

This constitutional document is a consolidated version not formally adopted by shareholders at a general meeting. This constitutional document has been translated into Chinese. In case of discrepancies between the English version and the Chinese version, the English version shall prevail.

Memorandum of Association

and

Bye-Laws

of

TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED

(Incorporated in Bermuda with limited liability)

Incorporated on the 4th day of May, 1992

Registration No.: F5565

RESOLUTIONS

OF

TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED

(Incorporated in Bermuda with limited liability)

Passed on 9th August, 2006

Certified extract of the minutes of an annual general meeting of the Company held at 2nd Floor, Block B, Summit Building, 30 Man Yue Street, Hunghom, Kowloon, Hong Kong on Wednesday, the 9th day of August, 2006 at 3:00 p.m., the following special resolutions of the Company was duly passed:-

SPECIAL RESOLUTIONS

10. TO APPROVE THE AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

The Chairman referred to the special resolution:

“THAT the Bye-laws of the Company be amended by:

- (d) deleting in the 6th line of Bye-law 86(2) the word “annual” immediately after the words “next following”;
- (e) deleting in the 2nd line of Bye-law 86(4) the words “by special resolution” and substituting therefore the words “by ordinary resolution” immediately after the words “these Bye-laws,”; and
- (f) adding to the end of Bye-law 87(2) the words “and every Director shall be subject to retirement by rotation at least once every three years.” Immediately after the word “rotation.”.

(Sd.) Peter Gerardus Van Weerdenburg

Peter Gerardus Van Weerdenburg

Chairman

Registration No.: F5565

RESOLUTIONS
OF
TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED
(Incorporated in Bermuda with limited liability)

Passed on 26th August, 2005

Certified extract of the minutes of an annual general meeting of the Company held at 2nd Floor, Block B, Summit Building, 30 Man Yue Street, Hunghom, Kowloon, Hong Kong on Friday, the 26th day of August, 2005 at 3:00 p.m., the following special resolutions of the Company was duly passed:-

SPECIAL RESOLUTIONS

10. TO APPROVE THE AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

The Chairman referred to the special resolution:

“THAT the Bye-laws of the Company be amended by deleting the existing Bye-law 87(2) in its entirety and replacing it with the following new Bye-law 87(2):

“87(2) At each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation.””

(Sd.) TSE Tat Fung, Tommy

TSE Tat Fung, Tommy
Chairman

Registration No.: F5565

RESOLUTION

OF

TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED

(Incorporated in Bermuda with limited liability)

passed on Tuesday, 21 December 2004

At a Special General Meeting of the Company held at 2nd Floor, Block B, Summit Building, 30 Man Yue Street, Hung Hom, Kowloon, Hong Kong the following resolution was duly passed by the Company:-

ORDINARY RESOLUTION

THAT, subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the approval of the listing of, and permission to deal in, the shares of HK\$0.25 each (“**Shares**”) in the share capital of the Company to be issued pursuant to the exercise of options which may be granted under the New Scheme Limit (as defined below), the refreshment of the general scheme limit of the Company’s share option scheme adopted on 26th November, 2003, up to 10 per cent. of the number of Shares in issue as at the date of passing this resolution (“**New Scheme Limit**”) be and is hereby approved and any director of the Company be and is hereby authorised to do such act and execute such document to effect the New Scheme Limit.

(Sd.) TSE Tat Fung, Tommy

CHAIRMAN OF THE MEETING

RESOLUTIONS
OF
TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED
(Incorporated in Bermuda with limited liability)

passed on Thursday, 18 November 2004

At a Special General Meeting of the Company held at 2nd Floor, Block B, Summit Building, 30 Man Yue Street, Hunghom, Kowloon, Hong Kong the following resolutions were duly passed by the Company:-

SPECIAL RESOLUTION

- (1) **THAT**, subject to the fulfilment of the conditions in respect of the Capital Reorganisation as defined at the end of this Resolution and as described in more detail in the circular dated 27 October 2004 (the “Circular”), a copy of which has been tabled at the meeting and initialled by the Chairman and for the purpose of identification marked “A”, and with effect from the Business Day (as defined in the Circular) following the date on which this resolution is passed:
- (a) every 100 issued ordinary shares of HK\$0.25 each in the capital of the Company be consolidated (“Share Consolidation”) into one issued consolidated ordinary share of HK\$25.00 (“Consolidated Share”);
 - (b) subject to and forthwith upon the Share Consolidation becoming effective, the nominal value of each issued Consolidation Share be reduced from HK\$25.00 to HK\$2.50 by cancelling paid-up capital to the extent of HK\$22.50 on each issued Consolidated Share (“Capital Reduction”);
 - (c) the amount standing to the credit of the share premium account of the Company as at 29 February 2004, being approximately HK\$86,037,000, be cancelled (“Share Premium Cancellation”);
 - (d) the amounts standing to the credit of the contributed surplus account and the capital redemption reserve account of the Company as at 29 February 2004, being approximately HK\$532,336,000 and HK\$173,969,000 respectively, be released from such accounts;
 - (e) subject to and forthwith upon the Capital Reduction becoming effective, each issued Consolidated Share of HK\$2.50 be subdivided (“Share Subdivision”) into ten adjusted shares (“Adjusted Shares”) of HK\$0.25 each;
 - (f) subject to and forthwith upon the Capital Reduction and the Share Premium Cancellation becoming effective, the credit arising from the Capital Reduction and the Share Premium Cancellation in the amount of approximately HK\$174,212,000, together with the amount of approximately HK\$173,969,000 released from the capital redemption reserve account of the Company (as

referred to in paragraph (d) above), totalling together approximately HK\$348,181,000, be transferred to the contributed surplus account of the Company;

- (g) the Directors be authorised to set-off the aggregate amount of approximately HK\$348,181,000 transferred to the contributed surplus account of the Company (as referred to in paragraph (f) above), together with the amount of approximately HK\$532,336,000 already standing to the credit of the contributed surplus account of the Company, against all of the accumulated losses of the Company as at 29 February 2004, being approximately HK\$865,747,000; and
- (h) the authorised share capital of the Company be increased from HK\$270,000,000 to HK\$375,000,000 by the creation of 420,000,000 new Adjusted Shares (“Increase”).

(The Share Consolidation, the Capital Reduction, the Share Premium Cancellation, the Share Subdivision and the Increase are collectively referred to as the “Capital Reorganisation”).

ORDINARY RESOLUTIONS

(2) **THAT,**

- (a) subject to the passing of Resolution No. 1 above, the terms of the Debt Conversion (as defined below) as set out in the Subscription Agreement (as defined below), a copy of which has been tabled at the meeting and initialled by the Chairman and for the purpose of identification marked “B”, be and are hereby generally and unconditionally approved and **THAT** any Director of the Company be and is hereby authorised to sign and execute such documents and do all such acts and things incidental to the Debt Conversion and Subscription Agreement or as the Directors consider necessary, desirable or expedient in connection with the Debt Conversion and Subscription Agreement;
- (b) for the purposes of the Resolution,

“Debt Conversion” means the conversion by Partner Logistics Limited (“Partner Logistics”) of approximately HK\$137 million of the debt of three wholly owned subsidiaries of the Company which was acquired by Partner Logistics on 11 February 2004 and 2 April 2004 respectively into ordinary share(s) of HK\$0.25 each in the capital of the Company upon the Capital Reorganisation (as defined in Resolution No. 1 above) becoming unconditional and effective; and

“Subscription Agreement” means the subscription agreement dated 27 September 2004 between the Company, Partner Logistics, Tse Sui Luen Jewellery Company Limited, Winter Pine Co. Limited setting out the terms of the Debt Conversion as supplemented and amended by a supplemental agreement dated 26 October 2004 between the parties extending the completion date of the Debt Conversion.

(3) **THAT,**

- (a) subject to the passing of Resolutions Nos. 1 and 2 above, the terms of the Revised DRA (as defined below), a copy of which has been tabled at the meeting

and initialled by the Chairman and for the purpose of identification marked “C”, and the entering into of the Revised DRA between the TSL Obligors (as defined below), Partner Logistics (as defined below) and the Continuing Banks (as defined below) be and are hereby generally and unconditionally approved and **THAT** any Director of the Company be and is hereby authorised to sign any document which he considers appropriate, reasonable and incidental for the conduct of the Revised DRA and for the benefit of the Company and to conduct all incidental actions and such Director be further authorised to make any amendment, alteration and/or addition which he considers necessary, proper and/or appropriate; and

(b) for the purposes of this Resolution,

“Revised DRA” means the Revised Debt Restructuring Agreement dated 27 September 2004 entered into between the TSL Obligors (as defined below), Partner Logistics Limited (“Partner Logistics”) and the Continuing Banks (as defined below);

“TSL Obligors” means the Company and certain of its subsidiaries which have provided security as part of the Scheme Security (as defined below) and who are parties to the Revised DRA;

“Continuing Banks” means the three continuing bank creditors of the Company; and

“Scheme Security” means the debentures and other security interests executed by the Company and its subsidiaries pursuant to the Existing Debt Restructuring Agreement dated 3 August 2000 entered into between the Company and its bank creditors.

(4) **THAT**, subject to and conditional upon (i) the passing of Resolutions numbered 1 and 2 above, (ii) the execution of the Underwriting Agreement as defined in the Circular, a copy of which has been tabled at the meeting and initialled by the Chairman and/or the purpose of identification marked “D”, and (iii) the fulfilment of the conditions in the Underwriting Agreement:

(a) the issue by way of an open offer (the “Open Offer”) of 34,510,537 new Adjusted Shares to the holders of Adjusted Shares whose names appear on the register of members of the Company on 29 November 2004 (the “Record Date”), other than holders of Adjusted Shares whose registered addresses are outside Hong Kong on the Record Date, in the proportion of one Adjusted Share for every five Adjusted Shares then held at the subscription price of HK\$1.03 per Adjusted Share, save that the number of Adjusted Shares to be offered to Partner Logistics Limited will be the number of Adjusted Shares held by it as if the Debt Conversion has taken place on the Record Date, and on the terms and conditions as set out in the Circular be and is hereby approved and the directors of the Company (the “Directors”) be and are hereby authorised to allot and issue the Adjusted Shares pursuant to or in accordance with the Open Offer notwithstanding that the same may be offered, allotted or issued other than pro rata to the existing shareholders of the Company and, in particular, the Directors be and are hereby authorised to exclude the overseas shareholders of the Company from the Open Offer; and

- (b) any Director be and are hereby authorised to sign and execute such documents and do all such acts and things incidental to the Open Offer or as any Director they consider necessary, desirable or expedient in connection with the Open Offer.

(5) **THAT,**

- (a) subject to the passing of Resolutions Nos. 1, 2, 3 and 4 above and subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to repurchase ordinary shares of HK\$0.25 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of ordinary shares of the Company which the Directors of the Company are authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of passing this Resolution as enlarged by the Adjusted Shares (as defined below) to be issued under the Debt Conversion (as defined below) and the Open Offer (as defined below), and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution,

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting;

“Debt Conversion” means the conversion by Partner Logistics Limited (“Partner Logistics”) of approximately HK\$137 million of the debt of three wholly owned subsidiaries of the Company which was acquired by Partner Logistics on 11 February 2004 and 2 April 2004 respectively into ordinary share(s) of HK\$0.25 each in the capital of the Company (the “Adjusted Shares”) upon the Capital Reorganisation (as defined in Resolution No. 1 above) becoming unconditional and effective; and

“Open Offer” means the possible issue by way of open offer of not more than 34,510,537 new Adjusted Shares at the subscription price of HK\$1.03 per Adjusted Share to holders of the Adjusted Shares on 29 November 2004 (the

“Record Date”) other than holders of Adjusted Shares whose registered addresses are outside Hong Kong on the Record Date.

(6) **THAT,**

- (a) subject to the passing of Resolutions Nos. 1, 2, 3 and 4 above and subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of HK\$0.25 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of ordinary share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of ordinary shares as scrip dividends pursuant to the bye-laws of the Company from time to time; or (iii) an issue of ordinary shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of ordinary shares or rights to acquire ordinary shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of passing this Resolution as enlarged by Adjusted Shares (as hereinafter defined) to be issued under the Debt Conversion (as hereinafter defined) and the Open Offer (as hereinafter defined), and the said approval shall be limited accordingly; and
- (d) 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 law or the bye-laws of the Company to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an 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 of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that

date (subject to such exclusions or other arrangements as the Directors of the Company 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 applicable to the Company);

“Debt Conversion” means the conversion by Partner Logistics Limited (“Partner Logistics”) of approximately HK\$137 million of the debt of three wholly owned subsidiaries of the Company which was acquired by Partner Logistics on 11 February 2004 and 2 April 2004 respectively into ordinary share(s) of HK\$0.25 each in the capital of the Company (the “Adjusted Shares”) upon the Capital Reorganisation (as defined in Resolution No. 1 above) becoming unconditional and effective; and

“Open Offer” means the possible issue by way of open offer of not more than 34,510,537 new Adjusted Shares at the subscription price of HK\$1.03 per Adjusted Share to holders of the Adjusted Shares on 29 November 2004 (the “Record Date”) other than holders of Adjusted Shares whose registered addresses are outside Hong Kong on the Record Date.

(7) **THAT,**

- (a) subject to the passing of Resolutions Nos. 5 and 6 set out above, the general mandate granted to the Directors of the Company to allot, issue and deal with additional ordinary shares pursuant to Resolution No. 6 set out above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of ordinary shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 4 set out above, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of the said Resolution as enlarged by the Adjusted Shares (as defined below) to be issued under the Debt Conversion (as defined below) to be issued under the Debt Conversion (as defined below) and the Open Offer (as defined below); and
- (b) for the purposes of this Resolution,

“Debt Conversion” means the conversion by Partner Logistics Limited (“Partner Logistics”) of approximately HK\$137 million of the debt of three wholly owned subsidiaries of the Company which was acquired by Partner Logistics on 11 February 2004 and 2 April 2004 respectively into ordinary share(s) of HK\$0.25 each in the capital of the Company (the “Adjusted Shares”) upon the Capital Reorganisation (as defined in Resolution No. 1 above) becoming unconditional and effective; and

“Open Offer” means the possible issue by way of open offer of 34,510,537 new Adjusted Shares at the subscription price of HK\$1.03 per Adjusted Share to holders of the Adjusted Shares on 29 November 2004 (the “Record Date”) other than holders of Adjusted Shares whose registered addresses are outside Hong Kong on the Record Date.

(Sd.) TSE Tat Fung, Tommy _____
CHAIRMAN OF THE MEETING

RESOLUTIONS
OF
TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED
(Incorporated in Bermuda with limited liability)

Passed on 11th August, 2004

At a special general meeting of the Company duly convened and held at the Ground Floor, Block B, Summit Building, 30 Man Yue Street, Hunghom, Kowloon, Hong Kong on Wednesday, the 11th day of August, 2004 at 3:05 p.m., the following ordinary resolutions and special resolution of the Company were duly passed:-

ORDINARY RESOLUTIONS

1. **“THAT:**
 - (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase ordinary shares of HK\$0.25 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of ordinary shares of the Company which the Directors of the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
 - (c) for the purposes 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 law or the bye-laws of the Company to be held; and
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

2. “THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of HK\$0.25 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of ordinary share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of ordinary shares as scrip dividends pursuant to the bye-laws of the Company from time to time; or (iii) an issue of ordinary shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of ordinary shares or rights to acquire ordinary shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) 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 law or the bye-laws of the Company to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company 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 applicable to the Company).”

3. “**THAT** subject to the passing of Resolutions No. 1 and No. 2 set out in the notice convening the meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional ordinary shares pursuant to Resolution No. 2 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of ordinary shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 1 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of the said Resolution.”

SPECIAL RESOLUTION

4. “**THAT** the Bye-Laws of the Company adopted on 1st September, 1992 and amended up to 29th August, 2003 be amended as follow:
 - (a) by deleting the following new definition of “associates” in Bye-Law 1 and amended appropriate alphabetical order:

““associates” shall mean in relation to any Director, chief executive or substantial shareholder, such meaning as assigned to it by the Listing Rules.”
 - (b) by adding the following new definition of “Hong Kong” in Bye-Law 1 in appropriate alphabetical order:

““Hong Kong” shall mean the Hong Kong Special Administrative Region of the People’s Republic of China.”
 - (c) by adding the following new definition of “Listing Rules” in Bye-Law 1 in appropriate alphabetical order:

““Listing Rules” shall mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).”
 - (d) by generally reordering in alphabetical order the definitions as they appear in Bye-Law 1 of the Bye-laws of the Company;
 - (e) by adding the following paragraph as a new Bye-Law 66A immediately after Bye-Law 66:

“Where any member is, under the Listing Rules, required at any general meeting to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.”
 - (f) by adding the words “The period for lodgment of the notices above referred to will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.” immediately following the last sentence of Bye-Law 88;

- (g) by deleting the existing paragraph (1) of Bye-Law 103 in its entirety and substituting therefor the following new paragraph:

“(1) Save as otherwise provided by these Bye-Laws, 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 has/have a material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters:-

- (i) the giving of any security or indemnity either:
 - (a) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associate(s) is derived) or of the voting rights;
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (a) the adoption, modification or operation of any employees’ share scheme or any share incentive or share option scheme involving the issue or grant of options over shares or other securities by the Company under which the Director or his associate(s) may benefit; or
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

- (v) 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.””

(Sd.) TSE TAT FUNG, TOMMY
TSE TAT FUNG, TOMMY
Chairman

TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED
(incorporated in Bermuda with limited liability)

ORDINARY RESOLUTION

Passed on the 26th day of November 2003

At a Special General Meeting of the Company duly convened and held at Ground Floor, Block B, Summit Building, 30 Man Yue Street, Hunghom, Kowloon, Hong Kong on Wednesday, 26th November 2003, the following resolution was duly passed as an ordinary resolution of the Company:-

“**THAT** the rules of the share option scheme (the “**New Share Option Scheme**”), the principal terms of which are particularly described in the circular (the “**Circular**”) to the shareholders of the Company dated 6th November 2003 (a copy of the New Share Option Scheme and the Circular having been produced to the meeting marked “**A**” and “**B**”, respectively, and signed by the chairman of the meeting for the purposes of identification), be approved and adopted and the Directors be and they are hereby authorised to approve any amendments to the rules of the New Share Option Scheme as may be acceptable or not objected to by the Stock Exchange, and at their absolute discretion to grant options to subscribe for shares thereunder and to issue, allot and deal with shares in the Company pursuant to the exercise of options which may fall to be granted under the New Share Option Scheme and to take all such steps as may be necessary, desirable or expedient to carry into effect the New Share Option Scheme with effect from the close of business of the day on which this resolution is passed.”

**CERTIFIED TRUE AND
CORRECT**

(Sd.) Tse Tat Fung, Tommy
Tse Tat Fung, Tommy
Chairman

RESOLUTIONS
OF
TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED
(Incorporated in Bermuda with limited liability)

Passed on 29th August, 2003

At a special general meeting of the Company duly convened and held at the Ground Floor, Block B, Summit Building, 30 Man Yue Street, Hunghom, Kowloon, Hong Kong on Friday, the 29th day of August, 2003 at 3:15 p.m., the following ordinary resolutions and special resolution of the Company were duly passed:-

ORDINARY RESOLUTIONS

1. **“THAT:**
 - (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase ordinary shares of HK\$0.25 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of ordinary shares of the Company which the Directors of the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
 - (c) for the purposes 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 law or the bye-laws of the Company to be held; and
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

2. “THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of HK\$0.25 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of ordinary share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of ordinary shares as scrip dividends pursuant to the bye-laws of the Company from time to time; or (iii) an issue of ordinary shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of ordinary shares or rights to acquire ordinary shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) 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 law or the bye-laws of the Company to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company 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 applicable to the Company).”

3. “**THAT** subject to the passing of Resolutions No. 1 and No. 2 set out in the notice convening the meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional ordinary shares pursuant to Resolution No. 2 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of ordinary shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 1 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of the said Resolution.”

SPECIAL RESOLUTION

4. “THAT the definition of “Clearing House” stipulated on Bye-law 1 of the Company’s Bye-Laws be and are hereby amended in the following manner:

by replacing the words “Section 2 of the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of Laws of Hong Kong)” with the words “Section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong).””

(Sd.) TSE TAT FUNG, TOMMY

TSE TAT FUNG, TOMMY

Chairman

COMPANIES ORDINANCE
(CHAPTER 32)

RESOLUTIONS

OF

TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED
(Incorporated in Bermuda with limited liability)

Passed on the 31st day of August 2002

At a Special General Meeting of the members of the above-named company (the "Company") held at Ground Floor, Block B, Summit Building, 30 Man Yue Street, Hunghom, Kowloon, Hong Kong on the 31st day of August 2002 at 9.30 a.m. the following resolutions were duly passed:

AS ORDINARY RESOLUTIONS:

- (1) "THAT,
- (i) the subscription agreement entered into between Tse Sui Luen Jewellery Company Limited ("**TSLJ**"), Infinite Assets Corp. ("**IAC**"), Liberty Mark Limited ("**Liberty Mark**"), Best Accurate International Limited ("**Best Accurate**"), The China Retail Fund, LDC (the "**Preference Shareholder**") and the Company and the subscription agreement between TSLJ, Tse Sui Luen Investment (China) Limited ("**TSL China**"), Liberty Mark, Best Accurate, the Preference Shareholder and the Company (the "**IAC Subscription Agreement**" and the "**TSL China Subscription Agreement**" hereinafter collectively referred to as the "**Subscription Agreements**"), both dated 17th June, 2002 in relation to, inter alia, the repurchase and cancellation of all of the 22,220 6.5 per cent. convertible non-voting redeemable preference shares of US\$1,000 each in the capital of the Company (the "**Preference Shares**") held by the Preference Shareholder as at that date on the terms contained therein, the issue of new "A" shares in capital of IAC and TSL China, fully paid, to Best Accurate and new "B" shares in the capital of IAC and TSL China, fully paid, to the Preference Shareholder by the Company (copies of which have been produced at this meeting marked "A" and "B" respectively and initialled by the Chairman hereof for the purpose of identification) be and is hereby approved, confirmed and ratified; and
 - (ii) the shareholder's loan agreement to be entered into between TSLJ and IAC to formalise the total amounts of HK\$184.5 million owing by IAC to TSLJ (the "**Shareholder's Loan Agreement**") (a copy of which has been produced at this meeting marked "C" and initialled by the Chairman hereof for the purpose of identification) be and is hereby approved.

and that the directors of the Company be and are hereby authorised to do all acts and things and to negotiate, agree, execute and deliver such further documents which they consider necessary or expedient for the purpose of implementing, completing and giving effect to each of Subscription Agreements and the Shareholder's Loan Agreement and the transactions contemplated thereunder including, without limitation, the execution and delivery of the IAC Shareholders' Agreement, the TSL China Shareholders' Agreement and the Shareholder's Loan Agreement (as such terms are defined in each of the Subscription Agreements) upon completion of the Subscription Agreements in accordance with their terms."

- (2) "THAT subject to the passing of resolution number 1 in the Notice of Special General Meeting dated 8th August, 2002 ("Notice") of which this resolution forms part:
- (i) the directors of the Company be and are hereby authorised to repurchase all of the 22,220 6.5 per cent. convertible non-voting redeemable preference shares of US\$1,000 each in issue in capital of the Company and cancel the same; and
 - (ii) the issue of 8,733 new "A" ordinary shares of HK\$1.00 each in the capital of Infinite Assets Corporation ("IAC") and 216 new "A" ordinary shares of US\$1.00 each in the capital of Tse Sui Luen Investment (China) Limited ("TSL China"), each credited as fully paid, to Best Accurate International Limited and the issue of 66,521 new "B" ordinary shares of HK\$1.00 each in the capital of IAC, each credited as fully paid and 1,647 new "B" ordinary shares of US\$1.00 each in the capital of TSL China, each credited as fully paid, to The China Retail Fund, LDC (the "Preference Shareholder") as the consideration payable to such Preference Shareholder pursuant to the terms of the Subscription Agreements (as defined in resolution number 1 set out in the Notice) be and is hereby approved."

AS SPECIAL RESOLUTIONS

- (3) "THAT conditional upon and with effect from the date on which the Subscription Agreements (as defined in resolution number 1 of the Notice of Special General Meeting dated 8th August 2002 of which this resolution forms part) becoming unconditional in all respects:
- (i) the authorised share capital of the Company be and is hereby reduced from HK\$270,000,000 and US\$22,220,000 to HK\$270,000,000 by the repurchase and cancellation of 22,220 6.5 per cent. convertible non-voting redeemable preference shares of US\$1,000 each in the capital of the Company (the "Preference Shares");
 - (ii) following the repurchase and cancellation of the 22,220 Preference Shares pursuant to sub-paragraph (i) of this resolution, the authorised share capital of the Company be and is hereby reclassified into 1,080,000,000 ordinary shares of HK\$0.25 each (the "Ordinary Shares") and the existing 1,080,000,000 issued and unissued shares of the Company shall be deemed Ordinary Shares; and
 - (iii) the Bye-Laws of the Company be amended by:
 - (a) deleting Bye-law 3(1) and substituting therefor the following:

"The authorised share capital of the Company at the date of adoption of

this Bye-law is HK\$270,000,000 divided into 1,080,000,000 Ordinary Shares of HK\$0.25 each”; and

- (b) deleting Bye-law 3A.”
- (4) “**THAT** the variation of the Bye-laws of the Company by the extension of the maturity date of the 6.5% convertible non-voting redeemable preference shares of US\$1,000 each in the capital of the Company (the “**Preference Shares**”) from 28th February, 2002 to 31st August, 2002, and the repurchase and cancellation of the Preference Shares by means other than redemption and payment of the redemption amount to the holder of the Preference Shares as required by the Bye-laws of the Company, be and is hereby approved, confirmed and ratified.”

Dated this 31st day of August 2002.

(Sd.) Tse Tat Fung, Tommy

Tse Tat Fung, Tommy
Chairman of the Meeting

ORDINARY RESOLUTIONS
OF
TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED
(Incorporated in Bermuda with limited liability)

Passed on 5th August, 2002

At a special general meeting of the Company duly convened and held at the Ground Floor, Block B, Summit Building, 30 Man Yue Street, Hunghom, Kowloon, Hong Kong on Monday, the 5th day of August, 2002 at 3:20 p.m., the following ordinary resolutions of the Company were duly passed:-

ORDINARY RESOLUTIONS

1. **“THAT:**
 - (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase ordinary shares of HK\$0.25 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of ordinary shares of the Company which the Directors of the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
 - (c) for the purposes 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 law or the bye-laws of the Company to be held; and
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

2. “THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of HK\$0.25 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of ordinary share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of ordinary shares as scrip dividends pursuant to the bye-laws of the Company from time to time; or (iii) an issue of ordinary shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of ordinary shares or rights to acquire ordinary shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) 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 law or the bye-laws of the Company to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company 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 applicable to the Company).”

3. “**THAT** subject to the passing of Resolutions No. 1 and No. 2 set out in the notice convening the meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional ordinary shares pursuant to Resolution No. 2 set out in the notice convening this meeting be and is hereby extended by the additional thereto of an amount representing the aggregate nominal amount of ordinary shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 1 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of the said Resolution.”

(Sd.) TSE TAT FUNG, TOMMY

TSE TAT FUNG, TOMMY

Chairman

ORDINARY RESOLUTIONS
OF
TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED
(Incorporated in Bermuda with limited liability)

Passed on 7th August, 2001

At a special general meeting of the Company duly convened and held at the Ground Floor, Block B, Summit Building, 30 Man Yue Street, Hunghom, Kowloon, Hong Kong on Tuesday, the 7th day of August, 2001 at 3:05 p.m., the following ordinary resolutions of the Company were duly passed:-

ORDINARY RESOLUTIONS

1. **“THAT:**
 - (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase ordinary shares of HK\$0.25 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of ordinary shares of the Company which the Directors of the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
 - (c) for the purposes 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 law or the bye-laws of the Company to be held; and
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

2. “THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of HK\$0.25 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of ordinary share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of ordinary shares as scrip dividends pursuant to the bye-laws of the Company from time to time; or (iii) an issue of ordinary shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of ordinary shares or rights to acquire ordinary shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) 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 law or the bye-laws of the Company to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company 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 applicable to the Company).”

3. “**THAT** subject to the passing of Resolutions No. 1 and No. 2 set out in the notice convening the meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional ordinary shares pursuant to Resolution No. 2 set out in the notice convening this meeting be and is hereby extended by the addition thereto of amount representing the aggregate nominal amount of ordinary shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 1 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of the said Resolution.”

(Sd.) TSE TAT FUNG, TOMMY

TSE TAT FUNG, TOMMY

Chairman

ORDINARY RESOLUTION

OF

TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED

(Incorporated in Bermuda with limited liability)

Passed on 30th August, 2000

At a special general meeting of the Company duly convened and held at Ground Floor, Block B, Summit Building, 30 Man Yue Street, Hunghom, Kowloon on Wednesday, the 30th day of August, 2000 at 3:00 p.m., the following ordinary resolution of the Company was duly passed:-

ORDINARY RESOLUTION

“**THAT** the agreement dated 20th July, 2000 (“the Agreement”) entered into between the Company, Mr. Tse Sui Luen (“Mr. Tse”) and Mr. Qi Jian Hong (“Mr. Qi”) under which (i) the Company agrees to forgive certain accounts receivable in the amount of RMB30,929,969 (the “Accounts Receivable”) due from the PRC Trading Company (as referred to in the Company’s circular dated 14th August, 2000) to Mr. Tse Sui Luen Jewellery Trading & Distribution Limited and a deposit (the “Deposit”) of HK\$51,150,000 paid by the Company to Mr. Qi in December, 1998; (ii) Mr. Tse undertakes to pay the Company an amount equal to the sum of the Accounts Receivable and the Deposit; and (iii) Mr. Qi agrees to release Mr. Tse from his obligations under two deeds of guarantee, both dated 13th June, 1998, on the terms and conditions set out in the Agreement (a copy of which marked “A” has been produced to the meeting and signed by the chairman for the purpose of identification) together with all the transactions contemplated therein be and are hereby approved, ratified and confirmed any one Director be and is hereby authorised on behalf of the Company to do such acts and things or to execute such other documents by hand or, in the case of execution of documents under seal, to do so jointly with either the Secretary or a duly appointed representative of the Directors or a second Director which in his/her or their opinion may be necessary, desirable or expedient to carry into effect or to give effect to the terms of the Agreement, including such changes and amendments thereto as any one Director may consider necessary, desirable or expedient.”

(Sd.) TSE TAT FUNG, TOMMY

TSE TAT FUNG, TOMMY
(Chairman)

ORDINARY RESOLUTIONS

OF

TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED

(Incorporated in Bermuda with limited liability)

Passed on 28th August, 2000

At a special general meeting of the Company duly convened and held at Ground Floor, Block B, Summit Building, 30 Man Yue Street, Hunghom, Kowloon on Monday, the 28th day of August, 2000 at 3:05 p.m., the following ordinary resolutions of the Company were duly passed:-

ORDINARY RESOLUTIONS

1. “THAT:-

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase ordinary shares of HK\$0.25 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of ordinary shares of the Company which the Directors of the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes 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 law or the bye-laws of the Company to be held; and
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

2. “THAT:-

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of HK\$0.25 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of ordinary share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of ordinary shares as scrip dividends pursuant to the bye-laws of the Company from time to time; or (iii) an issue of ordinary shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of ordinary shares or rights to acquire ordinary shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) 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 law or the bye-laws of the Company to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company 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 applicable to the Company).”

3. “THAT subject to the passing of Resolutions No. 1 and No. 2 set out in the notice convening the meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional ordinary shares pursuant to Resolution No. 2 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of ordinary shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 1 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of the said Resolution.”

(Sd.) TSE SUI LUEN

TSE SUI LUEN

(Chairman)

ORDINARY RESOLUTION

OF

TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED
(Incorporated in Bermuda with limited liability)

Passed on 8th December, 1999

At a special general meeting of the Company duly convened and held at Ground Floor, Block B, Summit Building, 30 Man Yue Street, Hunghom, Kowloon at 3:00 p.m., the following resolution was duly passed as an ordinary resolution of the Company, viz:-

ORDINARY RESOLUTION

“THAT the Agreement dated 28th October, 1999 (“the Agreement”) entered into between (1) Winter Pine Co. Limited (“WP”) and (2) Well Century Holdings Limited (“WCH”) pursuant to which WP agreed to sell to WCH and WCH agreed to purchase the property known as Polly Commercial Building located at 21-23A Prat Avenue, Kowloon, Hong Kong for a total consideration of HK\$166 million on the terms and conditions set out in the Agreement (a copy of which marked “A” has been produced to the meeting and signed by the chairman for the purpose of identification) together with all the transactions contemplated therein be and are hereby approved, ratified and confirmed and the Directors be and are hereby authorised on behalf of the Company to finalise the relevant documentation and to do such acts and things which they consider desirable or expedient to implement the Agreement in accordance with its terms.”

(Sd.) TSE SUI LUEN

TSE SUI LUEN

(Chairman)

ORDINARY RESOLUTIONS

OF

TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED
(Incorporated in Bermuda with limited liability)

Passed on 10th September, 1999

At a special general meeting of the Company duly convened and held at Ground Floor, Block B, Summit Building, 30 Man Yue Street, Hunghom, Kowloon on Friday, the 10th day of September, 1999 at 3:05 p.m., the following ordinary resolutions of the Company were duly passed:-

ORDINARY RESOLUTIONS

1. "THAT:-

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase ordinary shares of HK\$0.25 each in the capital of the Company and warrants issued by the Company to subscribe for ordinary shares in the capital of the Company on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") or on any stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of ordinary shares of the Company which the Directors of the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of passing this Resolution; and the warrants of the Company which the Directors of the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate amount of the warrants of the Company outstanding as at the date of passing this Resolution; and the said approval shall be limited accordingly; and

- (c) for the purposes 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 law or the bye-laws of the Company to be held; and
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

2. “THAT:-

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of HK\$0.25 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of ordinary share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of ordinary shares as scrip dividends pursuant to the bye-laws of the Company from time to time; (iii) an issue of ordinary shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of ordinary shares or rights to acquire ordinary shares of the Company or (iv) an issue of ordinary shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into ordinary shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) 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 law or the bye-laws of the Company to be held; and

- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company 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 applicable to the Company).”

3. “THAT subject to the passing of Resolutions No. 1 and No. 2 set out in the notice convening the meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional ordinary shares pursuant to Resolution No. 2 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of ordinary shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 1 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of the said Resolution.”

(Sd.) TSE SUI LUEN

TSE SUI LUEN
(Chairman)

ORDINARY RESOLUTIONS

OF

TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED
(Incorporated in Bermuda with limited liability)

Passed on the 18th day of August, 1998

At a special general meeting of the Company duly convened and held at Ground Floor, Block B, Summit Building, 30 Man Yue Street, Hunghom, Kowloon on Tuesday, the 18th day of August, 1998 at 3:05 p.m., the following resolutions were duly passed as Ordinary Resolutions of the Company, viz:-

ORDINARY RESOLUTIONS

1. "THAT:-

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase ordinary shares of HK\$0.25 each in the capital of the Company and warrants issued by the Company to subscribe for ordinary shares in the capital of the Company on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of ordinary shares of the Company which the Directors of the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company at the date of passing this Resolution; and the warrants of the Company which the Directors of the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate amount of the warrants of the Company outstanding at the date of passing this Resolution; and the said approval shall be limited accordingly; and

- (c) for the purposes 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 the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; and
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

2. “THAT:-

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of HK\$0.25 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of ordinary share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of ordinary shares as scrip dividends pursuant to the bye-laws of the Company from time to time; (iii) an issue of ordinary shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of ordinary shares or rights to acquire ordinary shares of the Company or (iv) an issue of ordinary shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into ordinary shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued ordinary share capital of the Company at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) 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 law or the bye-laws of the Company to be

held; and

- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company 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 applicable to the Company).”

- 3. “THAT subject to the passing of Resolutions No. 1 and No. 2 set out in the notice convening the meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional ordinary shares pursuant to Resolution No. 2 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of ordinary shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 1 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company at the date of the said Resolution.”

Dated the 18th day of August, 1998.

(Sd.) TSE SUI LUEN

TSE SUI LUEN

(Chairman)

SPECIAL RESOLUTION
OF
TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED
(Incorporated in Bermuda with limited liability)

PASSED ON THE 12TH DAY OF FEBRUARY, 1998

At a Special General Meeting of the Shareholders of the above-named company (the "Company") held at Ground Floor, Block B, Summit Building, 30 Man Yue Street, Hung Hom, Kowloon, Hong Kong on the 12th day of February, 1998 at 3:30 p.m. the following Resolution was duly passed as a Special Resolution of the Company:

"THAT:-

- (A) The subscription agreement dated 31st December, 1997 entered into between the Company and The China Retail Fund, LDC and Mr. Tse Sui Luen (the "**Subscription Agreement**") in respect of the issue by the Company of 22,220 convertible non-voting redeemable preference shares of US\$1,000 each in the capital of the Company (the "**Preference Shares**"), a copy of which agreement is tabled before this meeting marked "A" and signed by the chairman of this meeting for identification, be and is hereby approved, ratified and confirmed so that this resolution shall for all purposes be an authorisation for the Company to issue the Preference Shares, any ordinary shares of HK\$0.25 each in the capital of the Company (the "**Ordinary Shares**") which may fall to be allotted and issued on conversion thereof, and subject to the Subscription Agreement becoming unconditional in accordance with its terms, the directors of the Company be and are hereby authorised to do all such things and execute all such documents as they in their absolute discretion deem fit or appropriate to give effect to the Subscription Agreement and the terms thereof, including without limitation, to issue the Preference Shares and to allot and issue Ordinary Shares and other securities of the Company in accordance with the terms thereof.
- (B) Subject to and conditional upon (i) the Listing Committee of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") granting approval for the listings of, and permission to deal in, any Ordinary Shares falling to be allotted and issued on the exercise of the Conversion Right (as defined in the Bye-laws of the Company (as amended by this Resolution)) and (ii) the Bermuda Monetary Authority granting consent to the issue of the Preference Shares and any Ordinary Shares falling to be allotted and issued upon the exercise of the Conversion Right:
- (i) the authorised share capital of the Company be and is hereby increased from HK\$270,000,000 to HK\$270,000,000 and US\$22,220,000 by the creation of 22,220 Preference Shares (as defined in paragraph (A) of this Resolution) which shall have attached thereto the respective rights and privileges and be subject to the respective restrictions set out in the Bye-laws of the Company as amended by sub-paragraph (B)(iii) of this Resolution set out below;

- (ii) following the creation of the 22,220 Preference Shares pursuant to sub-paragraph (B)(i) of this Resolution, the authorised share capital of the Company be and is hereby reclassified into 1,080,000,000 ordinary shares of HK\$0.25 each (the “**Ordinary Shares**”) and 22,220 convertible non-voting redeemable preference shares of US\$1,000 each and the existing 1,080,000,000 issued and unissued shares of the Company shall be deemed Ordinary Shares; and
- (iii) the Bye-laws of the Company be amended by:
 - (a) deleting existing Bye-law 3(1) and substituting therefor the following:

“The authorised share capital of the Company at the date of adoption of this Bye-law is the aggregate of HK\$270,000,000 and US\$22,220,000 divided into 1,080,000,000 Ordinary Shares of HK\$0.25 each and 22,220 convertible non-voting redeemable preference shares of US\$1,000 each (the “Preference Shares”).”; and
 - (b) adding the following new Bye-law 3A after Bye-law 3:

“3A. The Preference Shares shall carry the rights, benefits and privileges and be subject to the restrictions set out below:

As to conversion

- (i) At any time and from time to time during the Conversion Period, any Preference Shareholder shall be entitle to convert all (but not part only) of its Preference Shares into Ordinary Shares by serving to the Company at its head office in Hong Kong a notice in writing together with the relevant certificates for such Preference Shares whereupon the Company shall cause to be allotted and issued to such Preference Shareholder, in accordance with paragraph (ii) below, such number of Ordinary Shares as shall be equal to the aggregate Principal Amounts of such Preference Shares as divided by the Conversion Price.

Conversion of such Preference Shares as are due to be converted as aforesaid on any Conversion Date shall be effected in such manner as the Directors shall, subject to these Bye-laws and as the Statutes may allow, from time to time determine. Without prejudice to the generality of the foregoing, any Preference Share to be converted as aforesaid may be effected by redemption of such Preference Share on the relevant Conversion Date out of (aa) the capital paid up on such Preference Share (including share premium, if any) or (bb) the funds of the Company which would otherwise be available for dividend or distribution (including contributed surplus) or (cc) the proceeds of a fresh issue of shares made for the purpose, or any combination of (aa), (bb) and/or (cc), and the proceeds of redemption thereof which would otherwise be payable to the Preference Shareholder shall be deemed to be irrevocably applied by such Preference Shareholder as payment in full for the subscription of the relevant number of Ordinary Shares at the Conversion Price.

- (a) Conversion shall take effect from and as of the Conversion Date and the Company not later than fourteen (14) days next following the Conversion Date shall allot the relevant Ordinary Shares arising from the conversion and not later than ten (10) Business Days next following that allotment shall despatch certificates for such Ordinary Shares by courier service to the registered address of the relevant Preference Shareholder. All certificates for Ordinary Shares despatched pursuant to this sub-paragraph (ii)(a) shall be at the risk of the member entitled thereto.
 - (b) Conversion of any Preference Shares shall not prejudice entitlement to any accrued but unpaid Fixed Dividend thereon and/or interest accrued in respect of late payment of any Fixed Dividend. The Ordinary Shares which arise on conversion shall be credited as fully paid and rank pari passu with the Ordinary Shares in issue on the relevant Conversion Date and accordingly shall participate in all dividends or other distributions declared, paid or made on or after the relevant Conversion Date unless adjustment therefor has been made pursuant to sub-paragraph (iii) below and 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 relevant Conversion Date and notice of the amount and record date for which shall have been given to the Designated Stock Exchange prior to the relevant Conversion Date.
 - (c) The Company shall ensure that it will have sufficient authorised but unissued Ordinary Shares for the time being outstanding available to satisfy in full the Conversion Right.
 - (d) The Company will not do any act or thing which would result in any exercise of Conversion Right involving the issue of Ordinary Shares at a discount to their par value.
 - (e) For the avoidance of doubt, no Preference Share may be converted by any Preference Shareholder unless all the Preference Shares are converted by all the Preference Shareholders at the same time.
 - (f) For the purpose of calculating the number of Ordinary Shares which would fall to be issued under paragraph (i) above, United States dollars amounts shall be converted into Hong Kong dollars amounts at the exchange rate of US\$1 to HK\$7.737.
- (iii) Upon the occurrence of any corporate action, transaction or other matter affecting the Ordinary Shares (including, without limitation, any alteration to the nominal amount of each Ordinary Share by way of consolidation, subdivision or otherwise, any

bonus issue of shares (otherwise than in lieu of a cash dividend), any rights or new issue at more than a 10 per cent. discount to prevailing market price, any capital distribution, etc.), applicable adjustments to those set out in Clause 4 of the Warrant Instrument shall be made to the Conversion Price as if the same provisions were set out herein with respect to adjustments to the Conversion Price, mutatis mutandis.

As to income

- (iv) Subject to the Statutes, the Preference Shareholders shall be entitled *pari passu* as between themselves to be paid out of the distributable funds of the Company available for dividend in respect of any financial year, in priority to any dividend payable in respect of Ordinary Shares, a Fixed Dividend to be paid in United States dollars (or its equivalent in Hong Kong dollars) promptly on a semi-annual basis in respect of each Preference Share from the first date of issue thereof. Each such dividend shall (subject to the Company having sufficient funds available for distribution to cover the same and due compliance with the Statutes) *ipso facto* and without any resolution of the directors or the Company in general meeting and notwithstanding any other provision in these Bye-laws become a debt due from and immediately payable by the Company to the Preference Shareholders registered in the books of the Company on the dividend payment date concerned. Dividends on the Preference Shares shall be deemed to accrue from day to day and shall be computed on the basis of a year of 365 days and the actual number of days elapsed. Interest shall accrue and be payable on any dividends on the Preference Shares which are unpaid when due at the rate of 10 per cent. per annum compounded monthly. Dividends shall be cumulative and, accordingly, if and to the extent that the funds of the Company available for distribution are insufficient to pay the full amount of the dividend due for payment or if for any other reason all or the full amount of the dividend due for payment is not paid on the due date then, such arrears of dividend together with accrued interest shall be payable to the Preference Shareholders *pari passu* among themselves before any other dividend or distribution is made by the Company.

As to capital

- (v) On a return of capital on liquidation or otherwise (other than on redemption of the Preference Shares) the assets of the Company available for distribution among the members of the Company shall be applied, in priority to any payment to the Ordinary Shareholders in the following order and manner:
- (a) in paying to the Preference Shareholders, *pari passu* as between themselves, a sum equal to any arrears and accruals of and interest on the cumulative annual preferential dividend payable on the Preference Shares

calculated down to and inclusive of the date of return of capital, to be payable whether or not any of such dividends have been declared and whether or not the Company has sufficient distributable reserves;

- (b) in priority to any payment to the Ordinary Shareholders, pari passu as between themselves, in repayment of the Principal Amount on each of the Preference Shares;
- (c) in paying to the Ordinary Shareholders, pari passu as between themselves in repayment of the capital paid-up or credited as paid-up on each of the Ordinary Shares; and
- (d) the balance of such assets (if any) shall be distributed to the Ordinary Shareholders pari passu as between themselves.

As to redemption

- (vi) Unless previously converted in whole, subject to compliance with the Statutes, all the Preference Shares in issue on the Maturity Date will be redeemed by the Company by payment to the Preference Shareholders of an amount calculated as follows:

$$P_1 = P_0 \times (1.09)^4 - D$$

where:

- P_1 means the actual amount payable on redemption of the Preference Shares under this paragraph (vi);
- P_0 means the aggregate Principal Amounts of the Preference Shares so redeemed under this paragraph (vi) on the Maturity Date;
- D means the aggregate amount of cash dividend in the nature of income actually paid on each Preference Share between the Issue Date and the Maturity Date.

Interest shall accrue and be payable on any redemption amount under this paragraph (vi) which is unpaid when due at the rate of 10 per cent. per annum compounded monthly.

- (vii) Without prejudice to paragraph (vi) above, upon the occurrence of any of the Early Redemption Events, a Preference Shareholder may serve a notice in writing on the Company at its head office in Hong Kong to require the Company to redeem its outstanding Preference Shares referred to in such notice whereupon, subject to compliance with the Statutes, the Company shall cause to be paid within one month upon receipt of such notice an amount calculated as follows:

$$P_2 = P_0 \times (1.09)^{(Y + N/365)} - D$$

where:

- P₂ means the actual amount payable on redemption of the Preference Shares under this paragraph (vii);
- P₀ means the aggregate Principal Amounts of the Preference Shares so redeemed under this paragraph (vii);
- Y means the total number of full calendar years elapsed between the Issue Date and the date of actual payment of the redemption amount under this paragraph (vii);
- N means in relation to any redemption of the Preference Shares under this paragraph (vii) that does not fall exactly on an anniversary date of the Issue Date, the actual number of days elapsed since the last such anniversary date and the date of actual payment of the redemption amount and, in relation to any redemption of the Preference Shares under this paragraph (vii) that falls exactly on an anniversary date of the Issue Date, shall be zero; and
- D means the aggregate amount of cash dividend in the nature of income actually paid on each Preference Share between the Issue Date and the date of actual payment of the redemption amount under this paragraph (vii).

Upon the service of such notice to redeem by a Preference Shareholder, subject to compliance with the Statutes, the redemption amount shall on the date of receipt of such notice by the Company ipso facto and without any resolution of the directors of the Company or of the Company in general meeting (and notwithstanding anything else in these Bye-laws) become a debt due from the Company to that Preference Shareholder. Interest shall accrue and be payable on any redemption amount under this paragraph (vii) which is unpaid when due at the rate of 10 per cent. per annum compounded monthly. For the avoidance of doubt, any failure by a Preference Shareholder to exercise any right under this paragraph (vii) in respect of an Early Redemption Event shall not affect any of its redemption rights arising on a subsequent Early Redemption Event.

- (viii) If the Maturity Date or the day of actual payment of the redemption amount does not fall on a Business Day, the Maturity Date or the day of actual payment of the redemption amount will be deemed to be the next following Business Day.

As to Cancellation

- (ix) All Preference Shares which are redeemed by the Company will forthwith be cancelled.

As to Transfer

- (x) The Subscriber may transfer the Preference Shares to any of its Affiliated Companies. Save as aforesaid, no Preference Shareholder may sell, assign, transfer or otherwise dispose of (including the creation of an option) any Preference Shares to any third party.

As to Voting

- (xi) The Preference Shareholders shall be entitled to receive notices of general meetings of the Company and to attend thereat but shall not be entitled to vote thereat unless any Fixed Dividend on the Preference Shares shall have been unpaid for two consecutive half yearly periods or the business of the meeting includes a resolution:

- (a) for the winding-up of the Company; or
- (b) for any reduction of the capital of the Company,

in which case they will be entitled to attend and vote and on a poll to one vote for every Preference Share held by them.

Any business at a general meeting of the Company which includes resolutions affecting, altering or abrogating the rights or privileges or restrictions attached to the Preference Shares, may only be implemented with the sanction of a special resolution passed at a separate meeting of the Preference Shareholders in accordance with the provisions of these Bye-laws.

As to Payments

- (xii) Payment of dividends and moneys due on redemption to such Preference Shares shall be made by the Company posting a cheque in United States dollars (or its equivalent in Hong Kong dollars) addressed to that Preference Shareholder at its address as maintained on the Register and at its risk. Payment shall be deemed to have been made at the time of posting unless the relevant cheque is not honoured on presentation.

As to Pre-emption Rights

- (xiii) The Subscriber shall have a right of first refusal exercisable by notice in writing to the Company at any time prior to the Conversion Period, to subscribe or purchase any new issue of securities convertible into Ordinary Shares (the “convertible securities”) (whether on the same, better or worse terms than the Preference Shares) upon and subject to such terms and conditions as the Company may offer such securities to any third party. If the Subscriber shall fail to exercise its right of first refusal within fourteen (14) Business Days of receipt of notification from the Company of its intention to make a new issue of convertible

securities, such right of first refusal shall lapse in respect of the new issue in question but without prejudice to the right of first refusal of the Subscriber in respect of any subsequent new issue of convertible securities.

As to Taxation

- (xiv) All payments in respect to Preference Shares shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges or whatever nature imposed or levied by or on behalf of Bermuda or any authority therein or thereof unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law in which case the relevant payment shall be grossed up so that the Preference Shareholder receives the same net amount as if would have done had there been no withholding or deduction.

Others

- (xv) The currency of account of the Preference Shares shall be United States dollars. Save as provided in this Bye-law, where any payment or distribution is converted into Hong Kong dollars, it shall be converted at the prevailing exchange rate, being the average of the bid and offered exchange rates for the conversion of Hong Kong dollars into United States dollars quoted by Citibank N.A. in Hong Kong at close of business on the second Business Day immediately prior to the date of the relevant notice of conversion served on the Company (in the case of a conversion) or at close of business on the Business Day immediately prior to the payment of any distribution or dividends or interest payment (in the case of any distribution or dividends or interest payment).
- (xvi) In the event of any fraction of a whole number of Ordinary Shares arising upon conversion of the Preference Shares, such fraction shall be rounded up to the nearest whole number of Ordinary Shares.
- (xvii) All notices required to be served pursuant to this Bye-law 3A shall be in writing and shall be deemed to have been sufficiently served within two (2) Business Days of posting if sent by registered post, in the case of notice to the Company to its head office in Hong Kong and in the case of notice to any Preference Shareholders, to the address recorded in the Register.
- (xviii) In this Bye-law, the following expressions shall have the following meanings save as provided otherwise:

“Affiliated Companies”	in relation to the Subscriber, (i) American International Group Inc. and/or any of American International Group Inc.’s subsidiaries, and/or (ii) any funds or legal
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entities which are managed substantially by American International Group Inc. or any of its subsidiaries, or to which American International Group Inc. or any of its subsidiaries are the manager and investment advisor; for the avoidance of doubt, each of (i) and (ii) are to be construed based on circumstances existing from time to time;

“Business Day”	a day (excluding Saturdays) on which commercial banks are generally open for business in Hong Kong;
“Conversion Date”	the date on which the Company receives notice from the Preference Shareholder to exercise the Conversion Right;
“Conversion Period”	the period commencing on the day after the second anniversary of the Issue Date and expiring on the Maturity Date (both dates inclusive);
“Conversion Price”	HK\$2.25, subject to applicable adjustments in accordance with paragraph (iii) of this Bye-law;
“Conversion Right”	the right of a Preference Shareholder to convert its Preference Shares into Ordinary Shares in accordance with the terms of this Bye-law;
“Early Redemption Event”	<p>the occurrence of any of the following events:</p> <ul style="list-style-type: none">(a) the aggregate holding of Ordinary Shares in the Company beneficially owned by Mr. Tse Sui Luen and any of his associates (as defined by the rules, where applicable, of any Designated Stock Exchange), becoming less than forty per cent. (40%) of the issued share capital of the Company as represented by Ordinary Shares from time to time save with the prior written consent of the Subscriber;(b) the cancellation of the listing of any class of the securities of the Company on the Stock Exchange or a suspension of trading of any such

securities on the Stock Exchange for a continuous period of three consecutive months or more;

- (c) the Company defaulting in performance or observance or compliance with any of its obligations under the Subscription Agreement (including without prejudice to the generality of the foregoing any breach and/or inaccuracy of any of the Warranties (as defined in the Subscription Agreement) which breach is in the reasonable opinion of the Subscriber material to a subscriber for the Preference Shares) or in the terms of issue of the Preference Shares which default is incapable of remedy or, if capable of remedy, is not in the reasonable opinion of the Subscriber remedied within thirty (30) days after notice of such default shall have been given to the Company by the Subscriber;
- (d) any borrowings by the Company or any of its subsidiaries not being paid when due, or any event of default occurring under the provisions governing any such borrowings and, if capable of remedy, is not remedied within any applicable grace period thereunder;
- (e) the Company or any of its subsidiaries failing to pay when due or expressed to be due, any amounts payable or expressed to be payable by it under any present or future guarantee for any moneys borrowed from or raised through a financial institution and, if capable of remedy, is not remedied, within any application grace period thereunder;
- (f) an encumbrancer taking possession or a receiver, manager or other similar officer being appointed of the whole or any part of the undertaking, property, assets or revenues of the Company or any of its subsidiaries;

- (g) the Company or any of its subsidiaries is declared insolvent or is unable to pay its debts as they fall due or applying for or consenting to or suffering the appointment of any administrator, liquidator or receiver of the Company or any of its subsidiaries over the whole or any part of the undertaking, property, assets or revenues of the Company or any of its subsidiaries or taking any proceeding under any law for a readjustment or deferment of its obligations or any part of them or making or entering into a general assignment or compromise with or for the benefit of its creditors;
- (h) an order being made or an effective resolution passed for winding-up of the Company or any of its subsidiaries (save for the purpose of a solvent reconstruction or amalgamation with the prior consent of the Subscriber);
- (i) a moratorium being agreed or declared in respect of any indebtedness of the Company or any of its subsidiaries;
- (j) any governmental authority or agency of any jurisdiction condemning, seizing, compulsorily purchasing or expropriating all or a substantial part of the assets of the Company or any of its subsidiaries or placing any restriction on the Company or any of its subsidiaries whether by way of cancellation of, or the imposition of conditions on, any licenses of such companies, or otherwise howsoever, which materially and adversely affects the right and/or ability of any such companies to carry on business and which situation is not rectified within thirty (30) Business Days;
- (k) any two or more of Mr. Tse Sui Luen, Ms. Tse Wing Yee, Winnie and Mr. Tse Tat Fung, Tommy ceases or cease to actively, on a full

time basis, manage the Group and its businesses; and

- (l) there is any material adverse change (in the reasonable opinion of the Subscriber) to the prospects of the Group's jewellery retailing business in the People's Republic of China (excluding Hong Kong and Macau);

“Fixed Dividend”	in relation to each Preference Share, a fixed cumulative preferential dividend in United States dollars (or its equivalent in Hong Kong dollars) payable thereon to the Preference Shareholder at the rate of 6.5 per cent. per annum on the Principal Amount;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the People's Republic of China;
“HK\$” or “Hong Kong dollars”	the legal currency of Hong Kong;
“Issue Date”	the date of allotment and issue of the Preference Shares pursuant to the Subscription Agreement;
“Maturity Date”	the date falling exactly on the fourth (4th) anniversary after the Issue Date;
“Ordinary Share(s)”	the share(s) of HK\$0.25 each or such other nominal value for the time being in the capital of the Company which are listed or are to be listed on the Stock Exchange;
“Ordinary Shareholder(s)”	registered holder(s) of Ordinary Share(s);
“Preference Shareholder”	a person registered from time to time in the Register as a holder of the Preference Shares;
“Preference Shares”	22,220 convertible non-voting redeemable preference shares of US\$1,000 each to be issued by the Company to the Subscriber pursuant to the Subscription Agreement;

“Principal Amount”	in relation to each Preference Share, US\$1,000;
“Subscriber”	The China Retail Fund, LDC, a limited duration company incorporated in the Cayman Islands, so long as it holds any Preference Shares;
“Subscription Agreement”	the subscription agreement dated 31st December, 1997 and entered into between the Company, the Subscriber and Mr. Tse Sui Luen;
“US\$” or “United States dollars”	the legal currency of the United States of America;
“Warrant Instrument”	the warrant instrument dated 29th April, 1997 and executed by way of deed poll by the Company in respect of the Warrants; and
“Warrants”	warrants in units of HK\$3.15 of subscription rights issued by the Company, conferring rights to subscribe new Ordinary Shares in cash at the subscription price of HK\$2.20 per Ordinary Share (subject to adjustments) from 29th April, 1997 to 31st October, 1999 (both dates inclusive).

- (xix) Where the phrase “subject to compliance with the Statutes” or any similar phrase is used in this Bye-law, it shall be deemed to be implied that requisite action to give effect to the intention of the relevant provision shall be taken by the Directors to the maximum extent permissible under the Statutes.” ”

(Sd.) TSE SUI LUEN

TSE SUI LUEN

Chairman

ORDINARY RESOLUTIONS

OF

TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED

(Incorporated in Bermuda with limited liability)

PASSED ON THE 20TH DAY OF NOVEMBER, 1997

At a Special General Meeting of the Shareholders of the above-named company (the "Company") held at Ground Floor, Block B, Summit Building, 30 Man Yue Street, Hunghom, Kowloon, Hong Kong on the 20th day of November, 1997 at 4:15 p.m. the following resolutions were duly passed as a Ordinary Resolutions of the Company, viz:

Ordinary Resolutions

1. "THAT the authorised share capital of the Company be and is hereby increased from HK\$135,000,000 dividend into 540,000,000 shares of HK\$0.25 each (the "Shares") to HK\$270,000,000 dividend into 1,080,000,000 Shares by the creation of 540,000,000 additional Shares, such Shares to rank *pari passu* in all respects with the existing issued Shares."
2. "THAT, subject to the passing of Resolution No. 4 in the notice convening this meeting, the Existing General Mandate (as defined in the circular dated 3rd November, 1997 to the shareholders and, for information only, warrant holders of the Company (the "Circular")) be and is hereby revoked to the extent that such authority has not been exercised."
3. "THAT, subject to the passing of Resolution No. 5 in the notice convening this meeting, the Existing Top-up Mandate (as defined in the Circular) be and is hereby revoked to the extent that such authority has not been exercised."
4. "THAT:
 - (a) subject to paragraph (c) below, the exercise by the directors of the Company (the "Directors") during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such power after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital 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; (ii) an issue of Shares as scrip dividends pursuant to the bye-laws of the Company (the “Bye-laws”) from time to time; (iii) an issue of Shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights of the Company or (iv) an issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company, shall not exceed the aggregate of (aa) 20 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing the Resolution and (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of the issued share capital of the Company repurchased by the Company pursuant to the Existing Repurchase Mandate (as defined in the Circular) subsequent to the date of passing this Resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing the Existing Repurchase Mandate (as defined in the Circular) as enlarged by the issue of Shares pursuant to the Bonus Issue (as defined in the Circular)), and the said approval shall be limited accordingly;

(d) 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 law or the Bye-laws to be held;
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of such Shares as at that date (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 applicable to the Company).”

5. “**THAT** the Directors be and they are hereby authorised to exercise all the powers of the Company referred to in paragraph (a) of Resolution No. 4 in the notice convening this meeting in respect of the nominal amount of the issued share capital of the Company referred to in paragraph (c)(bb) of the said Resolution No. 4.”

6. “**THAT**, in addition and without prejudice to the Existing Warrant Issue Mandate (as defined in the Circular), the Directors be and they are hereby authorised to exercise all the powers of the Company referred to allot, issue and deal with additional Shares which may fall to be issued pursuant to the exercise of the subscription rights attached to the Warrants (as defined in the Circular).”

(Sd.) TSE SUI LUEN

TSE SUI LUEN

Chairman

SPECIAL RESOLUTION
OF
TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED
(Incorporated in Bermuda with limited liability)

Passed on the 29th day of July, 1996

At a special general meeting of the shareholders of the Company duly convened and held at Ground Floor, Block B, Summit Building, 30 Man Yue Street, Hunghom, Kowloon at 11:35 a.m., the following resolution was duly passed as a Special Resolution of the Company, viz:-

SPECIAL RESOLUTION

“THAT the existing bye-laws of the Company be and are hereby amended in the following manner:-

(a) Bye-law 1

by adding the following new definition after the existing definition “clear days”

““Clearing House” means a recognized Clearing House within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of Laws of Hong Kong) or a Clearing House or authorized share depository recognized by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.”

(b) Bye-law 19

by replacing the words “within twenty-one (21) days” with the words “within ten (10) business days”

(c) Bye-law 20(2)

by deleting the words “not exceeding \$2 or such other maximum amount”

(d) Bye-law 78

by replacing the last two sentences with the following:-

“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. In addition, a proxy or proxies representing either an individual Member 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.”

(e) Bye law 84

- (i) by adding the following sentence to the end of the bye-law:-

“Nothing contained in this Bye-law shall prevent a corporation which is a Member from appointing one or more proxies to represent it pursuant to Bye-law 78.”

- (ii) by re-numbering the bye-law 84 as bye-law 84(A) and adding the following new paragraph (B):-

“(B) If a Clearing House (or its nominee) is a Member of the Company, it may appoint such person or persons as it thinks fit to act as its proxy or proxies or as its corporate representative or, if it is permitted by the Act, corporate representatives at any meeting of the Company or at any meeting of any class of Members of the Company provided that, if more than one proxy or corporate representative is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy or corporate representative is so appointed. A person so appointed under the provisions of this Bye-law shall be entitled to exercise the same powers on behalf of the Clearing House (or its nominee) which he represents as that Clearing House (or its nominee) could exercise as if it were an individual Member of the Company including the right to vote individually on a show of hands.”

(f) Bye-law 84A

by deleting the bye-law 84A entirely.

Dated the 29th day of July, 1996.

(Sd.) TSE SUI LUEN
(Chairman)

SPECIAL RESOLUTION

OF

TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED
(Incorporated in Bermuda with limited liability)

Passed on the 25th day of June, 1994

At a Special General Meeting of the Company duly convened and held at Small Connaught Room, 1st Floor, Mandarin Oriental Hotel, 5 Connaught Road Central, Hong Kong on Saturday, the 25th day of June, 1994 at 10:35 a.m., the following resolution was duly passed as a Special Resolution of the Company, viz:-

SPECIAL RESOLUTION

“THAT the Bye-Laws of the Company be and are hereby altered by adding the following new Bye-Law No. 84A after the existing Bye-Law No. 84:-

84A. If a recognized clearing house within the meaning of section 2 of the Securities (Clearing Houses) Ordinance of Hong Kong (or its nominee) is a member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorize such person or persons as it thinks fit to act as its representative or representatives 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 authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized. A person so authorized shall be entitled to exercise the same powers on behalf of the recognized clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise if it were an individual shareholder of the Company.”

(Sd.) Tse Sui Luen
(Chairman)

ORDINARY RESOLUTIONS

OF

TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED

(Incorporated in Bermuda with limited liability)

Passed on 20th day of August, 1993.

At a Special General Meeting of Shareholders of the Company duly convened and held at Small Connaught Room, 1st Floor, Mandarin Oriental Hotel, 5 Connaught Road Central, Hong Kong, on Friday, 20th August, 1993 at 3:10 p.m. the following resolutions were duly passed as Ordinary Resolutions of the Company, viz:-

ORDINARY RESOLUTIONS

1. "THAT:-
 - (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot and issue or grant shares in the capital of the Company or securities convertible into such shares, or options, warrants or similar rights to subscribe for any shares or such convertible securities, and to make or grant offers, agreements and options which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) of this Resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements or options which would or might require the exercise of such power after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue, (ii) the exercise of the subscription rights under the warrants to subscribe for shares of the Company or any share option scheme as may be adopted by the Company or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on the shares of the Company in accordance with the Bye-laws of the Company from time to time shall not exceed the aggregate of:-
 - (i) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution; plus
 - (ii) (if the directors of the Company are so authorised by a separate ordinary resolution or the shareholders of the Company) the

aggregate nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent. of the aggregate amount of the share capital of the Company in issue at the date of passing this Resolution), and the said approval be limited accordingly; and

(d) 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 law or 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 in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Company or by the directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the directors of the Company 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).”

2. “THAT:-

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase shares in the capital of the Company and warrants to subscribe for shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the directors of the Company to purchase shares in the capital of the Company and warrants to subscribe for shares of the Company at such price and terms as the directors of the Company may at their absolute discretion determine;
- (c) the aggregate nominal amount of share capital of the Company and the warrants to subscribe for shares of the Company to be purchased or agreed conditionally or unconditionally to be purchased by the directors of the

Company on The Stock Exchange of Hong Kong Limited or on any other stock exchange recognised for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue and 10 per cent of the outstanding warrants of the Company on the date of passing this Resolution respectively, and the said approval be limited accordingly; and

- (d) 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 law 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 in general meeting.”
3. “THAT conditionally upon Ordinary Resolutions Nos. 1 and 2 set out in the notice of this meeting being passed, the aggregate nominal amount of the number of shares in the capital of the Company, which shall have been repurchased by the Company upon Ordinary Resolution No. 2 set out in the notice of this meeting being passed, shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to Ordinary Resolution No. 1 set out in the notice of this meeting.”
4. “THAT the share option scheme proposed to be adopted by the Company produced to this meeting and for the purpose of identification marked “A” and signed by the Chairman hereof be and the same is hereby approved and the directors of the Company be authorised to grant options thereunder and to allot, issue and deal with shares in the capital of the Company pursuant thereto.”
5. “THAT the creation and issue of an option to subscribe for shares of HK\$0.25 each in the capital of the Company (“Option”) pursuant to the terms and conditions of a conditional option deed dated 8th July, 1993 between the Company and Mr. Kelly Kenan Knight (“the Deed”), a certified true copy of which is produced to this meeting and for the purpose of identification marked “B” and signed by the Chairman, be approved and the directors of the Company be and are hereby authorised to take all steps necessary to issue the Option and shares in the capital of the Company upon exercise of the Option pursuant to the terms and conditions contained in the Deed, and to discharge the obligations of the Company arising from time to time under the terms and conditions of the Deed.”
6. “THAT conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of and permission to deal in the shares to be issued by the Company pursuant to this Resolution:-

- (a) upon the recommendation of the directors of the Company it is desirable to capitalise the sum of HK\$12,517,858.75 being part of the amount standing to the credit of the contributed surplus account of the Company and accordingly the directors of the Company be authorised and directed to appropriate the said sum in paying up in full 50,071,435 of the unissued ordinary shares of HK\$0.25 each in the capital of the Company, such shares to be allotted and distributed, credited as fully paid up, to and amongst holders of ordinary shares of HK\$0.25 each in the capital of the Company standing in the register of members of the Company at close of business on 20th August, 1993 in the proportion of 1 new share for every 5 existing issued shares held on that date and that such shares shall not rank for the final dividend in respect of the year ended 28th February, 1993 but shall rank for all other purposes *pari passu* with the existing issued ordinary shares of the Company; but so that no such holders shall be entitled to a fraction of a new share and that all new shares representing fractions shall be allotted to a nominee on trust to sell the same for the benefit of the Company; and
- (b) the directors of the Company be authorised to do all acts and things as may be necessary and expedient in connection with the bonus issue of new shares referred to in paragraph (a) of this Resolution including, but not limited to, adjusting the amount to be capitalised out of the contributed surplus account and the number of unissued shares to be allotted and distributed in the manner referred to in paragraph (a) of this Resolution as a result of the issue of additional shares after 20th July, 1993 and up to 20th August, 1993 upon exercise of the subscription rights attaching to outstanding 1994 warrants.”

(Sd.) TSE SUI LUEN

TSE SUI LUEN
(CHAIRMAN)

ORDINARY RESOLUTIONS

OF

TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED *(Incorporated in Bermuda with limited liability)*

passed on the 1st day of September, 1992

At a Special General Meeting of the Shareholders of the Company duly convened and held at Ground Floor, Block B, Summit Building, 30 Man Yue Street, Hunghom, Kowloon, Hong Kong on 1st September, 1992, the following resolutions were duly passed as Ordinary Resolutions of the Company, viz:-

RESOLUTION NO. 1

“THAT:-

- (A) the Scheme of Arrangement (the “Scheme”) dated 17th July, 1992 between Tse Sui Luen Jewellery (Holdings) Limited (“TSL”), the controlling shareholder of the Company, and holders of the Scheme Shares (as defined in the Scheme) in the form of the print contained in a composite document (the “Scheme Document”), a copy of which is produced to this meeting and for the purpose of identification is marked as “A” and signed by the Chairman hereof, with any modification thereof or addition thereto or condition approved or imposed by the Court, be and the same is hereby approved and the Directors of the Company be and are hereby authorised and directed to do all corporate acts and take such other steps and actions as may be necessary and expedient to assist TSL to effect the same;
- (B) the Warrant Proposals (as defined and described in the Scheme Document) be and the same are hereby approved and the Directors of the Company be and are hereby authorised and directed to do all corporate acts and take such other steps and actions as may be necessary and expedient to assist TSL to effect the same;
- (C) for the purpose of giving effect to the Scheme:-
 - (i) the authorised share capital of the Company be and is hereby increased from HK\$100,000 consisting of 400,000 shares of HK\$0.25 each to HK\$135,000,000 consisting of 540,000,000 shares of HK\$0.25 by the creation of 539,600,000 shares of HK\$0.25 each;
 - (ii) in consideration of and subject to TSL’s cancellation of the Scheme Shares and the allotment and issue by TSL to TSL Investment (B.V.I.) Limited (“TSL Investment”) of the New Company Shares (as defined in the Scheme), and in exchange for the allotment and issue by TSL Investment of 999 shares of HK\$1.00 each to the Company on the Effective Date (as defined in the Scheme), the Company be and is hereby authorised and directed to allot and issue 249,957,179 shares of HK\$0.25 each, credited as fully paid, to the persons who are holders of Scheme Shares, as appearing in the register of members of TSL as at 4:00 p.m. (Hong Kong

time) on the business day immediately preceding the Effective Date, in the proportion, subject to clause 5 of the Scheme, of one share for every five Scheme Shares held by such holders;

- (iii) to credit the excess value of the shares in TSL Investment acquired by the Company over the nominee value of the 249,957,179 shares of HK\$0.25 each issued by the Company referred to in (ii) above to the contributed surplus account of the Company, and an amount of HK\$100,000 be capitalised from the contributed surplus account to apply towards payment in full at par of the 400,000 shares of HK\$0.25 each of the Company (the “Existing TSL International Shares”) allotted and issued nil paid on 21st May, 1992;
- (iv) in further consideration of and subject to (ii) and (iii) above, the Company be and is hereby further authorised and directed to approve the transfer of the Existing TSL International Shares, to such holders of the Scheme Shares as the Company may direct in accordance with, and subject to, paragraphs 3 and 5 of the Scheme;

(D) For the purpose of giving effect to the Warrant Proposals:-

- (i) the terms and conditions of the warrant instrument relating to the TSL International 92 Warrants (as defined and described in the Scheme Document) in the form produced to the meeting and for the purpose of identification marked as “B” and signed by the Chairman hereof, be and is hereby approved and adopted, and the directors of the Company be authorised to take such steps as may be necessary to implement the TSL International 92 Warrants and to do all acts and deeds pursuant thereto, including but not limited to the creation and issue of the TSL International 92 Warrants to the holders of the TSL 92 Warrants (as defined in the Scheme Document) on the basis of one TSL International 92 Warrant for every TSL 92 Warrant held by such holder and, upon the exercise of the subscription rights attaching to the TSL International 92 Warrants, the allotments and issue of shares in the Company;
- (ii) the terms and conditions of the warrant instrument relating to the TSL International 94 Warrants (as defined and described in the Scheme Document) in the form produced to the meeting and for the purpose of identification marked as “C” and signed by the Chairman hereof, be and is hereby approved and adopted, and the directors of the Company be authorised to take such steps as may be necessary to implement the TSL International 94 Warrants and to do all acts and deeds pursuant thereto, including but not limited to the creation and issued of the TSL International 94 Warrants to the holders of the TSL 94 Warrants (as defined in the Scheme Document) on the basis of one TSL International 94 Warrant for every TSL 94 Warrant held by such holder and, upon the exercise of the subscription rights attaching to the TSL International 94 Warrants, the allotment and issue of shares in the Company.

RESOLUTION NO. 2

“THAT the existing Bye-laws of the Company be and are hereby repealed and, in its place, the proposed regulations contained in the document marked as “D” produced to

this meeting and for the purpose of identification signed by the Chairman in substitution of the existing Bye-laws be and the same are hereby approved which approval shall take immediate effect hereof.”

WONG WAI KWAN, ANITA
(Chairman)

FORM NO. 6

BERMUDA

CERTIFICATE OF INCORPORATION

I hereby in accordance with the provisions of section 14 of the Companies Act, 1981, issue this Certificate of Incorporation and do certify that on the 4th day of May 1992

Tse Sui Luen Jewellery (International) Limited

was registered by me in the Register maintained by me under the provisions of the said section and that the status of the said company is that of a ~~local~~/exempted company.

Given under my hand this 4th day of May 1992



(Sd.)
for Registrar of Companies

FORM NO. 1a

BERMUDA

THE COMPANIES ACT 1981

CONSENT

Pursuant to section 6 (1)

In exercise of the powers conferred upon him by section 6 (1) of the Companies Act 1981, the Minister of Finance hereby gives his consent to

Tse Sui Luen Jewellery (International) Limited

to be registered as a ~~local~~/exempted Company under the Companies Act 1981, subject to the provisions of the said Act.

Dated this 30th day of April, 1992

(Sd.)
Minister of Finance

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

Tse Sui Luen Jewellery (International) Limited
(hereinafter referred to as “the Company”)

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

NAME	ADDRESS	BERMUDIAN NATIONALITY STATUS (Yes/No)	NUMBER OF SHARES SUBSCRIBED
James A. Pearman	Clarendon House 2 Church Street Hamilton HM 11 Bermuda	Yes	British One Share
C.F. Alexander Cooper	Clarendon House 2 Church Street Hamilton HM 11 Bermuda	Yes	British One Share
Richard S.L. Pearman	Clarendon House 2 Church Street Hamilton HM 11 Bermuda	Yes	British One Share

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

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

nil

5. The Company does not propose to carry on business in Bermuda.
- 6.* The authorised share capital of the Company is the aggregate of HK\$375,000,000 divided into 1,500,000,000 ordinary shares of HK\$0.25 each.
7. The objects for which the Company is formed and incorporated are–
 - 1) to act and to perform all the functions of a holding company in all its branches and to co-ordinate the policy and administration of any subsidiary company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled directly or indirectly by the Company;
 - 2) to act as an investment company and for that purpose to acquire and hold upon any terms and, either in the name of the Company or that of any nominee, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company wherever incorporated or carrying on business, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to make payments thereon as called up or in advance of calls or otherwise and to subscribe for the same, whether conditionally or absolutely, and to hold the same with a view to investment, but with the power to vary any investments, and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof, and to invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may be from time to time determined;

**By an ordinary resolution passed on 1st September, 1992, the authorised share capital was increased from HK\$100,000 to HK\$135,000,000 consisting of 540,000,000 shares of HK\$0.25 each.*

**By an ordinary resolution passed on 20th November, 1997, the authorised share capital was increased from HK\$135,000,000 to HK\$270,000,000 consisting of 1,080,000,000 shares of HK\$0.25 each.*

**By a special resolution passed on 12th February, 1998, the authorised share capital was increased from HK\$270,000,000 to HK\$270,000,000 and US\$22,220,000 by the creation of 22,220 convertible non-voting redeemable preference shares of US\$1,000 each. Following the creation of the 22,220 convertible non-voting redeemable preference shares of US\$1,000 each, the authorised share capital was reclassified into 1,080,000,000 ordinary shares of HK\$0.25 each and 22,220 convertible non-voting redeemable preference shares of US\$1,000 each.*

**By a special resolution passed on 31st August, 2002, the authorised share capital was reduced from HK\$270,000,000 and US\$22,220,000 to HK\$270,000,000 by the repurchase and cancellation of 22,220 6.5 per cent. convertible non-voting redeemable preference shares of US\$1,000 each.*

**By a special resolution passed on 18th November, 2004, the authorised share capital was increased from HK\$270,000,000 to HK\$375,000,000 by the creation of 420,000,000 new Adjusted Shares.*

- 3) as set out in paragraphs (b) to (n) and (p) to (t) inclusive of the Second Schedule to the Companies Act 1981;
 - 4) to enter into any guarantee, contract of indemnity or suretyship and to assure support or secure with or without consideration or benefit the performance of any obligations of any person or persons and to guarantee the fidelity of individuals filling or about to fill situations of trust or confidence.
8. Powers of the Company:
- 1) the Company shall, pursuant to Section 42 of the Companies Act 1981, have the power to issue preference shares which are, at the option of the holder, liable to be redeemed;
 - 2) the Company shall, pursuant to Section 42A of the Companies Act 1981, have the power to purchase its own shares;
 - 3) the Company shall have the power to grant pensions, annuities, or other allowances, including allowances on death, to or for the benefit, of any directors, officers or employees or former directors, officers or employees of the Company or any company which at any time is or was a subsidiary or a holding company or another subsidiary of a holding company of the Company or otherwise associated with the Company or of any predecessor in business of any of them, and to the relations, connections or dependants of any such persons, and to other persons whose service or services have directly or indirectly been of benefit to the Company or whom the Company considers have any moral claim on the Company or to their relations, connections or dependants, and to establish or support or aid in the establishment or support of any associations, institutions, clubs, schools, building and housing schemes, funds and trusts, and to make payments toward insurance or other arrangements likely to benefit any such persons or otherwise advance the interests of the Company or of its Members, and to subscribe, guarantee or pay money for any purpose likely, directly or indirectly, to further the interests of the Company or of its Members or for any national, charitable, benevolent, educational, religious, social, public, general or useful object;
 - 4) the Company shall not have the powers set out in paragraphs 1 and 8 of the First Schedule to the Companies Act 1981.

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

(Sd.) James A. Pearman

(Sd.) Coralie Hayward

(Sd.) C.F.A. Cooper

(Sd.) Coralie Hayward

(Sd.) Richard S.L. Pearman
(Subscribers)

(Sd.) Coralie Hayward
(Witnesses)

SUBSCRIBED this Twenty-seventh day of April 1992

THE COMPANIES ACT 1981

FIRST SCHEDULE

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

- ~~1. to carry on any other business capable of being conveniently carried on in connection with its business or likely to enhance the value of or making profitable any of its property or rights;~~
2. to acquire or undertake the whole or any part of the business, property and liabilities of any person carrying on any business that the company is authorized to carry on;
3. to apply for register, purchase, lease, acquire, hold, use, control, licence, sell, assign or dispose of patents, patent rights, copyrights, trade marks, formulae, licences, inventions, processes, distinctive marks and similar rights;
4. to enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise with any person carrying on or engaged in or about to carry on or engage in any business or transaction that the company is authorized to carry on or engage in or any business or transaction capable of being conducted so as to benefit the company;
5. to take or otherwise acquire and hold securities in any other body corporate having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as to benefit the company;
6. subject to section 96 to lend money to any employee or to any person having dealings with the company or with whom the company proposes to have dealings or to any other body corporate any of whose shares are held by the company;
7. to apply for, secure or acquire by grant, legislative enactment, assignment, transfer, purchase or otherwise and to exercise, carry out and enjoy any charter, licence, power, authority, franchise, concession, right or privilege, that any government or authority or any body corporate or other public body may be empowered to grant, and to pay for, aid in and contribute toward carrying it into effect and to assume any liabilities or obligations incidental thereto;
- ~~8. to establish and support or aid in the establishment and support of associations, institutions, funds or trusts for the benefit of employees or former employees of the company or its predecessors, or the dependants or connections of such employees or former employees, and grant pensions and allowances, and make payments towards insurance or for any object similar to those set forth in this paragraph, and to subscribe or guarantee money for charitable, benevolent, educational or religious objects or for any exhibition or for any public, general or useful objects;~~
9. to promote any company for the purpose of acquiring or taking over any of the property and liabilities of the company or for any other purpose that may benefit the company;
10. to purchase, lease, take in exchange, hire or otherwise acquire any personal property and any rights or privileges that the company considers necessary or convenient for the purposes of its business;

11. to construct, maintain, alter, renovate and demolish any buildings or works necessary or convenient for its objects;
12. to take land in Bermuda by way of lease or letting agreement for a term not exceeding twenty-one years, being land "*bona fide*" required for the purposes of the business of the company and with the consent of the Minister granted in his discretion to take land in Bermuda by way of lease or letting agreement for a similar period in order to provide accommodation or recreational facilities for its officers and employees and when no longer necessary for any of the above purposes to terminate or transfer the lease or letting agreement;
13. except to the extent, if any, as may be otherwise expressly provided in its incorporation Act or memorandum and subject to the provisions of this Act every company shall have power to invest the moneys of the Company by way of mortgage of real or personal property of every description in Bermuda or elsewhere and to sell, exchange, vary, or dispose of such mortgage as the company shall from time to time determine;
14. to construct, improve, maintain, work, manage, carry out or control any roads, ways, tramways, branches or sidings, bridges, reservoirs, watercourses, wharves, factories, warehouses, electric works, shops, stores and other works and conveniences that may advance the interests of the company and contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof;
15. to raise and assist in raising money for, and aid by way of bonus, loan, promise, endorsement, guarantee or otherwise, any person and guarantee the performance or fulfilment of any contracts or obligations of any person, and in particular guarantee the payment of the principal of and interest on the debt obligations of any such person;
16. to borrow or raise or secure the payment of money in such manner as the company may think fit;
17. to draw, make accept, endorse, discount, execute and issue bills of exchange, promissory notes, bills of lading, warrants and other negotiable or transferable instruments;
18. when properly authorized to do so, to sell, lease, exchange or otherwise dispose of the undertaking of the company or any part thereof as an entirety or substantially as an entirety for such consideration as the company thinks fit;
19. to sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with the property of the company in the ordinary course of its business;
20. to adopt such means of making known the products of the company as may seem expedient, and in particular by advertising, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes and rewards and making donations;
21. to cause the company to be registered and recognized in any foreign jurisdiction, and designate persons therein according to the laws of that foreign jurisdiction or to represent the company and to accept service for and on behalf of the company of any process or suit;

22. to allot and issue fully-paid shares of the company in payment or part payment of any property purchased or otherwise acquired by the company or for any past services performed for the company;
23. to distribute among the members of the company in cash, kind, specie or otherwise as may be resolved, by way of dividend, bonus or in any other manner considered advisable, any property of the company, but not so as to decrease the capital of the company unless the distribution is made for the purpose of enabling the company to be dissolved or the distribution, apart from this paragraph, would be otherwise lawful;
24. to establish agencies and branches;
25. to take or hold mortgages, hypothecs, liens and charges to secure payment of the purchase price, or of any unpaid balance of the purchase price, of any part of the property of the company of whatsoever kind sold by the company, or for any money due to the company from purchasers and others and to sell or otherwise dispose of any such mortgage, hypothec, lien or charge;
26. to pay all costs and expenses of or incidental to the incorporation and organization of the company;
27. to invest and deal with the moneys of the company not immediately required for the objects of the company in such manner as may be determined;
28. to do any of the things authorized by this subsection and all things authorized by its memorandum as principals, agents, contractors, trustees or otherwise, and either alone or in conjunction with others;
29. to do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the company.

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

THE COMPANIES ACT 1981

SECOND SCHEDULE

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

- (a) ~~insurance and re insurance of all kinds;~~
- (b) packaging of goods of all kinds;
- (c) buying, selling and dealing in goods of all kinds;
- (d) designing and manufacturing of goods of all kinds;
- (e) mining and quarrying and exploration for metals, minerals, fossil fuels and precious stones of all kinds and their preparation for sale or use;
- (f) exploring for, the drilling for, the moving, transporting and refining petroleum and hydro carbon products including oil and oil products;
- (g) scientific research including the improvement, discovery and development of processes, inventions, patents and designs and the construction, maintenance and operation of laboratories and research centres;
- (h) land, sea and air undertakings including the land, ship and air carriage of passengers, mails and goods of all kinds;
- (i) ships and aircraft owners, managers, operators, agents, builders and repairers;
- (j) acquiring, owning, selling, chartering, repairing or dealing in ships and aircraft;
- (k) travel agents, freight contractors and forwarding agents;
- (l) dock owners, wharfingers, warehousemen;
- (m) ship chandlers and dealing in rope, canvas oil and ship stores of all kinds;
- (n) all forms of engineering;
- (o) ~~development, operating, advising or acting as technical consultants to any other enterprise or business;~~
- (p) farmers, livestock breeders and keepers, graziers, butchers, tanners and processors of and dealers in all kinds of live and dead stock, wool, hides, tallow, grain, vegetables and other produce;
- (q) acquiring by purchase or otherwise and holding as an investment inventions, patents, trade marks, trade names, trade secrets, designs and the like;
- (r) buying, selling, hiring, letting and dealing in conveyances of any sort;

- (s) employing, providing, hiring out and acting as agent for artists, actors, entertainers of all sorts, authors, composers, producers, engineers and experts or specialists of any kind; and
- (t) to acquire by purchase or otherwise hold, sell, dispose of and deal in real property situated outside Bermuda and in personal property of all kinds wheresoever situated.

BYE-LAWS

of

TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED

(Adopted at Special General Meeting held on 1st September, 1992)

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INTERPRETATION

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

WORD	MEANING
“Act”	The Companies Act 1981 of Bermuda, as amended from time to time.
#“associates”	in relation to any Director, chief executive or substantial shareholder, such meaning as assigned to it by the Listing Rules.
“Auditor”	the auditor of the Company for the time being and may include any individual or partnership.
“Bye-laws”	these Bye-laws in their present form or as supplemented or amended from time to time.
“Board” or “Directors”	the Board of Directors of the Company or the Directors present at a meeting of Directors at which a quorum is present.
“capital”	the share capital from time to time of the Company.
“clear days”	in relation to the period of a notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
* “Clearing House”	a recognized Clearing House within the meaning of Section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) or a Clearing House or authorized share depository recognized by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.
“Company”	Tse Sui Luen Jewellery (International) Limited.
“competent regulatory authority”	a competent regulatory authority in the territory where the shares of the Company are listed or quoted on a stock exchange in such territory.
“debenture” and “debenture holder”	include debenture stock and debenture stockholder respectively.
“Designated Stock Exchange”	a stock exchange which is an appointed stock exchange for the purpose of the Act in respect of which the shares of the Company are listed or quoted and where such appointed stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company.
“dollars” and “\$”	dollars, the legal currency of Hong Kong.
“head office”	such office of the Company as the Directors may from time to time determine to be the principal office of the Company.

**As amended by Special Resolutions passed on 29th July, 1996 and 29th August, 2003.*

#As amended by Special Resolution passed on 11th August, 2004.

#“Hong Kong”	shall mean the Hong Kong Special Administrative Region of the People’s Republic of China.
#“Listing Rules”	shall mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).
“Member”	a duly registered holder from time to time of the shares in the capital of the Company.
“month”	a calendar month.
“Notice”	written notice unless otherwise specifically stated and as further defined in these Bye-laws.
“Office”	the registered office of the Company for the time being.
“paid up”	paid up or credited as paid up.
“Register”	the principal register and where applicable, any branch register of Members of the Company to be kept pursuant to the provisions of the Act.
“Registration Office”	in respect of any class of share capital such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.
“Seal”	common seal or any one or more duplicate seals of the Company (including a securities seal) for use in Bermuda or in any place outside Bermuda.
“Secretary”	any person firm or corporation appointed by the Board to perform any of the duties of secretary of the Company and includes any assistant, deputy, temporary or acting secretary.
“Statutes”	the Act and every other act of the Legislature of Bermuda for the time being in force applying to or affecting the Company, its memorandum of association and/or these Bye-laws.
“year”	a calendar year.

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

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include every gender;
- (c) words importing persons include companies, associations and bodies of persons whether corporate or not;

#As amended by Special Resolution passed on 11th August, 2004.

- (d) the words:
 - (i) “may” shall be construed as permissive;
 - (ii) “shall” or “will” shall be construed as imperative;
- (e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other mode of representing words in a visible form;
- (f) references to any act, ordinance, statute or statutory provision shall be interpreted as relating to any statutory modification or re-enactment thereof for the time being in force;
- (g) save as aforesaid words and expressions defined in the Statutes shall bear the same meanings in these Bye-laws if not inconsistent with the subject in the context;
- (h) a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which not less than twenty-one (21) clear days’ notice, specifying (without prejudice to the power contained in these Bye-laws to amend the same) the intention to propose the resolution as a special resolution, has been duly given. Provided that, except in the case of an annual general meeting, if it is so agreed by a majority in number of the Members having the right to attend and vote at any such meeting, being a majority together holding not less than ninety-five (95) per cent. in nominal value of the shares giving that right, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one (21) clear days’ Notice has been given;
- (i) a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which not less than fourteen (14) days’ Notice has been duly given;
- (j) a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Bye-laws or the Statutes.

SHARE CAPITAL*

3. (1) The authorised share capital of the Company at the date of adoption of this Bye-law is HK\$375,000,000 divided into 1,500,000,000 Ordinary Shares of HK\$0.25 each.

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

(3) Neither the Company nor any of its subsidiaries shall directly or indirectly

**As amended by Special Resolutions passed on 12th February, 1998, 31st August, 2002 and 18th November, 2004.*

give financial assistance to a person who is acquiring or proposing to acquire shares in the Company for the purpose of that acquisition whether before or at the same time as the acquisition takes place or afterwards PROVIDED that nothing in this Bye-law shall prohibit transactions mentioned in Sections 39A, 39B and 39C of the Act.

3A. - Adopted on 12th February, 1998 and repealed on 31st August, 2002.

ALTERATION OF CAPITAL

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

- (a) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
- (b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (c) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges conditions or such restrictions which in the absence of any such determination by the Company in General Meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”;
- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association (subject, nevertheless, to the Act), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;
- (e) change the currency denomination of its share capital; and
- (f) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

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

6. The Company may from time to time by special resolution, subject to any confirmation or consent required by law, reduce its authorised or issued share capital or any share premium account or other undistributable reserve in any manner permitted by law.

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

SHARE RIGHTS

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

9. Subject to Sections 42 and 43 of the Act, any preference shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine.

VARIATION OF RIGHTS

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

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

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

SHARES

12. (1) Subject to the Act these Bye-laws and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine but so that no shares shall be issued at a discount.

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

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

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

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

SHARE CERTIFICATES

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

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

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

18. Every person whose name is entered, upon an allotment of shares, as a Member

in the Register shall be entitled, without payment, to receive one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board from time to time determines.

*19. Shares certificates shall be issued in the case of an issue of shares within ten (10) business days (or such longer period as the terms of the issue provide) after allotment or in the case of a transfer of fully or partly paid shares within ten (10) business days after lodgment of a transfer with the Company, not being a transfer which the Company is for the time being entitled to refuse to register and does not register.

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

*(2) The fee referred to in paragraph (1) above shall be an amount as the Designated Stock Exchange may from time to time determine provided that the Board may at any time determine a lower amount for such fee.

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

LIEN

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

23. Subject to these Bye-laws, the Company may sell in such manner as the Board determines any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, or the liability or engagement in

**As amended by Special Resolution passed on 29th July, 1996.*

respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of fourteen clear days after a notice in writing, stating and demanding payment of the sum presently payable, or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of the intention to sell in default, has been served on the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

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

CALLS ON SHARES

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

26. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable either in one lump sum or by instalments. The Directors may make arrangements on the issue of shares for a difference between the shareholders in the amount of calls to be paid and in the times of payment.

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

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

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

30. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder, or one of the holders, of the shares in respect of which

such debt accrued, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Member sued, in pursuance of these Bye-laws; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

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

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

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

FORFEITURE OF SHARES

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

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

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

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

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

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

before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board determines.

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

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

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

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

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

REGISTER OF MEMBERS

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

- (a) the name and address of each Member, the number and class of shares held by him and the amount paid or agreed to be considered as paid on such shares;

- (b) the date on which each person was entered in the Register; and
- (c) the date on which any person ceased to be a Member.

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

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

RECORD DATES

45. Notwithstanding any other provision of these Bye-laws the Company or the Directors may fix any date as the record date for:

- (a) determining the Members entitled to receive any dividend, distribution, allotment or issue and such record date may be on, or at any time not more than sixty (60) days before or after, any date on which such dividend, distribution, allotment or issue is declared, paid or made;
- (b) determining the Members who are entitled to receive notice of and to vote at any general meeting of the Company.

TRANSFER OF SHARES

46. Subject to these Bye-laws, any Member may transfer all or any of his shares by an instrument of transfer in the usual or common form or in any other form approved by the Board and may be under hand only.

47. The instrument of transfer shall be executed by or on behalf of the transferor and by or on behalf of the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so. The Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Nothing in these Bye-laws shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.

48. (1) The Board may, in its absolute discretion, and without giving any reason therefor, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, or any share issued under any share incentive scheme for

employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of any share to more than four (4) joint holders or a transfer of any share (not being a fully paid up share) on which the Company has a lien.

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

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

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

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

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

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

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

TRANSMISSION OF SHARES

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

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

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

UNTRACEABLE MEMBERS

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

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

- (a) all cheques or warrants, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Bye-laws of the Company have remained uncashed;
- (b) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the Member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and
- (c) the Company, if so required by the rules governing the listing of shares on the Designated Stock Exchange, has given notice to and caused advertisement in newspapers in accordance with the requirements of the Designated Stock

Exchange to be made of its intention to sell such shares in the manner required by the Designated Stock Exchange, and a period of three (3) months or such shorter period as may be allowed by the Designated Stock Exchange has elapsed since the date of such advertisement.

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

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

GENERAL MEETINGS

56. An annual general meeting of the Company shall be held in each year other than the year of incorporation at such time (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting unless a longer period would not infringe the rules of any Designated Stock Exchange, if any) and place as may be determined by the Board.

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

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

NOTICE OF GENERAL MEETINGS

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

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

(2) The period of notice shall be exclusive of the day on which it is served or deemed to be served and exclusive of the day on which the meeting is to be held, and the notice shall specify the time and place of the meeting and, in case of special business, the general nature of the business. The notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Bye-laws or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.

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

PROCEEDINGS AT GENERAL MEETINGS

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

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

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

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

elect one of their number to be chairman.

64. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give Notice of an adjournment. No business shall be transacted at any such adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

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

VOTING

66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a show of hands every Member present in person (or, being a corporation, by a representative duly authorised under Section 78 of the Act) or by proxy shall have one vote and on a poll every Member present in person (or, being a corporation, by duly authorised representative) or by proxy 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 on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

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

*66A. Where any member is, under the Listing Rules, required at any general meeting to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

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

68. If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. There shall be no requirement for the Chairman to disclose the voting figures on a poll unless a demand has been made by a Member.

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

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

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

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

73. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.

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

75. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may vote on a poll by proxy, and may

** As amended by Special Resolution passed on 11th August, 2004*

otherwise act and be treated as such Member for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting or poll, as the case may be.

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

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

77. If:

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

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

PROXIES

*78. Any Member entitled to attend and vote at a meeting of the Company shall be 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. In addition, a proxy or proxies representing either an individual Member or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise.

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

**As amended by Special Resolution passed on 29th July, 1996.*

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

81. Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

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

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

CORPORATIONS ACTING BY REPRESENTATIVES

*84. (A) Any corporation which is a Member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or any class of Members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member of the Company and such corporation shall for the purposes of these Bye-laws be deemed to be present in person at any such meeting if a person so authorised is present thereat. Any reference in these Bye-laws to a duly authorised representative of a Member being a corporation shall mean a representative authorised under the provisions of this Bye-law. Nothing contained in this Bye-law shall prevent a corporation which is a Member from appointing one or more proxies to represent it pursuant to Bye-law 78.

**As amended by Special Resolutions passed on 25th June, 1994, and 29th July, 1996.*

(B) If a Clearing House (or its nominee) is a Member of the Company, it may appoint such person or persons as it thinks fit to act as its proxy or proxies or as its corporate representative or, if it is permitted by the Act, corporate representatives at any meeting of the Company or at any meeting of any class of Members of the Company provided that, if more than one proxy or corporate representative is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy or corporate representative is so appointed. A person so appointed under the provisions of this Bye-law shall be entitled to exercise the same powers on behalf of the Clearing House (or its nominee) which he represents as that Clearing House (or its nominee) could exercise as if it were an individual Member of the Company including the right to vote individually on a show of hands.

WRITTEN RESOLUTIONS OF MEMBERS

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

BOARD OF DIRECTORS

#86. (1) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than three (3). There shall be no maximum number of Directors. The Directors shall be elected or appointed in the first place at the statutory meeting of Members and thereafter at each annual general meeting of the Company and shall hold office until the next appointment of Directors or until their successors are elected or appointed. Any general meeting may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.

(2) Subject to authorisation by the Members in general meeting, the Directors shall (until and unless such authorisation is revoked) 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 at that meeting but shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation at such meeting.

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

(4) Subject to any provision to the contrary in these Bye-laws the Members may, at any general meeting convened and held in accordance with these Bye-laws, by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything in these Bye-laws or in any agreement between the Company and

#As amended by Special Resolution passed on 9th August, 2006.

such Director (but without prejudice to any claim for damages under any such agreement) provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director fourteen (14) days before the meeting and at such meeting such Director shall be entitled to be heard on the motion of his removal.

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

(6) The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall never be less than three (3).

RETIREMENT OF DIRECTORS

*87. (1) The provisions of this Bye-law shall, subject to the provisions of the last preceding Bye-law and the Statutes, govern the retirement of Directors.

(2) At each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation and every Director shall be subject to retirement by rotation at least once every three years.

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

(4) The Company at the meeting at which a Director retires under any provision of these presents may by ordinary resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for election. In default the retiring Director shall, if willing, continue in office until the next annual general meeting and so on from year until his place is filled except in any of the following cases:

- (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost;
- (b) where at such meeting it is determined to reduce the number of Directors; or
- (c) where such Director has given notice in writing to the Company that he is unwilling to be re-elected.

(5) The retirement of a Director pursuant to the foregoing sub-paragraphs of this Bye-law shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost. Accordingly, a retiring Director

**As amended by Special Resolution passed on 26th August, 2005 and 9th August, 2006*

who is re-elected or deemed to have been re-elected will continue in office without a break.

*88. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless not less than seven (7) days before the date appointed for the meeting there shall have been lodged at the Office or at the head office notice in writing signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice in writing signed by the person to be proposed of his willingness to be elected. The period for lodgment of the notices above referred to will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

DISQUALIFICATION OF DIRECTORS

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

- (1) resigns his office by notice in writing delivered to the Company at the Office or tendered at a meeting of the Board whereupon the Board resolves to accept such resignation;
- (2) becomes of unsound mind or dies;
- (3) without special leave of absence from the Board, is absent from meetings of the Board for six consecutive months, and his alternate Director, if any, shall not during such period have attended in his stead and the Board resolves that his office be vacated; or
- (4) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
- (5) is prohibited by law from being a Director; or
- (6) ceases to be a Director by virtue of any provision of the Statutes or is removed from office pursuant to these Bye-laws.

EXECUTIVE DIRECTORS

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

91. Notwithstanding Bye-laws 96, 97, 98 and 99, an executive Director appointed to an office under Bye-law 90 hereof shall receive such remuneration (whether by way of salary,

**As amended by Special Resolution passed on 11th August, 2004.*

commission, participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, and either in addition to or in lieu of his remuneration as a Director.

ALTERNATE DIRECTORS

92. Subject to the Statutes, any Director may at any time by notice in writing delivered to the Office or head office or at a meeting of the Directors appoint any person to be his alternate director and may at his discretion remove such alternate director. If such alternate director is not another director, such appointment, unless previously approved by the Board, shall have effect only upon and subject to it being so approved. Any appointment or removal of an alternate director shall be effect by notice in writing signed by the appointor and delivered to the Office or head office or tendered at a meeting of the Board. An alternate director shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purpose of the proceedings at such meeting the provisions of these Bye-laws shall apply as if he were a Director save that as an alternate for more than one Director his voting rights shall be cumulative.

93. Subject to the Statutes every alternate Director when performing the functions of a Director shall (except as regards power to appoint an alternate Director and remuneration) be subject in all respects to the provisions of the Act and these Bye-laws relating to Directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company any fee in his capacity as an alternate Director except only such part, if any, of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

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

95. An alternate Director shall *ipso facto* cease to be an alternate Director if his appointor ceases for any reason to be a Director provided that, if at any meeting any Director retires by rotation or otherwise but is re-elected at the same meeting, any appointment made by him pursuant to these Bye-laws which was in force immediately before his retirement shall remain in force as though he had not retired.

DIRECTORS' FEES AND EXPENSES

96. The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting and shall (unless otherwise directed by the resolution by which it is voted) be divided amongst the Board in such proportions and in such

manner as it may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. Such remuneration shall be deemed to accrue from day to day.

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

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

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

DIRECTORS' INTERESTS

100. A Director may:

- (a) hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and, subject to the relevant provisions of the Act, upon such terms as the Board may determine. Any remuneration (whether by way of salary, commission, participation in profits or otherwise) paid to any Director in respect of any such other office or place of profit shall be in addition to any remuneration provided for by or pursuant to any other Bye-law;
- (b) act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm may be remunerated for professional services as if he were not a Director;
- (c) continue to be or become a Director, Managing Director, Joint Managing Director, Deputy Managing Director, Executive Director, Manager or other Officer or Member of any other company promoted by the Company or in which the Company may be interested as a vendor, shareholder or otherwise and (unless otherwise agreed) no such Director shall be accountable for any remuneration, profits or other benefits received by him as a Director, Managing Director, Joint Managing Director, Deputy Managing Director, Executive Director, Manager or other Officer or Member of or from his interests in any such other company. Subject as otherwise provided by these Bye-laws the Directors may exercise or cause to be exercised the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as Directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution

appointing themselves or any of them Directors, Managing Directors, Joint Managing Directors, Deputy Managing Directors, Executive Directors, Managers or other Officers of such company) or voting or providing for the payment of remuneration to the Director, Managing Director, Joint Managing Director, Deputy Managing Director, Executive Director, Manager or other Officers of such other company and any Director of the Company may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or about to be, appointed a Director, Managing Director, Joint Managing Director, Deputy Managing Director, Executive Director, Manager or other Officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.

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

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

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

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

*103. (1) Save as otherwise provided by these Bye-Laws, 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 has/have a material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters:-

- (i) the giving of any security or indemnity either:

**As amended by Special Resolution passed on 11th August, 2004.*

- (a) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
 - (iii) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associate(s) is derived) or of the voting rights;
 - (iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme involving the issue or grant of options over shares or other securities by the Company under which the Director or his associate(s) may benefit; or
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which related both to Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
 - (v) 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.

(2) A company shall be deemed to be a company in which a Director owns five (5) per cent. or more if and so long as (but only if and so long as) he and his associates (as defined by the rules, where applicable, of any Designated Stock Exchange), (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company. For the purpose of this paragraph there shall be disregarded any shares held

by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder.

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

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

(5) The Company may by ordinary resolution ratify any transaction not duly authorised by reason of a contravention of this Bye-law provided that no Director who is materially interested in such transaction together with any of his associates (as defined by the rules, where applicable, of any Designated Stock Exchange) shall vote upon such ordinary resolution in respect of any such shares in the Company in which they are interested.

GENERAL POWERS OF THE DIRECTORS

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

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

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

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

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

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

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

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

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

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

BORROWING POWERS

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

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

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

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

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

PROCEEDINGS OF THE DIRECTORS

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

115. A meeting of the Board may be convened by the Secretary on request of a

Director or by any Director. The Secretary shall convene a meeting of the Board of which notice may be given in writing or by telephone or in such other manner as the Board may from time to time determine whenever he shall be required so to do by the President or Chairman, as the case may be, or any Director. Any Director may waive notice of any meeting either prospectively or retrospectively.

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

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

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

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

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

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

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

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

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

122. A resolution in writing signed by all the Directors except such as are temporarily unable to act through ill-health or disability, and all the alternate Directors, if appropriate, whose appointors subject to Bye-law 93 are temporarily unable to act as aforesaid shall (provided that such number is sufficient to constitute a quorum and further provided that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Bye-laws) be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or alternate Directors and for this purpose a facsimile signature of a Director or an alternate Director shall be treated as valid provided that the document containing the original signature of the Director or alternate Director is deposited with the Secretary within ten (10) days from the date of the facsimile.

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

MANAGERS

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

125. The appointment of such General Manager, Manager or Managers may be for such period as the Board may decide, and the Board may confer upon him or them all or any of the powers of the Board as they may think fit.

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

OFFICERS

127. (1) Subject to the Statutes, the officers of the Company shall consist of a Chairman, the Directors, Secretary and such additional officers as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Statutes and these Bye-laws.

(2) Subject to the Statutes, the Directors of the Company shall, as soon as may

be after each appointment or election of Directors, elect one of their number to be Chairman and may appoint another of their number to be Managing Director; and if more than one Director is proposed for any of these offices, the election to such office shall take place in such manner as the Directors may determine.

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

(4) Where the Company does not have a quorum of Directors ordinarily resident in Bermuda, the Company shall in accordance with the Act appoint and maintain a resident representative (being a person ordinarily resident in Bermuda) and the resident representative shall maintain an office in Bermuda and comply with the provisions of the Act.

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

The resident representative shall be entitled to have notice of, attend and be heard at any Directors' or general meeting of the Company.

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

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

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

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

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

REGISTER OF DIRECTORS AND OFFICERS

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

- (a) his or her first name and surname; and
- (b) his or her address.

- (2) The Board shall within a period of fourteen (14) days from the occurrence of–
 - (a) any change among its Directors and Officers; or
 - (b) any change in the particulars contained in the Register of Directors and Officers,

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

(3) The Register of Directors and Officers shall be open to inspection at the Office between 10:00 a.m. and 12:00 noon on every business day.

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

MINUTES

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

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

SEAL

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

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

AUTHENTICATION OF DOCUMENTS

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

DESTRUCTION OF DOCUMENTS

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

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

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

DIVIDENDS AND OTHER PAYMENTS

137. Subject to the Act, the Company in General Meeting may from time to time declare dividends in any currency to be paid to the Members according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board. Notwithstanding the foregoing, the Board or the Company in general meeting (upon recommendation of the Board) may also make a distribution to the Members out of any contributed surplus (as ascertained in accordance with the Act).

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

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

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

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

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

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

143. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made

payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

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

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

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

- (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply:
 - (i) the basis of any such allotment shall be determined by the Board;
 - (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' notice in writing to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by

which duly completed forms of election must be lodged in order to be effective;

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

- (2) (a) The shares allotted pursuant to the provisions of paragraph (1) of this Bye-law shall rank *pari passu* in all respects with shares of the same class (if any) then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub-paragraph (a) or (b) of paragraph (2) of this Bye-law in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (1) of this Bye-law shall rank for participation in such distribution, bonus or rights.
- (b) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Bye-law, with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Board may authorise any person to enter into on behalf of all members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.
- (3) The Company may upon the recommendation of the Board by special resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (1) of this Bye-law a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.
- (4) The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (1) of this Bye-law shall not be made available or made to any shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of such rights of election or the allotment of shares would or might be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination.
- (5) Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares. The provisions of this Bye-law shall *mutatis mutandis* apply to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the Members.

RESERVES

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

CAPITALISATION

148. The Board or the Company in General Meeting by an ordinary resolution (upon the recommendation of the Board) may at any time and from time to time resolve to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account, contributed surplus account and share premium account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in paying up in full unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of this Bye-law and subject to Section 40(2A) of the Act, a share premium account and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such Members credited as fully paid. In carrying sums to reserve and in applying the same the Board shall comply with the provisions of the Act.

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

SUBSCRIPTION RIGHTS RESERVE

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

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

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

then or thereafter becoming available (including, to the extent permitted by law, share premium account) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until then no dividend or other distribution shall be paid or made on the fully paid shares of the Company then in issue. Pending such payment and allotment, the exercising warrant holder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being are transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Board may think fit and adequate particulars thereof shall be made known to each relevant exercising warrant holder upon the issue of such certificate.

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

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

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

ACCOUNTING RECORDS

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

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

153. Subject to Section 88 of the Act, a printed copy of the Directors' report,

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

AUDIT

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

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

156. The remuneration of the Auditor shall be fixed by the Company in general meeting or in such manner as the Members may determine.

157. If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall as soon as practicable fill the vacancy or convene a special general meeting to fill the vacancy.

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

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

NOTICES

160. Any notice from the Company to a Member shall be given in writing or by cable, telex or facsimile transmission message and any such Notice and (where appropriate)

any other document may be served or delivered by the Company or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number supplied by him to the Company for the giving of notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the notice being duly received by the Member or may also be served by advertisement in appointed newspapers (as defined in the Act) or in accordance with the requirements of the Designated Stock Exchange. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

161. Any notice or other document:

- (a) if served or delivered by post, shall be sent airmail where appropriate and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof; and
- (b) if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof.

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

(2) A notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.

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

SIGNATURES

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

WINDING UP

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

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

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

INDEMNITY

166. (1) The Directors, Secretary and other officers and every Auditor of the Company for the time being of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and everyone of them, and everyone of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in

the execution of their respective offices or trusts, or in relation thereto; PROVIDED THAT this indemnity shall not extend to any matter in respect of any wilful negligence, wilful default, fraud or dishonesty which may attach to any of said persons.

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

ALTERATION OF BYE-LAWS & AMENDMENT TO MEMORANDUM OF ASSOCIATION

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

INFORMATION

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