder, or a group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of a repurchase of Shares by the Company.

The Directors are not aware of any such consequences which would arise under the Takeovers Code as a consequence of any exercise of the Repurchase Mandate. In the event that any exercise of the Repurchase Mandate would, to the knowledge of the Directors, have such a consequence, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would trigger a mandatory offer obligation for any shareholder or group of shareholders.

**(6) MISCELLANEOUS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) currently intends to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if the Repurchase Mandate is approved by Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the Company's power to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the laws of Bermuda.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

Assuming that the Repurchase Mandate is exercised in full, the share capital of the Company in issue will be reduced to 1,241,511,480 Shares (on the basis of 1,379,457,200 Shares in issue as at the Latest Practicable Date). The Company will not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

The Company has not repurchased Shares (whether on the Stock Exchange or otherwise) during the six months prior to the Latest Practicable Date.

The following is a summary of the principal terms of the New Share Option Scheme:

**1. PURPOSE OF THE NEW SHARE OPTION SCHEME**

- (a) The New Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions and potential contributions which the Eligible Participants have made or may make to the Group.
- (b) The New Share Option Scheme will provide the Eligible Participants with an opportunity to have a personal stake in the Company with a view to motivating the Eligible Participants to utilise their performance and efficiency for the benefit of the Group and attracting and retaining or otherwise maintaining an on-going relationship with the Eligible Participants whose contributions are or will be beneficial to the long term growth of the Group.

**2. BASIS FOR DETERMINING THE ELIGIBLE PARTICIPANTS**

The Eligible Participants of the New Share Option Scheme are determined taking into account the Company's operations and financial situation from time to time and the contributions and potential contributions which the Eligible Participants have made or may make to the Group, and in accordance with the rules of the relevant stock exchange(s), the laws and regulations of the relevant jurisdictions and the relevant provisions of the Bye-laws of the Company.

The Board may at its discretion grant Options to the following Eligible Participants:

- (i) any director, employee (whether full time or part time employee), consultant or adviser of or contractor to the Group or any entity in which any member of the Group holds any interest (the "**Invested Entity**");
- (ii) any discretionary trust whose discretionary objects include any director, employee (whether full time or part time employee), consultant or adviser of or contractor to the Group or any Invested Entity; and
- (iii) a company beneficially owned by any director, employee (whether full time or part time employee), consultant or adviser of or contractor to the Group or any Invested Entity.

**3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION UNDER THE NEW SHARE OPTION SCHEME**

**(a) 30% limit**

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time (the "**Scheme Limit**").

**(b) 10% limit**

In addition to the Scheme Limit, and subject to the following paragraph, the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the New Share Option Scheme (excluding any options which have lapsed in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company) (the “**Scheme Mandate Limit**”).

The Company may, from time to time, refresh the Scheme Mandate Limit by obtaining the approval of the Shareholders at a general meeting. Once refreshed, the total number of securities which may be issued upon exercise of all options to be granted under the New Share Option Scheme and all other share option schemes of the Company under the limit, as refreshed, must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit. Options previously granted under the New Share Option Scheme and/or any other share option schemes, including without limitation any options which are outstanding, cancelled, lapsed or exercised, will not be counted for the purpose of calculating the refreshed Scheme Mandate Limit.

The Company may seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit or the refreshed Scheme Mandate Limit provided the Options in excess of such limit are granted only to the Eligible Participants specifically identified before such approval is sought. A circular containing a generic description of the specified Eligible Participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose and other information required under the Listing Rules must be sent to the Shareholders.

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

Unless approved by the Shareholders, the total number of securities issued and to be issued upon exercise of the Options granted to each Eligible Participant (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue. Where any further grant of Options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the relevant class of securities in issue, such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his associates abstaining from voting.

**5. PERFORMANCE TARGET**

Unless otherwise determined by the Directors at their sole discretion, there is no performance target which must be satisfied or achieved before the Options can be exercised.

**6. MINIMUM PERIOD FOR WHICH AN OPTION MUST BE HELD**

Unless otherwise determined by the Directors at their sole discretion, there is no requirement of a minimum period for which an Option must be held before such an Option can be exercised under the terms of the New Share Option Scheme.

**7. SUBSCRIPTION PRICE OF SHARES**

The Subscription Price must be at least the highest of: (a) the closing price of a Share as stated in the daily quotations sheet of the Stock Exchange on the date of grant which must be a Business Day; and (b) the average of the closing prices of the Shares as shown on the daily quotations sheets of the Stock Exchange for the five Business Days immediately preceding the date of grant; and (c) the nominal value of a Share.

**8. AMOUNT PAYABLE UPON ACCEPTANCE OF OPTION**

HK\$1.00 is payable by each Eligible Participant to the Company on acceptance of an Offer of an Option, which shall be paid within 21 days from the Offer Date.

**9. TERM OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme shall commence on the date it becomes unconditional and shall continue in force until the tenth anniversary of such date.

**10. RIGHTS PERSONAL TO THE OPTION HOLDER**

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option.

**11. TIME OF EXERCISE OF OPTION**

An Option shall be exercisable at any time during an Option Period to be notified by the Board to each Grantee, provided that no Option shall be exercisable later than ten years after its date of Grant.

**12. GRANT OF AN OPTION TO CONNECTED PERSONS**

- (a) Any grant of Options to a connected person of the Company or its associates must be approved by the independent non-executive directors (excluding any independent non-executive director who is a Grantee).
- (b) Where Options are proposed to be granted to a substantial shareholder of the Company or an independent non-executive director or any of their respective associates, and where the total number of Shares issued and to be issued upon exercise of all Options granted or to be granted to such person under the New Share Option Scheme (including Options exercised, cancelled and outstanding) in the 12-month period up to and including the date of such grant to such person:
  - (i) represents in aggregate over 0.1% of the Shares in issue, and
  - (ii) at the date of such grant has an aggregate value in excess of HK\$5,000,000, based on the closing price of the Shares at the date of each grant,

then the proposed grant must be subject to the approval by the Shareholders at a general meeting taken on a poll. All connected persons of the Company must abstain from voting in such AGM (except where any connected person intends to vote against the proposed grant and that his intention to do so has been stated in the circular mentioned in this paragraph below). The Company shall issue a circular to the Shareholders explaining the proposed grant, disclosing the number and terms (including the Subscription Price) of the Options to be granted to each Grantee and containing a recommendation from the independent non-executive directors (excluding any independent non-executive director who is a Grantee) on whether or not to vote in favour of the proposed grant and including all the information required under the Listing Rules.

**13. RIGHTS ON CEASING TO BE AN ELIGIBLE PARTICIPANT**

- (a) In the event of the Grantee (being an individual) ceasing to be an Eligible Participant by reason of his death before exercising his Option in full and where the termination of employment or engagement is not made as a result of the Grantee being guilty of persistent or serious misconduct, unable to pay his debts, having committed an act of bankruptcy or having been convicted of a criminal offence, his personal representative(s) may exercise such Option (to the extent not already exercised) in whole or in part within a period of 6 months (or such other period as the Board may determine) from the date of his death and any Option not so exercised shall lapse and determine at the expiry of such period.

- (b) In the event of the employing company of a Grantee who is a director or an employee ceasing to be a member of the Group or an Invested Entity or in the event of the termination of employment of the grantee by reason of resignation whether on notice in accordance with the provisions of his contract of employment or with pay in lieu of such notice, then the Grantee may exercise any of his Option in whole or in part at any time within a period of 3 months (or such other period as the Board may determine) commencing on the date of the cessation and any Option not so exercised shall lapse and determine at the end of such period.
- (c) In the event of the Grantee who is a director or an employee of the Group or an Invested Entity ceasing to be such a director or employee of the Group or an Invested Entity (and therefore ceasing to be an Eligible Participant) as a result of the Grantee being guilty of persistent or serious misconduct, unable to pay his debts, having committed an act of bankruptcy or having been convicted of a criminal offence, before exercising his Option in full, such Option (to the extent not already exercised) shall lapse on the date of cessation and not be exercisable.
- (d) In the event of the Grantee ceasing to be an Eligible Participant for any reason other than as described in sub-paragraphs (a) to (c) above, then all his Options shall lapse and determine on the date he so ceases (to the extent not already exercised).
- (e) Notwithstanding the foregoing, in the event that any Options lapsed and ceased to be exercisable in accordance with the provisions above, the Board may within one month from the date of such cessation otherwise determine that such Option shall become exercisable within such period as the Board may determine following the date of such cessation.

#### 14. EFFECT ON TAKEOVER

If, in consequence of any general offer made to all the Shareholders (or all such Shareholders other than the offeror, any person controlled by the offeror and any person acting in concert with the offeror) (including an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of the Company) or otherwise, and such offer becomes or is declared unconditional, then the Directors shall as soon as practicable thereafter notify every Grantee accordingly and each Grantee shall be entitled at any time within the period of 21 days of the notice given by the offeror to exercise all of his outstanding Options, and such Options shall, to the extent not having been exercised, lapse and determine upon the expiry of such period.

**15. EFFECT ON WINDING UP**

In the event a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution for the voluntary winding up of the Company, the Company shall forthwith give notice thereof to every Grantee and the Grantee shall be entitled by notice in writing to the Company (such notice to be received by the Company not later than four Business Days prior to the proposed general meeting) exercise his Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and the Company shall as soon as possible and in any event not later than the day immediately prior to the date of the proposed general meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise and all Options shall, to the extent not having been exercised, lapse and determine.

**16. EFFECT ON RECONSTRUCTION**

If a compromise or arrangement between the Company and the shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to every Grantee on the same day as it dispatches to each shareholder or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee shall be entitled by notice in writing to the Company accompanied by the remittance for the Subscription Price in respect of his Option (such notice to be received by the Company not later than two Business Days prior to the proposed meeting) to exercise his Option (to the extent not already exercised) to its full extent. With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent not having been exercised, thereupon lapse and determine. The Directors shall endeavour to procure that the Shares issued as a result of the exercise of Options under this paragraph shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court having jurisdiction (the "Court") (whether upon the terms presented to the Court or upon any other terms as may be approved by such Court), the rights of the Grantees to exercise their respective Options shall with effect from the date of the making of the order by the Court be restored in full and shall thereupon become exercisable (but subject to the other terms of the New Share Option Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any grantee as a result of the aforesaid suspension.

**17. RANKING OF SHARES**

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

**18. REORGANISATION OF CAPITAL STRUCTURE**

In the event of an alteration in the capital structure of the Company whilst any Option remains exercisable, including by way of capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of shares, or reduction of the share capital of the Company in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made to:

- (i) the number or nominal amount of Shares subject to the Option so far as unexercised; or
- (ii) the Subscription Price;

or any combination thereof, provided that:

- (a) any such adjustments give a Grantee the same proportion of the equity capital of the Company as that to which that Grantee was previously entitled; and
- (b) notwithstanding paragraph (a) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, shall be made in accordance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange on 5 September 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time,

but no such adjustments shall be to the extent that a Share would be issued at less than its nominal value.

Except in the case of a capitalization issue where no such certification shall be required, the Company shall engage independent auditors or financial advisor to certify in writing, either generally or as regards any particular Grantee, that the adjustments made by the Company satisfy the requirements set out above and are in their opinion fair and reasonable. The capacity of the auditors or financial advisor (as the case may be) in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the auditors or financial advisor (as the case may be) shall be borne by the Company.

#### **19. CANCELLATION OF OPTION**

The Board shall have the absolute discretion to cancel any Options granted but not exercised at the request of the Grantee. Cancelled Options may be re-issued after such cancellation, provided that re-issued Options shall only be granted in compliance with the terms of the New Share Option Scheme. For the avoidance of doubt, new Options may be issued to the same Option holder in place of its cancelled Options only if there are available unissued Options within the Scheme Mandate Limit (and for the purpose of calculating such limit, all cancelled Options shall be treated as granted Options).

#### **20. TIME OF GRANT OF OPTIONS**

A grant of Option may not be made after an inside information has come to the Company's knowledge until such inside information has been announced pursuant to the requirements of the Listing Rules and during the period commencing one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for the approval of the Company's any yearly, half-yearly, quarterly or interim results, and (b) the deadline for the Company to publish its yearly or half yearly results under the Listing Rules or quarterly or interim (whether or not required under the Listing Rules) and ending on the date of the results announcement.

#### **21. TERMINATION AND ALTERATION OF SCHEME**

- (a) The Company by an ordinary resolution in a general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and any Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

- (b) The New Share Option Scheme may be altered in any respect by a resolution of the Board save that the provisions of the New Share Option Scheme relating to the matters governed by Rule 17.03 of the Listing Rules shall not be altered to the advantage of the Grantees or prospective Grantees without the prior approval of the Shareholders in general meeting.
- (c) Any alteration to the terms and conditions of the New Share Option Scheme which are of a material nature must be approved by the Shareholders, except where the alterations take effect automatically under the existing terms of the New Option Scheme.
- (d) The amended terms and conditions of the New Share Option Scheme and all Options shall continue to comply with all relevant legal and regulatory requirements in all relevant jurisdictions to the extent as considered necessary or appropriate by the Board, including all requirements under the Listing Rules.
- (e) The Board shall be entitled to amend the terms of the New Share Option Scheme so as to comply with any future changes in the Listing Rules applicable to the New Share Option Scheme, provided that such amendments by the Board are not inconsistent with any provisions of the Listing Rules from time to time applicable.
- (f) Any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in a general meeting.

*Set out below is a summary of certain provisions of the proposed New Bye-laws of the Company. This is not exhaustive and is subject to the New Bye-laws themselves.*

**(A) DIRECTORS**

**(i) Power to allot and issue shares and warrants**

Subject to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine). Subject to the Companies Act, any preference shares may be issued or converted into shares that are liable to be redeemed, at a determinable date or at the option of the Company or, if so authorised by the Memorandum of Association, at the option of the holder, on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution determine. The Board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

Subject to the provisions of the Companies Act, the New Bye-laws, any direction that may be given by the Company in general meeting and, where applicable, the rules of any Designated Stock Exchange (as defined in the New Bye-laws) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company 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, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount. Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

**(ii) Power to dispose of the assets of the Company or any of its subsidiaries**

There are no specific provisions in the New Bye-laws relating to the disposal of the assets of the Company or any of its subsidiaries.

*Note:* The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the New Bye-laws or the Companies Act to be exercised or done by the Company in general meeting.

**(iii) Compensation or payments for loss of office**

Payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

**(iv) Loans and provision of security for loans to Directors**

There are no provisions in the New Bye-laws relating to the making of loans to Directors. However, the Companies Act contains restrictions on companies making loans or providing security for loans to their directors.

**(v) Financial assistance to purchase shares of the Company**

Subject to compliance with the rules and regulations of the Designated Stock Exchange (as defined in the New Bye-laws) and any other relevant 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.

**(vi) Disclosure of interests in contracts with the Company or any of its subsidiaries**

A Director may hold any other office or place of profit with the Company (except that of auditor of the Company) in conjunction with his office of Director for such period and, subject to the Companies Act, upon such terms as the Board may determine, and may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) in addition to any remuneration provided for by or pursuant to any other New Bye-laws. A Director may be or become a director or other officer of, or a member of, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. Subject as otherwise provided by the New Bye-laws, the Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

Subject to the Companies Act and to the New 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 the fiduciary relationship thereby established. 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 taken into consideration, 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.

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

- (aa) any contract or arrangement for giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (dd) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or
- (ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates to Directors, his associates and employees of the Company or of any of its

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

**(vii) Remuneration**

The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting, such remuneration (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors shall also be entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by them in attending any Board meetings, committee meetings 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 their duties as Directors.

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. A Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration (whether by way of salary, commission or 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 decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

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 monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependants or any class or classes of such persons.

The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled

under any such scheme or fund as is mentioned in the previous 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.

**(viii) Retirement, appointment and removal**

At each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not more than one-third) will retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. The Directors to retire in every year will be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

*Note:* There are no provisions relating to retirement of Directors upon reaching any age limit.

The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the members in general meeting. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election. Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification. Any Director appointed pursuant to this paragraph shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention to do so 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. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors unless otherwise determined from time to time by members of the Company.

The Board may from time to time appoint one or more of its Director to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period (subject to their continuance as Directors) and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments (but without prejudice to any claim for damages that such Director may have against the Company or vice versa). The Board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons

as the Board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

**(ix) Borrowing powers**

The Board may from time to time at its discretion exercise all the powers of the Company to raise or borrow money, 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 Companies Act, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

*Note:* These provisions, in common with the New Bye-laws in general, can be varied with the sanction of a special resolution of the Company.

**(B) ALTERATIONS TO CONSTITUTIONAL DOCUMENTS**

The New Bye-laws may be rescinded, altered or amended by the Directors subject to the confirmation of the Company in general meeting. The New Bye-laws state that a special resolution shall be required to alter the provisions of the Memorandum of Association, to confirm any such rescission, alteration or amendment to the New Bye-laws or to change the name of the Company.

**(C) ALTERATION OF CAPITAL**

The Company may from time to time by ordinary resolution in accordance with the relevant provisions of the Companies Act:

- (i) increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (iii) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares as the directors may determine;
- (iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association;
- (v) change the currency denomination of its share capital;

- (vi) make provision for the issue and allotment of shares which do not carry any voting rights; and
- (vii) cancel any shares which, at the date of 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.

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

#### **(D) VARIATION OF RIGHTS OF EXISTING SHARES OR CLASSES OF SHARES**

Subject to the Companies Act, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths 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 the provisions of the New Bye-laws relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons or (in the case of a member being a corporation) its duly authorised representative holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or (in the case of a member being a corporation) its duly authorised representative or by proxy whatever the number of shares held by them shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

#### **(E) SPECIAL RESOLUTION-MAJORITY REQUIRED**

A special resolution of the Company must be passed by a majority of not less than three-fourths of the 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 duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days specifying the intention to propose the resolution as a special resolution, has been duly given. Provided that if permitted by the Designated Stock Exchange (as defined in the New Bye-laws), except in the case of an annual general meeting, if it is so agreed by a majority in number of the members having a right to attend and vote at such meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the shares giving that right and, in the case of an annual general meeting, if so agreed by all members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which notice of less than twenty-one (21) clear days and not less than ten (10) clear business days has been given.

**(F) VOTING RIGHTS**

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the New Bye-laws, at any general meeting on a poll every member present in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company 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 is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares held by that clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has any knowledge that any shareholder is, under the rules of the Designated Stock Exchange (as defined in the New Bye-laws), required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

**(G) REQUIREMENTS FOR ANNUAL GENERAL MEETINGS**

An annual general meeting of the Company must be held in each year other than the year in which its statutory meeting is convened at such time (within a period of not more than 15 months after the holding of the last preceding annual general meeting unless a longer period would not infringe the rules of any Designated Stock Exchange (as defined in the New Bye-laws)) and place as may be determined by the Board.

**(H) ACCOUNTS AND AUDIT**

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 provisions of the Companies Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

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

Subject to the Companies Act, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the Company at the annual general meeting in accordance with the requirements of the Companies Act provided that this provision shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures; however, to the extent permitted by and subject to compliance with all applicable laws, including the rules of the Designated Stock Exchange (as defined in the New Bye-laws), the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may 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.

Subject to the Companies Act, at the annual general meeting or at a subsequent special general meeting in each year, the members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the members appoint another auditor. Such auditor may be a member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company. The remuneration of the auditor shall be fixed by the Company in general meeting or in such manner as the members may determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than

Bermuda. If the auditing standards of a country or jurisdiction other than Bermuda are used, the financial statements and the report of the auditor should disclose this fact and name such country and jurisdiction.

**(I) NOTICES OF MEETINGS AND BUSINESS TO BE CONDUCTED THEREAT**

An annual general meeting shall be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting at which it is proposed to pass a special resolution shall (save as set out in sub-paragraph (e) above) be called by notice of at least twenty-one (21) clear days and not less than ten (10) clear business days. All other special general meetings shall be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice must specify the time and place of the meeting and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such.

**(J) TRANSFER OF SHARES**

All transfers of shares may be effected in any manner permitted by and in accordance with the rules of the Designated Stock Exchange or by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in such other form as the Board may approve and which 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. 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 in which it thinks fit, in its discretion, to do so and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. The Board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register. Unless the Board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor may shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in Bermuda or such other place in Bermuda at which the principal register is kept in accordance with the Companies Act.

The Board may, in its absolute discretion, and without assigning any reason, 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 refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.

The Board may decline to recognise any instrument of transfer unless a fee of such maximum sum as any Designated Stock Exchange (as defined in the New Bye-laws) may determine to be payable or such lesser sum as the Directors may from time to time require is paid to the Company in respect thereof, the instrument of transfer, if applicable, is properly stamped, is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept 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).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in an appointed newspaper and, where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange (as defined in the New Bye-laws), at such times and for such periods as the Board may determine and either generally or in respect of any class of shares. The register of members shall not be closed for periods exceeding in the whole thirty (30) days in any year.

**(K) POWER FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

The New Bye-laws supplement the Company's Memorandum of Association (which gives the Company the power to purchase its own shares) by providing that the power is exercisable by the Board upon such terms and conditions as it thinks fit.

**(L) POWER FOR ANY SUBSIDIARY OF THE COMPANY TO OWN SHARES IN THE COMPANY**

There are no provisions in the New Bye-laws relating to ownership of shares in the Company by a subsidiary.

**(M) DIVIDENDS AND OTHER METHODS OF DISTRIBUTION**

Subject to the Companies Act, the Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board. The Company in general meeting may also make a distribution to its members out of contributed surplus (as ascertained in accordance with the Companies Act). No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend

is paid. The Directors may deduct from any dividend or other monies payable to a member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

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, or (b) that shareholders entitled to such dividend will 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. The Company may also upon the recommendation of the Board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it 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.

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.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Board and revert to the Company.

#### **(N) PROXIES**

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company. 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.

#### **(O) CALL ON SHARES AND FORFEITURE OF SHARES**

Subject to the New Bye-laws and to the terms of allotment, the Board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the Board may agree to accept from the day appointed for the payment thereof to the time of

actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the Board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the Board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the Board determines.

#### **(P) INSPECTION OF REGISTER OF MEMBERS**

The register and branch register of members shall be open to inspection between 10:00 a.m. and 12:00 noon during business hours by members of the public without charge at the registered office or such other place in Bermuda at which the register is kept in accordance with the Companies Act, unless the register is closed in accordance with the Companies Act.

#### **(Q) QUORUM FOR MEETINGS AND SEPARATE CLASS MEETINGS**

For all purposes the quorum for a general meeting shall be two members present in person or (in the case of a member being a corporation) by its duly authorised representative or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

#### **(R) RIGHTS OF THE MINORITIES IN RELATION TO FRAUD OR OPPRESSION**

There are no provisions in the New Bye-laws relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Bermuda law.

**(S) PROCEDURES ON LIQUIDATION**

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

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 Companies Act, divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

**(T) UNTRACEABLE MEMBERS**

The Company may sell any of the shares of a member who is untraceable if (i) all cheques or warrants (being not less than three in total number) for any sum payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (ii) upon the expiry of the 12 year period, the Company has not during that time received any indication of the existence of the member; and (iii) the Company has caused an advertisement to be published in accordance with the rules of the Designated Stock Exchange (as defined in the New Bye-laws) giving notice of its intention to sell such shares and a period of three months, or such shorter period as may be permitted by the Designated Stock Exchange (as defined in the New Bye-laws), has elapsed since such advertisement and the Designated Stock Exchange (as defined in the New Bye-laws) has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds, it shall become indebted to the former member of the Company for an amount equal to such net proceeds.

**(U) OTHER PROVISIONS**

The New Bye-laws provide that to the extent that it is not prohibited by and is in compliance with the Companies Act, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

The New Bye-laws also provide that the Company is required to maintain at its registered office a register of directors and officers in accordance with the provisions of the Companies Act and such register is open to inspection by members of the public without charge between 10:00 a.m. and 12:00 noon during business hours.

# NOTICE OF AGM



## ABC COMMUNICATIONS (HOLDINGS) LIMITED

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 30)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of ABC Communications (Holdings) Limited (the “**Company**”) will be held at Basement 2 (B2), The Wharney Guang Dong Hotel, 57–73 Lockhart Road, Wanchai, Hong Kong on Monday, 30 September 2013 at 10 a.m. to transact the following business:

1. To receive and adopt the audited financial statements and the reports of directors of the Company (the “**Directors**”) and auditors for the financial year ended 31 March 2013;
2. To re-elect the following retiring Directors: (a) Mr. Qiu Hai Jian, (b) Mr. Song Gaofeng and (c) Mr. Yau Chung Hang;
3. To authorize the board of Directors (the “**Board**”) to fix the remuneration of the Directors;
4. To re-appoint SHINEWING (HK) CPA Limited as the auditors of the Company and authorize the Board to fix their remuneration;
5. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with shares of HK\$0.01 each in the capital of the Company (“**Shares**”), and to issue, allot or grant securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such convertible securities and to make or grant offers, agreements and options which might require the exercise of such powers, subject to and in accordance with applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

## NOTICE OF AGM

- (c) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below), (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company, or any securities which are convertible into shares of the Company, (iii) any employee share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, and (iv) any scrip dividend scheme or similar arrangements providing for the allotment of shares in lieu of the whole or a part of a dividend on shares of the Company pursuant to the Bye-laws of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution and the approval in paragraph (a) shall be limited accordingly;
- (d) the approval in paragraph (a) above shall be additional to the authority given to the directors at any time to allot and issue additional shares in the capital of the Company; and
- (e) for the purpose of this resolution:

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

- i. the conclusion of the next annual general meeting of the Company;
- ii. the expiration of the period within which the next annual general meeting of the Company is required by any applicable law of Bermuda or the Bye-laws of the Company to be held; and
- iii. the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.

**“Rights Issue”** means an offer of Shares open for a period fixed by the Directors made to the holders of the Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or

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obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, or in any territory outside, Hong Kong).”

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

“**THAT:**

- (a) there be granted to the Directors an unconditional general mandate to repurchase shares in the capital of the Company, and that the exercise by the Directors of all powers of the Company to purchase shares subject to and in accordance with all applicable laws, rules and regulations be and is hereby generally and unconditionally approved, subject to the following conditions:
- i. such mandate shall not extend beyond the Relevant Period;
  - ii. such mandate shall authorize the Directors to procure the Company to repurchase shares at such prices as the Directors may at their discretion determine;
  - iii. the aggregate nominal amount of the shares repurchased by the Company pursuant to this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution; and
- (b) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
- i. the conclusion of the next annual general meeting of the Company; and
  - ii. the expiration of the period within which the next annual general meeting of the Company is required by any applicable law of Bermuda or the Bye-laws of the Company to be held; and
  - iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

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

**“THAT:**

conditional upon the passing of Resolutions Nos. 5 and 6 as set out in the notice convening this meeting, the aggregate nominal amount of the Shares which are repurchased by the Company pursuant to and in accordance with Resolution No. 6 above shall be added to the aggregate nominal amount of the Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with Resolution No. 5.”

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

**“THAT:**

- (a) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) granting the approval for the listing of and permission to deal in the new shares of the Company which may be issued upon the exercise of share options to be granted under the new share option scheme of the Company (the **“Scheme”**), the terms of which are set out in the printed document marked **“A”** now produced to this Meeting and for the purpose of identification signed by the Chairman hereof and subject to such amendments to the Scheme as the Stock Exchange may request, the Scheme be approved and adopted to be the new share option scheme of the Company; and
- (b) the Board of Directors of the Company be and is hereby authorised to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to and administer the Scheme including but not limited to the offer or grant of options and the issue and allotment of shares in the Company upon the exercise of any options under the Scheme notwithstanding that they or any of them may be interested in the same, and (if necessary) to modify the terms of the Scheme as permitted by the provisions of the Scheme.”

9. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

**“THAT:**

the name of the Company be changed from **“ABC Communications (Holdings) Limited”** to **“Optimum Resources Group Holdings Limited”** and the Chinese name **“佳源控股集團有限公司”** be adopted in replacement of the existing Chinese name used for identification purpose only and be registered

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with the Registrar of Companies of Bermuda as the secondary name of the Company, and THAT the directors of the Company be and are hereby authorized to do all such acts and things and execute all documents they consider necessary or expedient to effect the aforesaid change of English name and the adoption of secondary name of the Company.”

10. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“**THAT:**

the Bye-laws (a copy of which has been produced to this meeting marked “B” and signed by the Chairman for the purposes of identification) be and are hereby adopted as the Bye-laws of the Company in the place and to the exclusion of the Bye-laws in force immediately before the passing of this resolution and that the directors of the Company be and are hereby authorized to do all such acts, deeds and things and to enter into all such transactions, arrangements and agreements as they may, in their absolute discretion, deem necessary or expedient in order to effect and record such adoption.”

By Order of the Board  
**Cheung Wai Shing**  
*Executive Director*

Hong Kong, 4 September 2013

*Registered Office:*  
Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Principal place of business  
in Hong Kong:*  
Room 2709-10  
27/F China Resources Building  
No. 26 Harbour Road  
Wanchai  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the meeting convened by the notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The register of members will be closed from 26 September 2013 to 30 September 2013, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for attending and voting at the forthcoming 2013 Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Registrars, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong at least 48 hours before the time fixed for holding the meeting or any adjournment thereof.
3. Members are recommended to read the circular of the Company containing information concerning the Resolutions proposed in this notice.

*As at the date hereof, the Board comprises Mr. Chen Jiasong, Mr. Cheung Wai Shing and Mr. Song Gaofeng as Executive Directors, Mr. Qiu Hai Jian as Non-executive Director, and Mr. Chen Haoyun, Jordy, Mr. Lee Kwong Yiu, Mr. Yau Chung Hang and Mr. Zhang Guang Hui as Independent Non-executive Directors.*