
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your 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 Yau Lee Holdings Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



有利集團有限公司*

Yau Lee Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 0406)

**RE-ELECTION OF RETIRING DIRECTORS;
GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES;
AMENDMENTS TO EXISTING BYE-LAWS
AND
ADOPTION OF NEW BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A letter from the Board of Directors of Yau Lee Holdings Limited (the “**Company**”) is set out on pages 1 to 9 of this circular.

A notice convening the annual general meeting of Yau Lee Holdings Limited to be held on Tuesday, 28 August 2012 at 10th Floor, Tower 1, Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong at 11:00 a.m. is set out on pages 10 to 17 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 principal place of business of the Company in Hong Kong at 10th Floor, Tower 1, Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Kowloon, 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.

26 July 2012

CONTENTS

	<i>Page</i>
Letter from the Board	
Introduction	1
Re-election of Retiring Directors	2
Exercise of the Share Issue Mandate	5
Exercise of the Repurchase Mandate	5
Voting By Poll	7
Amendments to existing Bye-laws and adoption of new Bye-laws	8
Annual General Meeting	9
Recommendation	9
Notice of Annual General Meeting	10
Appendix I Amendments to existing Bye-laws	18

LETTER FROM THE BOARD



有利集團有限公司*

Yau Lee Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 0406)

Executive Directors:

Wong Ip Kuen (*Chairman*)
Wong Tin Cheung (*Vice Chairman*)
Wong Wai Man
Sun Chun Wai

Independent Non-Executive Directors:

Chan, Bernard Charnwut
Wu King Cheong
Yeung Tsun Man, Eric

Registered Office:

Clarendon House, 2 Church Street
Hamilton HM11
Bermuda

Principal Place of Business:

10th Floor, Tower 1
Enterprise Square
9 Sheung Yuet Road
Kowloon Bay
Kowloon, Hong Kong

26 July 2012

To the shareholders

Dear Sirs,

**RE-ELECTION OF RETIRING DIRECTORS;
GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES;
AMENDMENTS TO EXISTING BYE-LAWS
AND
ADOPTION OF NEW BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

This circular includes information required by the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) to be given to shareholders concerning (1) the re-election of retiring Directors, namely, Ir. Wong Tin Cheung, Mr. Wu King Cheong and Dr. Yeung Tsun Man, Eric; (2) the proposed general mandates for the issue of shares and repurchase of fully-paid shares to be granted to the Directors; and (3) the proposed amendments to the existing Bye-laws of the Company and the adoption of the new Bye-laws of the Company to be approved by shareholders at the annual general meeting (the “**AGM**”) of the Company to be held on Tuesday, 28 August 2012.

** For identification purpose only*

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

The Board currently comprises Mr. Wong Ip Kuen (Chairman), Ir. Wong Tin Cheung (Vice Chairman), Ms. Wong Wai Man, Mr. Sun Chun Wai, Mr. Chan, Bernard Charnwut, Mr. Wu King Cheong and Dr. Yeung Tsun Man, Eric.

Pursuant to Bye-law 98 of the Company, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to one-third, shall retire from office by rotation provided that no Director holding office as Chairman shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire. The Directors to retire shall be those who have been longest in office since their last election. A retiring Director shall be eligible for re-election.

In addition, in accordance with Code Provision A.4.2 of Appendix 14 “Code on Corporate Governance Practices” under the Rules Governing The Listing of Securities on the Stock Exchange (the “**Listing Rules**”), all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In this connection, Ir. Wong Tin Cheung, Mr. Wu King Cheong and Dr. Yeung Tsun Man, Eric shall retire from office by rotation and being eligible for re-election, they have offered themselves for re-election at the AGM. The brief biographies of Ir. Wong Tin Cheung, Mr. Wu King Cheong and Dr. Yeung Tsun Man, Eric, being the Directors proposed to be re-elected at the AGM, are set out below:—

Ir. Wong Tin Cheung, JP, aged 48, has been with Yau Lee Group for 24 years. He is the Vice Chairman of the Group, undertaking the posts of Managing Director of Yau Lee Construction Company Limited and Yau Lee Wah Concrete Precast Products Company Limited, Vice Chairman of REC Engineering Company Limited, Chief Executive Officer of VHSOFT Technologies Company Limited, Director of Yau Lee Hing Materials Manufacturing Limited and Director of REC Green Technologies Company Limited.

Ir. Wong is responsible for formulating the Group’s overall strategic planning and overseeing business development as well as investment strategy. Ir. Wong is committed to the research and development of green building technologies and green building materials manufacturing, precast construction technologies and develop the technologies in automation for mould manufacturing, energy efficient electrical and mechanical systems and the use of renewable energy to fulfil the global carbon reduction needs.

Ir. Wong holds a Bachelor Degree in Civil Engineering from the University of Southampton, Master Degree in Foundation Engineering from the University of Birmingham, Master Degree in Business Administration from the Chinese University of Hong Kong and Bachelor Degree in Religious Studies from the Holy Spirit Seminary College of Theology & Philosophy. He is a Member of the Hong Kong Institution of Engineers and a Fellow of both the Chartered Institute of Building and the Institute of Civil Engineers (United Kingdom). In 2009, he was conferred a Honorary Fellow by the Vocational Training Council and a Honorary Fellow by the University of Central Lancashire in recognition of his contributions.

LETTER FROM THE BOARD

In public services, Ir. Wong is appointed as the Chairman of the Occupational Safety and Health Council and the Hong Kong Green Building Council, a Member of Construction Industry Council, a Member of the Antiquities Advisory Board, a Member of the Land and Development Advisory Committee, a Member of MPF Industry Schemes Committee, a Member of Vocational Training Council, as well as a Member of the Panel on Promoting Testing and Certification Services in Construction Materials Trade under the Hong Kong Council for Testing and Certification. In the past, Ir. Wong served as the President of the Hong Kong Construction Association and the President of the International Federation of Asia and West Pacific Contractors' Associations and the Chairman of Pneumoconiosis Compensation Fund Board.

Ir. Wong was an elected member of the 2006 Election Committee Subsection (Real Estate & Construction) and is currently a member of Guizhou Province Committee of the Chinese People's Political Consultative Conference. Ir. Wong has since 2008 been appointed and served as Justice of the Peace (JP) by the Government of the HKSAR for recognition of his outstanding contributions made to society.

In academic fields, Ir. Wong has been appointed as an Adjunct Professor in the Department of Civil Engineering in the University of Hong Kong starting in September 2010, the Chairman of Divisional Advisory Committee for Division of Building Science and Technology of the City University of Hong Kong, an Adjunct Professor in the Department of Building and Real Estate of the Hong Kong Polytechnic University as well as a member of the Advisory Committee on Building and Real Estate in the Hong Kong Polytechnic University. He was awarded the "2001 Hong Kong Outstanding Young Digi Persons Award" and the "Bauhinia Cup Outstanding Entrepreneur Award 2002" presented by the Hong Kong Polytechnic University.

Ir. Wong is the son of Mr. Wong Ip Kuen and brother of Ms. Wong Wai Man.

Ir. Wong's emoluments comprise annual salary package, discretionary bonuses and retirement benefits contribution, and are determined by the Board having regard to the recommendation of the Remuneration Committee of the Company with reference to operating performance of the Company, market conditions and his responsibilities. During the year ended 31 March 2012, he was paid approximately HK\$3,320,000 as his emoluments. He does not hold any directorship in any other listed company in the last three years. Ir. Wong has no interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Wu King Cheong, aged 60, has been an Independent Non-Executive Director of the Company since 1994. Mr. Wu is a Life Honorary Chairman of the Chinese General Chamber of Commerce, the Honorary Permanent President of the Chinese Gold & Silver Exchange Society and the Permanent Honorary President of the Hong Kong Securities Association Limited. He is an Executive Director of Lee Cheong Gold Dealers Limited. Mr. Wu possesses extensive knowledge in finance and long experience as Independent Non-Executive Director in various listed companies in Hong Kong. He is an Independent Non-Executive Director of Henderson Land Development Company Limited, Henderson Investment Limited, Miramar Hotel and Investment Company, Limited and Hong Kong Ferry (Holdings) Company Limited. He had been an Independent Non-Executive Director of Chevalier Pacific Holdings Limited up to 27 October 2011.

LETTER FROM THE BOARD

Apart from Independent Non-Executive Director, Mr. Wu does not hold any other positions with the Company or any of its subsidiaries. He receives a fixed annual salary of HK\$264,000. Mr. Wu is not entitled to any additional remuneration, any bonus payments or any shares option. Mr. Wu does not have any business relationship with any directors, senior management or controlling shareholders of the Company nor does he has any material business relationship with the Company or any of its subsidiaries. Mr. Wu does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Dr. Yeung Tsun Man, Eric, aged 66, has been an Independent Non-Executive Director of the Company since 1993. Dr. Yeung is Director and Vice President of Perfekta Enterprises Limited, a toy manufacturing company. He holds directorships of companies of diverse industries in Hong Kong, Macau, Mainland China, USA and Australia, which are engaged in electronics, trading and agricultural businesses. He is a Standing Committee Member of the National Committee, The Chinese People's Political Consultative Conference, an Executive Committee Council Member of the Hong Kong Management Association, the Chairman of Macau Productivity and Technology Transfer Centre, a Member of World Presidents' Organisation. He was awarded the Medal of Merit by the Macau Government in 1994, Commander of the Order of Merit by the Government of Portugal in 1998, the Medal of Professional Merit by the Macau SAR Government in 2001 and Gold Lotus Medal of Honor by the Macau SAR Government in 2010. He is also listed in "The Marquis Who's Who in the World" and "The International Who's Who of Professionals".

Apart from Independent Non-Executive Director, Dr. Yeung does not hold any other positions with the Company or any of its subsidiaries. He receives a fixed annual salary of HK\$264,000. Dr. Yeung is not entitled to any additional remuneration, any bonus payments or any shares option. Dr. Yeung does not have any business relationship with any directors, senior management or controlling shareholders of the Company nor does he has any material business relationship with the Company or any of its subsidiaries. Dr. Yeung does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

In summary, the Board considers that each of Mr. Wu and Dr. Yeung is eligible to be re-elected as Independent Non-Executive Director. Both of them are able to serve the important function of advising the Board on strategy and ensuring that the Board maintains high standards of governance. Notwithstanding that both Mr. Wu and Dr. Yeung serve on the Board for more than nine years, the Board considers that the long service of Mr. Wu and Dr. Yeung would not affect their exercise of independent judgement and is satisfied that they demonstrate complete independence and robustness of character and judgement in the designated roles.

As far as the Directors are aware, and saved as disclosed above, there are no other matters which are required to be brought to the attention of the Shareholders of the Company and there is no information relating to the above Directors which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

LETTER FROM THE BOARD

EXERCISE OF THE SHARE ISSUE MANDATE

Resolution No. 5(1) set out in the notice of AGM (the “**AGM Notice**”) dated 26 July 2012 will, if passed, give a general unconditional mandate (the “**Share Issue Mandate**”) to the Directors authorising the exercise by the Directors of the powers of the Company to allot additional shares of HK\$0.20 each in the capital of the Company (“**Shares**”). Subject to certain exceptions as set out in the AGM Notice, the additional shares allotted shall not in aggregate exceed 20 per cent of the nominal amount of the share capital of the Company in issue at the date of the AGM (i.e. not exceeding 87,610,720 shares based on the issued share capital of the Company of 438,053,600 shares as at 18 July 2012, being the latest practicable date (the “**Latest Practicable Date**”) prior to the printing of this circular and assuming that such issued share capital remains the same as at the date of passing the resolution) and may be exercised at any time during the Relevant Period (as defined in Resolution No. 5(1) set out in the AGM Notice).

EXERCISE OF THE REPURCHASE MANDATE

Resolutions Nos. 5(2) and 5(3) set out in the AGM Notice will, if passed, give a general unconditional mandate (the “**Repurchase Mandate**”) to the Directors authorising the repurchase by the Company of up to 10 per cent of the fully paid Shares in issue at the date of the AGM at any time during the Relevant Period (as defined in Resolution No. 5(2) set out in the AGM Notice).

The Directors believe that these proposals, which are similar to those approved by shareholders in previous years, will provide the Board with a prudent measure of flexibility for them to act in the Company’s interests. The information set out below constitutes an Explanatory Statement (as defined in Rule 10.06 of the Listing Rules) for the purpose of the Listing Rules:–

(1) Share Capital

Exercise in full of the Repurchase Mandate (on the basis of 438,053,600 Shares in issue as at the Latest Practicable Date) would result in up to 43,805,360 Shares being repurchased by the Company during the Relevant Period as defined in Resolution No. 5(2).

(2) Reasons for Repurchases

The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from 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 its 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.

LETTER FROM THE BOARD

There might be an adverse impact on the working capital requirements or gearing levels of the Company (as compared with the position disclosed in the annual report of the Company for the year ended 31 March 2012 in the event that the Repurchase Mandate is exercised in full at any time during the Relevant Period (as defined in Resolution No. 5(2)). However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in such circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing level 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 previous twelve months from 1 July 2011 were as follows:

	Traded Market Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2011		
July	1.18	1.09
August	1.17	0.91
September	1.13	0.94
October	1.03	0.90
November	1.04	0.97
December	1.01	0.95
2012		
January	1.01	0.97
February	1.10	0.98
March	1.06	0.96
April	1.03	0.97
May	1.05	0.96
June	1.03	0.97
July (up to the Latest Practicable Date)	1.04	1.02

(5) Disclosure of Interests

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 such Repurchase Mandate is approved by shareholders.

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

LETTER FROM THE BOARD

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 shareholders.

(6) 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 Hong Kong Code on Takeovers and Mergers (the "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 Code. All Fine Investment Company Limited and Billion Goal Holdings Limited hold 230,679,599 Shares and 29,980,000 Shares respectively, representing approximately 59.50% of the issued share capital of the Company as at the Latest Practicable Date. Mr. Wong Ip Kuen, a Director of the Company, owns the entire issued share capital of All Fine Investment Company Limited and Billion Goal Holdings Limited. The Directors are not aware of any such consequences which would arise under the Code as a consequence of any purchase pursuant to 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 would not exercise the mandate to such an extent.

In addition, assuming that the Repurchase Mandate is exercised in full, the share capital of the Company in issue will be reduced to 394,248,240 Shares (on the basis of 438,053,600 Shares in issue as at the Latest Practicable Date). Mr. Wong Ip Kuen, through All Fine Investment Company Limited and Billion Goal Holdings Limited, will hold 260,659,599 Shares, representing approximately 66.12% of the issued share capital of the Company after the exercise of the Repurchase Mandate in full. As far as the Directors are aware, the full exercise of the Repurchase Mandate will not have any impact on the relevant minimum public shareholding requirements as stipulated in the Listing Rules.

(7) Repurchases made by the Company

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

VOTING BY POLL

Under Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the resolutions proposed at the AGM will also be taken by poll. A poll results announcement will be made by the Company after the AGM in accordance with Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

AMENDMENTS TO EXISTING BYE-LAWS AND ADOPTION OF NEW BYE-LAWS

Since the last adoption of the Bye-laws of the Company by shareholders of the Company in August 1991, a number of amendments (the “**Previous Amendments**”) have been made to the Bye-laws of the Company pursuant to resolutions passed by shareholders of the Company at the general meetings held on 10th August 1993 and 25th August 2004 but no new Bye-laws of the Company consolidating the Previous Amendments has been formally adopted by shareholders at any of the subsequent general meetings.

The Board now proposes to seek the approval of shareholders by way of a special resolution for the amendments (the “**New Amendments**”) to the existing Bye-laws of the Company, so as to bring the Bye-laws of the Company in line with the recent amendments made to the Listing Rules, including amendments to the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, and recent amendments made to the Companies Act of Bermuda, and the formal adoption of the new Bye-laws of the Company which consolidates the Previous Amendments and the New Amendments.

The New Amendments are subject to shareholders’ approval by way of special resolutions at the AGM.

The New Amendments include the following:

- inclusion of definition of “substantial shareholder”;
- 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 subject to the Listing Rule;
- setting out the manner in which the register of members of the Company can be inspected or closed;
- all resolutions at general meetings of the Company shall be decided by poll other than resolution which relates purely to a procedural or administrative matter as may be permitted under the Listing Rules to be voted on by a show of hands;
- 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 shall be dealt with by a physical board meeting rather than a written resolution;
- independent non-executive Directors shall represent at least one-third of the board and the members of the Board of the Company shall include at least 3 independent non-executive Directors;
- no longer permit a Director to disregard 5 per cent interests when considering whether the Director has material interest which would prevent him from forming part of the quorum or voting at board meeting;

LETTER FROM THE BOARD

- inclusion of a requirement that 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; and
- auditors shall be appointed and removed and their duties regulated in accordance with the provisions of the Companies Act 1981 of Bermuda and the Listing Rules.

Details of the New Amendments are set out in Appendix I to this circular.

Shareholders are advised that the new Bye-laws of the Company are now available only in English and the Chinese translation of them provided at the AGM is for reference only. In case of any inconsistency, the English version shall prevail.

ANNUAL GENERAL MEETING

The AGM Notice is set out on pages 10 to 17 of this circular. A form of proxy for use at the AGM is dispatched with this circular. If you do not intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Company's principal place of business in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the AGM. Completion and deposit of the form of proxy will not preclude you from attending and voting at the AGM if you so wish.

RECOMMENDATION

The Directors believe that the re-election of the retiring Directors, the Share Issue Mandate and the Repurchase Mandate, the amendments to existing Bye-laws and the adoption of new Bye-laws are in the interests of the Company and the shareholders of the Company as a whole. Accordingly, the Directors recommend that all shareholders should vote in favour of the relevant Resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
Yau Lee Holdings Limited
Wong Ip Kuen
Chairman

NOTICE OF ANNUAL GENERAL MEETING



有利集團有限公司*

Yau Lee Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 0406)

NOTICE IS HEREBY GIVEN that the annual general meeting of Yau Lee Holdings Limited will be held at 10th Floor, Tower 1, Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong on Tuesday, 28 August 2012 at 11:00 a.m. for the following purposes:

1. To consider and receive the audited consolidated financial statements, Reports of the Directors and Auditor's Report for the year ended 31 March 2012;
2. To declare a final dividend for the year ended 31 March 2012;
3. To re-elect retiring Directors and to authorise the Board of Directors to fix the Directors' remuneration;
4. To re-appoint Auditor and to authorise the Board of Directors to fix their remuneration; and

As special business to consider and, if thought fit, pass the following Resolutions as Ordinary Resolutions:

5. (Please read Note 4)

(1) **“THAT:**

- a) the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company, including making and granting offers, agreements and options which would or might require shares to be allotted, issued or dealt with whether during or after the end of the Relevant Period, be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to a rights issue where shares are offered to shareholders 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 obligations under the laws of or the requirements of, any recognised regulatory body or any stock exchange in, any territory outside Hong Kong), the additional shares allotted, issued

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

or dealt with, (including shares agreed conditionally or unconditionally to be allotted, issued or dealt with, whether pursuant to an option or otherwise) shall not in aggregate exceed 20 per cent of the nominal amount of the share capital of the Company in issue at the date of this Resolution;

b) for the purpose of this Resolution:

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

- i. the conclusion of the next annual general meeting of the Company;
- ii. the 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 way of Ordinary Resolution of the shareholders of the Company in general meeting; and

c) the authority contained in this Resolution shall replace the similar authority granted at the general meeting of the Company held on 15 August 2011.”

(2) **“THAT:**

- a) there be granted to the Directors of the Company an unconditional general mandate to repurchase shares in the capital of the Company, and that the exercise by the Directors of the Company 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 (as hereinafter defined);
 - ii. such mandate shall authorise the Directors of the Company to procure the Company to repurchase shares at such prices as the Directors of the Company 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 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution; and

NOTICE OF ANNUAL GENERAL MEETING

b) for the purpose of this Resolution:

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

- i. the conclusion of the next annual general meeting of the Company;
- ii. the 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 way of Ordinary Resolution of the shareholders of the Company in general meeting; and

c) the authority contained in this Resolution shall replace the similar authority granted at the general meeting of the Company held on 15 August 2011.”; and

- (3) “**THAT** conditional upon the passing of Resolutions Nos. 5(1) and 5(2) as set out in the AGM Notice, the aggregate nominal amount of the shares which are repurchased by the Company pursuant to and in accordance with Resolution No. 5(2) 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 of the Company pursuant to and in accordance with Resolution No. 5(1).”

As special business to consider and, if thought fit, pass the following Resolutions as Special Resolutions:

6. “**THAT** the Bye-laws of the Company (the “**Bye-laws**”) be and are hereby amended in the following manner:

(1) Bye-law 1

by adding the following new definition in Bye-law 1 after the existing definition of “subsidiary”:

“substantial shareholder” shall mean a person who is entitled to exercise, or to control the exercise of, 10 per cent or more (or such other percentage as may be prescribed by the rules of the stock exchange in the Relevant Territory from time to time) of the voting power at any general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

(2) Bye-law 7

by deleting the existing Bye-law 7(A) in its entirety and substituting therefor the following:

“7. (A) Subject to compliance with the rules and regulations of the stock exchange in the Relevant Territory 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.”; and

by deleting paragraph (B) of the existing Bye-law 7 in its entirety and substituting it with the words “Intentionally Deleted”;

(3) Bye-law 12

by deleting the existing Bye-law 12 in its entirety and substituting therefor the following:

“12. (A) The Register and branch register of members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon during business hours by members of the public without charge at the Office or such other place at which the Register is kept in accordance with the Companies Act. The Register including any overseas or local or other branch register of members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any stock exchange in the Relevant Territory or by any means in such manner as may be accepted by the stock exchange in the Relevant Territory to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.”;

by deleting paragraph (B) of the existing Bye-law 12 in its entirety and substituting it with the words “Intentionally Deleted”;

by deleting paragraph (C) of the existing Bye-law 12 in its entirety and substituting it with the words “Intentionally Deleted”; and

by deleting paragraph (D) of the existing Bye-law 12 in its entirety and substituting it with the words “Intentionally Deleted”;

NOTICE OF ANNUAL GENERAL MEETING

(4) Bye-law 79

by deleting the existing Bye-law 79 in its entirety and substituting therefor the following:

“79. (A) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that the Chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Bye-law, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its members; and (ii) relate to the Chairman’s duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all members a reasonable opportunity to express their views.

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

- (1) by at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (2) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (3) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

NOTICE OF ANNUAL GENERAL MEETING

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

(5) Bye-law 80

by deleting the existing Bye-law 80 in its entirety and substituting therefor the following:

“80. If a poll is required or duly demanded in accordance with the foregoing provisions, it shall (subject as provided in Bye-law 81) be taken in such manner (including the use of ballot or voting papers or tickets) and at once or at such time and place, not being later than 30 days after the date of the meeting or adjourned meeting at which the poll was required or duly demanded, as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was required or duly demanded. The demand for a poll may be withdrawn but only with the consent of the Chairman at any time before the close of the meeting or the taking of the poll, whichever is earlier, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.”;

(6) Bye-law 81

by deleting the existing Bye-law 81 in its entirety and substituting therefor the following:

“81. Any poll required or duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.”;

(7) Bye-law 82

by deleting the existing Bye-law 82 in its entirety and substituting therefor the following:

“82. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is required or duly demanded, shall be entitled to a second or casting vote.”;

NOTICE OF ANNUAL GENERAL MEETING

(8) Bye-law 97

by deleting the existing Bye-law 97 in its entirety and substituting therefor the following:

“97. Unless and until otherwise determined by the Company by ordinary resolution the number of Directors shall not be less than 3 but there shall be no maximum number of Directors until the Company shall in general meeting fix such maximum whether permanently or for the time being provided that (i) the Board shall consist not less than 3 independent non-executive Directors and (ii) such independent non-executive Directors shall represent at least one-third of the Board. The Directors shall be elected or appointed in the first place at the statutory meeting of members and thereafter in accordance with the next following Bye-law. The Board shall cause to be kept a register of the Directors and officers at its Head Office.”;

(9) Bye-law 111

by deleting paragraph (A)(2)(v) of the existing Bye-law 111 in its entirety and substituting it with the words “Intentionally Deleted” and by adding the word “or” at the end (after the semicolon) of the existing paragraph (A)(2)(iv) ;

by deleting paragraph (A)(3) of the existing Bye-law 111 in its entirety and substituting it with the words “Intentionally Deleted”; and

by deleting paragraph (A)(4) of the existing Bye-law 111 in its entirety and substituting it with the words “Intentionally Deleted”;

(10) Bye-law 133

by adding the following at the end of the existing Bye-law 133:

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

(11) Bye-law 150

by deleting the existing Bye-law 150 in its entirety and substituting therefor the following:

“150. 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.”; and

NOTICE OF ANNUAL GENERAL MEETING

(12) Bye-law 167

by deleting paragraph (A) of the existing Bye-law 167 in its entirety and substituting therefor the following:

“167.(A) Auditors shall be appointed and removed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Companies Act and the rules of the stock exchange in the Relevant Territory.”

7. “**THAT** the Bye-laws of the Company in the form of the document marked “X” and produced to this meeting and for the purpose of identification signed by the chairman of this meeting, which consolidate all of the proposed amendments referred to in Resolution 6 above and all previous amendments made pursuant to resolutions passed by shareholders of the Company at the general meetings on 10th August 1993 and 25th August 2004 be and are hereby approved and adopted as new Bye-laws of the Company in substitution for and to the exclusion of the existing Bye-laws of the Company with immediate effect.

By Order of the Board
Wong Ip Kuen
Chairman

Hong Kong, 26 July 2012

Registered Office:

Clarendon House, 2 Church Street
Hamilton HM11
Bermuda

Principal place of business in Hong Kong:

10th Floor, Tower 1
Enterprise Square
9 Sheung Yuet Road
Kowloon Bay
Kowloon, 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. To be valid, a form of proxy, together with the power of attorney or other authority, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company’s principal place of business at 10th Floor, Tower 1, Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong at least 48 hours before the time fixed for holding the meeting or any adjournment thereof.
3. Ir. Wong Tin Cheung, Mr. Wu King Cheong and Dr. Yeung Tsun Man, Eric are retiring Directors eligible for re-election at the forthcoming general meeting.
4. With regard to the Ordinary Resolutions 5(1) and 5(2), approval is being sought from the shareholders for a general mandate to (a) allot shares of the Company and (b) repurchase shares up to the respective 20 per cent and 10 per cent limits. These authorities are sought in order that the Directors might take advantage of any relevant circumstances but the Directors have no immediate plans to issue any new shares of the Company or repurchase any shares of the Company pursuant to such mandates.
5. Members are recommended to read the circular of the Company containing information concerning the Resolutions proposed in this notice.

Details of the New Amendments are set out as follows:

1. The following definition of “substantial shareholder” will be added after the existing definition of “subsidiary” in Bye-law 1:

“substantial shareholder” shall mean a person who is entitled to exercise, or to control the exercise of, 10 per cent or more (or such other percentage as may be prescribed by the rules of the stock exchange in the Relevant Territory from time to time) of the voting power at any general meeting of the Company;

2. The original Bye-law 7, which reads:

“7. (A) the Company may in accordance with any scheme for the time being in force and approved by the members in general meeting provide, directly or indirectly, money or other financial assistance for the purpose of or in connection with the purchase of, or subscription for, fully or partly paid shares in the Company or any holding company of the Company, being a purchase of or subscription for shares by a trustee of or to be held by or for the benefit of employees of the Company, any of its subsidiaries, any holding company of the Company or any subsidiary of any such holding company in each such case whether incorporated in Bermuda or elsewhere and whether or not a wholly-owned subsidiary of the Company, including any director holding a salaried employment or office with or in any such company and so that the residual beneficiary of any such trust may be or include a charitable object.

(B) The Company may give financial assistance on such terms as the Board thinks fit to directors and bona fide employees of the Company, its subsidiaries and any holding company of the Company or any subsidiary of any such holding company, in each such case whether incorporated in Bermuda or elsewhere and whether or not a wholly-owned subsidiary of the Company, in order that they may buy shares (fully or partly paid) in the Company or any holding company of the Company and such terms may include a provision stating that when a director ceases to be a director of, or an employee ceases to be employed by, the Company or such other company, shares bought with such financial assistance shall or may be sold to the Company or such other company on such terms as the Board thinks fit.”

is to be revised as:

“7. (A) Subject to compliance with the rules and regulations of the stock exchange in the Relevant Territory 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.

(B) Intentionally Deleted”

3. The original Bye-law 12, which reads:

- “12. (A) Except when the register of members is closed in accordance with the Companies Act and the Bye-laws, the register shall during business hours be opened to the inspection of any member at the Transfer Office and, where applicable, the Registration Office without charge.
- (B) The reference to business hours is subject to such reasonable restrictions as the Company in general meeting may impose, but so that not less than 2 hours in each day is to be allowed for inspection.
- (C) Any member may require a copy of the register, or any part thereof, on payment of HK\$0.25 (or such higher sum as may from time to time be permitted by the rules of the stock exchange), or such lesser sum as the Company may prescribe, for every 100 words or fractional part thereof required to be copied. The Company shall cause any copy so required by any person to be sent to that person within a period of 10 days commencing on the date next after the day on which the request is received by the Company.
- (D) The register of members may, after notice has been given by advertisement in an appointed newspaper and, where applicable, published in the newspapers, be closed at such times or for such periods not exceeding in the whole thirty days in each year or such longer period as the Companies Act may permit as the Board may determine and either generally or in respect of any class of shares.”

is to be revised as:

- “12. (A) The Register and branch register of members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon during business hours by members of the public without charge at the Office or such other place at which the Register is kept in accordance with the Companies Act. The Register including any overseas or local or other branch register of members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any stock exchange in the Relevant Territory or by any means in such manner as may be accepted by the stock exchange in the Relevant Territory to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.
- (B) Intentionally Deleted
- (C) Intentionally Deleted
- (D) Intentionally Deleted”

4. The original Bye-law 79, which reads:

“79. At any general meeting a resolution put to the vote at the meeting shall be determined by a show of hands of the members present in person or by proxy and entitled to vote unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:-

- (1) by the Chairman of the meeting; or
- (2) by at least 3 members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (3) by any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (4) by any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll is duly demanded in accordance with the foregoing provisions, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by any particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.”

is to be revised as:

“79. (A) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that the Chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such

proxy shall have one vote on a show of hands. For purposes of this Bye-law, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its members; and (ii) relate to the Chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all members a reasonable opportunity to express their views.

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

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

5. The original Bye-law 80, which reads:

“80. If a poll is duly demanded in accordance with the foregoing provisions, it shall (subject as provided in Bye-law 81) be taken in such manner (including the use of ballot or voting papers or tickets) and at once or at such time and place, not being later than 30 days after the date of the meeting or adjourned meeting at which the poll was demanded, as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn but only with the consent of the Chairman at any time before the close of the meeting or the taking of the poll, whichever is earlier, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.”

is to be revised as:

“80. If a poll is required or duly demanded in accordance with the foregoing provisions, it shall (subject as provided in Bye-law 81) be taken in such manner (including the use of ballot or voting papers or tickets) and at once or at such time and place, not being later than 30 days after the date of the meeting or adjourned meeting at which the poll was required or duly demanded, as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was required or duly demanded. The demand for a poll may be withdrawn but only with the consent of the Chairman at any time before the close of the meeting or the taking of the poll, whichever is earlier, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.”

6. The original Bye-law 81, which reads:

“81. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.”

is to be revised as:

“81. Any poll required or duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.”

7. The original Bye-law 82, which reads:

“82. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.”

is to be revised as:

“82. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is required or duly demanded, shall be entitled to a second or casting vote.”

8. The original Bye-law 97, which reads:

“97. Unless and until otherwise determined by the Company by ordinary resolution the number of Directors shall not be less than 3 but there shall be no maximum number of Directors until the Company shall in general meeting fix such maximum whether permanently or for the time being. The Directors shall be elected or appointed in the first place at the statutory meeting of members and thereafter in accordance with the next following Bye-law. The Board shall cause to be kept a register of the Directors and officers at its Head Office.”

is to be revised as:

“97. Unless and until otherwise determined by the Company by ordinary resolution the number of Directors shall not be less than 3 but there shall be no maximum number of Directors until the Company shall in general meeting fix such maximum whether permanently or for the time being provided that (i) the Board shall consist not less than 3 independent non-executive Directors and (ii) such independent non-executive Directors shall represent at least one-third of the Board. The Directors shall be elected or appointed in the first place at the statutory meeting of members and thereafter in accordance with the next following Bye-law. The Board shall cause to be kept a register of the Directors and officers at its Head Office.”;

9. The original paragraphs (2), (3) and (4) of Bye-law 111, which reads:

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

- (i) any contract or arrangement for the giving to such Director or his 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;
- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (v) any contract or arrangement concerning any other company in which the Directors or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director and any of his associates are not in aggregate beneficially interested in 5 per cent or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associates is derived); or

- (vi) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his 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.

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

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

are to be revised as:

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

 - (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

 - (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

- (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or
- (v) Intentionally Deleted
- (vi) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his 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.

(3) Intentionally Deleted

(4) Intentionally Deleted”

10. The original Bye-law 133, which reads:

“133. A resolution in writing signed by each and every one of the Directors (or his alternate Director pursuant to Bye-law 104(D)) for the time being entitled to receive notice of a meeting of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened, held and constituted and may consist of several documents in like form each signed by one or more of the Directors or his or their alternative Directors. A resolution purporting to have been transmitted by a Director (or his alternate) to the Company by telegram, telex, telecopier or other facsimile equipment shall be deemed to be a document signed by him for the purpose of this Bye-law.”

is to be revised as:

“133. A resolution in writing signed by each and every one of the Directors (or his alternate Director pursuant to Bye-law 104(D)) for the time being entitled to receive notice of a meeting of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened, held and constituted and may consist of several documents in like form each signed by one or more of the Directors or his or their alternative Directors. A resolution purporting to have been transmitted by a Director (or his alternate) to the Company by telegram, telex, telecopier or other facsimile equipment shall be deemed to be a document signed by him for the purpose of this Bye-law. Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.”

11. The original Bye-law 150, which reads:

“150. No dividend shall be payable except out of the profits of the Company available for distribution (such profits being ascertained in accordance with the Companies Act). No dividend shall carry interest.”

is to be revised as:

“150. 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.”

12. The original paragraph (A) of Bye-law 167, which reads:

“167. (A) Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Companies Act.”

is to be revised as:

“167. (A) Auditors shall be appointed and removed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Companies Act and the rules of the stock exchange in the Relevant Territory.”