

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Ban Loong Holdings Limited (the “Company”), you should at once hand this circular with the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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萬隆控股集團有限公司
Ban Loong Holdings Limited
(incorporated in Bermuda with limited liability)
(Stock Code: 30)

**(1) PROPOSED GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES,
(2) PROPOSED RE-ELECTION OF DIRECTORS,
(3) PROPOSED INCREASE IN AUTHORIZED SHARE CAPITAL,
(4) PROPOSED ADOPTION OF THE NEW BYE-LAWS
AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at Basement 2(B2), The Wharney Guang Dong Hotel, 57-73 Lockhart Road, Wanchai, Hong Kong, on Thursday, 29 September 2016 at 10:00 a.m. is set out on pages 29 to 33 of this circular.

A letter from the board of directors of the Company is set out on pages 3 to 8 of this circular.

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

29 August 2016

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DEFINITIONS

In this circular, the following expressions shall have the meanings respectively set opposite them below unless the context requires otherwise:

“AGM”	the annual general meeting of the Company to be convened on Thursday, 29 September 2016;
“AGM Notice”	the notice of the AGM set out on pages 29 to 33 of this circular;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Bye-laws”	the bye-laws of the Company in force from time to time, including the Existing Bye-laws or the New Bye-laws where the context so requires;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Companies Act”	the Companies Act 1981 of Bermuda;
“Company”	Ban Loong Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange with stock code: 30;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Existing Bye-laws”	the existing bye-laws of the Company;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Increase in Authorized Share Capital”	the proposed increase in authorized share capital of the Company from HK\$60,000,000.00 divided into 6,000,000,000 Shares to HK\$200,000,000.00 divided into 20,000,000,000 Shares by the creation of additional 14,000,000,000 Shares;

DEFINITIONS

“Latest Practicable Date”	23 August 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Bye-laws”	the new bye-laws of the Company proposed to be adopted at the AGM, the principal terms of which are summarized in Appendix III to this circular;
“Repurchase Mandate”	a general unconditional mandate to be granted to the Directors at the AGM authorizing the Company to repurchase up to 10% of the fully paid Shares in issue at the date of the AGM;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company;
“Share Issue Mandate”	a general unconditional mandate to be granted to the Directors at the AGM authorizing the Company to allot additional Shares of up to 20% of the nominal amount of the share capital of the Company in issue at the date of the AGM;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Takeover Codes”	The Hong Kong Code on Takeovers and Mergers; and
“%”	per cent.

LETTER FROM THE BOARD



萬隆控股集團有限公司

Ban Loong Holdings Limited

(incorporated in Bermuda with limited liability)

(Stock Code: 30)

Executive Directors:

Mr. Chow Wang (*Chairman*)

Mr. Cheung Wai Shing

Non-Executive Director:

Mr. Fong For

Independent Non-Executive Directors:

Mr. Jiang Zhi

Mr. Leung Kai Kui, Johnny

Ms. Wong Chui San, Susan

Registered Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Principal Place of Business in Hong Kong:

Room 2709-10

27/F China Resources Building

No. 26 Harbour Road

Wanchai

Hong Kong

29 August 2016

To the Shareholders

Dear Sirs

**(1) PROPOSED GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES,
(2) PROPOSED RE-ELECTION OF DIRECTORS,
(3) PROPOSED INCREASE IN AUTHORIZED SHARE CAPITAL,
(4) PROPOSED ADOPTION OF THE NEW BYE-LAWS
AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

This circular includes information required by the Listing Rules to be given to the Shareholders concerning (1) the proposed Share Issue Mandate and Repurchase Mandate; (2) the proposed re-election of Directors; (3) the proposed Increase in Authorized Share Capital; (4) the proposed adoption of the New Bye-laws, in all cases at the AGM of the Company to be held on Thursday, 29 September 2016.

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2. SHARE ISSUE MANDATE

Resolution No. 5 sets out in the accompanying AGM Notice will, if passed, give a general unconditional mandate to the Directors authorizing the Company to allot additional Shares of up to 20% of the nominal amount of the share capital of the Company in issue at the date of the AGM. As at the Latest Practicable Date, the total number of Shares in issue was 2,670,663,200 Shares. Assuming the number of Shares in issue remains unchanged from the Latest Practicable Date to the date of the AGM, the maximum number of Shares that can be issued upon approval of the Share Issue Mandate would be 534,132,640 Shares.

Resolution No. 7 set out in the AGM Notice will be proposed at the AGM such that, conditional upon Resolutions Nos. 5 and 6 being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the Repurchase Mandate shall be added to the aggregate nominal amount of share capital that may be allotted by the Company pursuant to the Share Issue Mandate.

3. REPURCHASE MANDATE

Resolution No. 6 set out in the AGM Notice will, if passed, give a general unconditional mandate to the Directors authorizing the Company to repurchase up to 10% of the fully paid Shares in issue at the date of the AGM. Assuming the number of Shares in issue remains unchanged from the Latest Practicable Date to the date of the AGM, the maximum number of Shares that can be repurchased upon approval of the Repurchase Mandate would be 267,066,320 Shares.

4. RE-ELECTION OF DIRECTORS

Pursuant to the provisions of the Existing Bye-laws, Mr. Chow Wang and Mr. Cheung Wai Shing will retire at the AGM by rotation. The Board was notified by each of the retiring Directors that he will offer himself for re-election at the AGM.

Details of the retiring Directors to be re-elected at the AGM which are required to be disclosed by the Listing Rules are set out in Appendix I to this circular.

5. PROPOSED INCREASE IN AUTHORIZED SHARE CAPITAL

The current authorized share capital of the Company is HK\$60,000,000.00 divided into 6,000,000,000 Shares of HK\$0.01 each, of which 2,670,663,200 Shares are in issue and 3,329,336,800 Shares are authorized but unissued as at the Latest Practicable Date.

In order to provide the Company with flexibility for fund raising by allotting and issuing new Shares in the future as and when appropriate, the Board proposes to increase the authorized share capital of the Company from HK\$60,000,000.00 divided into 6,000,000,000 Shares to HK\$200,000,000.00 divided into 20,000,000,000 Shares by the creation of additional 14,000,000,000 Shares, which will rank pari passu in all respects with each other.

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The Increase in Authorized Share Capital is subject to the passing of an ordinary resolution of Shareholders approving the same at the AGM.

The Directors have no present intention of issuing any part of the proposed increased authorized share capital of the Company.

6. PROPOSED ADOPTION OF THE NEW BYE-LAWS

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

(a) Voting at general meetings

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

(b) Voting at board meetings

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

(c) Physical board meetings

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

(d) Notices of general meetings

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

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business days, and the notice period for any other general meeting (including a special general meeting) must be not less than fourteen clear days and not less than ten clear business days.

(e) Share transfers

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

(f) Dividends and distributions

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

(g) Register of members

The register and branch register of members of the Company shall be open for inspection by members of the public without charge at the registered office of the Company or such other place at which the register(s) is/are kept in accordance with the Companies Act. The New Bye-laws will also reflect this.

(h) Financial assistance

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

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

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

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

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

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

7. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at a general meeting must be taken by poll, except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the AGM pursuant to the Existing Bye-law 70.

8. THE AGM

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

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

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

9. RECOMMENDATIONS

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

LETTER FROM THE BOARD

10. RESPONSIBILITY STATEMENT

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

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

Yours faithfully
For and on behalf of the Board
Ban Loong Holdings Limited
Chow Wang
Chairman & Executive Director

APPENDIX I BIOGRAPHICAL INFORMATION OF DIRECTORS PROPOSED FOR RE-ELECTION

In relation to the proposed Resolution No. 2 as set out in the AGM Notice regarding the re-election of the retiring Directors, Mr. Chow Wang and Mr. Cheung Wai Shing are eligible and are offering themselves for re-election in accordance with the Bye-laws at the AGM.

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

Mr. Chow Wang (“Mr. Chow”)

Mr. Chow, aged 52, was appointed as an Executive Director, the Chairman of the Board, the Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company with effect from 9 October 2014. Mr. Chow has over 20 years of experience in the field of business development, trading and investment. After Mr. Chow finished his secondary education in China in early 80’s, he was engaged in trading business in Shenzhen, China. After relocating to Hong Kong in late 80’s, Mr. Chow established Ban Loong Shareholding Limited (“**BLSL**”) and acquired Union Shine Technology Limited (“**Union Shine**”). BLSL is engaged in the investment in private equity projects in Hong Kong and China, while Union Shine is engaged in the production of consumer electronic products, accessories and parts. Mr. Chow has extensive experience in corporate development and management, and has a well-established social network in financial and business sectors in Hong Kong and China. Mr. Chow is also a director of the following subsidiaries of the Company, namely, Ban Loong Finance Limited, Ban Loong Property Investment Limited and Take Industry Investment Limited.

As at the Latest Practicable Date, Mr. Chow has interest in 64,964,000 Shares representing approximately 2.43% of the total number of Shares in issue.

As at the Latest Practicable Date and save as disclosed above, Mr. Chow does not (a) hold any position with the Group; (b) have any interest or short position in the shares of the Company which fall to be disclosed under Part XV of the SFO; and (c) have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company. There is no service contract and fixed term of service between Mr. Chow and the Company but he is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-laws. Mr. Chow is entitled to a director’s fee of HK\$100,000 per month, which is determined by reference to his duties and responsibilities and the prevailing market conditions.

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

APPENDIX I BIOGRAPHICAL INFORMATION OF DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Cheung Wai Shing (“Mr. Cheung”)

Mr. Cheung, aged 45, was appointed as the company secretary and an authorized representative with effect from 21 August 2008 and as an executive director of the Company with effect from 28 August 2008. Mr. Cheung resigned as authorized representative of the Company on 21 May 2011 and was re-appointed on 28 September 2011. Mr. Cheung holds a Bachelor Degree in Accountancy from City University of Hong Kong, and a Master of Science degree in Finance from University of Michigan-Dearborn. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants, and an associate member of The Institute of Chartered Accountants in England and Wales. Mr. Cheung has extensive experience in accounting, financial management and corporate governance and has worked in “big four” accounting firm and various private and public companies. Mr. Cheung is also a director of the following subsidiaries of the Company, namely, China Gold Resources Development (Hong Kong) Limited, China Gold Resources Development (Holdings) Limited, Take Industry Investment Limited, Ban Loong Finance Limited and May Tech Investments Limited.

As at the Latest Practicable Date and save as disclosed above, Mr. Cheung does not (a) hold any position with the Group; (b) have any interest or short position in the shares of the Company which fall to be disclosed under Part XV of the SFO; and (c) have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company. There is no service contract and fixed term of service between Mr. Cheung and the Company but he is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-laws. Mr. Cheung is entitled to a director’s fee of HK\$100,000 per month, which is determined by reference to his duties and responsibilities and the prevailing market conditions.

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

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

(1) Share Capital

Exercise in full of the Repurchase Mandate (on the basis of 2,670,663,200 Shares in issue as at the Latest Practicable Date), would result in up to 267,066,320 Shares being repurchased by the Company during the Relevant Period (as defined in Resolution No. 6), assuming no Shares are issued or repurchased between the Latest Practicable Date and the date of AGM.

(2) Reasons for Repurchases

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

(3) Funding of Repurchases

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

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

(4) Share Price

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

	Traded Market Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
August	0.300	0.197
September	0.280	0.207
October	0.234	0.200
November	0.215	0.180
December	0.193	0.152
2016		
January	0.175	0.134
February	0.153	0.125
March	0.167	0.135
April	0.155	0.132
May	0.148	0.104
June	0.116	0.087
July	0.152	0.093
August (up to the Latest Practicable Date)	0.138	0.105

(5) Hong Kong Code on Takeovers and Mergers

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

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

(6) Miscellaneous

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

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

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

Assuming that the Repurchase Mandate is exercised in full, the share capital of the Company in issue will be reduced to 2,403,596,880 Shares (on the basis of 2,670,663,200 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM). The Company will not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

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

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

(A) DIRECTORS

(i) Power to allot and issue shares and warrants

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

Subject to the provisions of the Companies Act, the New Bye-laws, any direction that may be given by the Company in general meeting and, where applicable, the rules of any Designated Stock Exchange (as defined in the New Bye-laws) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

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

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

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

(iii) Compensation or payments for loss of office

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

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

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

(v) Financial assistance to purchase shares of the Company

Subject to compliance with the rules and regulations of the Designated Stock Exchange (as defined in the New Bye-laws) and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.

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

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

Subject to the Companies Act and to the New Bye-laws, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the Board after he knows that he is or has become so interested.

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

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

- (ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his close associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(vii) Remuneration

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

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Bye-law. A Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration (whether by way of salary, commission or participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

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

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

(viii) Retirement, appointment and removal

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

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

The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the members in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the members in general meeting. Any Director so appointed by the Board shall hold office only until the next general meeting of the Company and shall then be eligible for re-election. Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention to do so and be served on such Director fourteen (14) days before the meeting and, at such meeting, such Director shall be entitled to be heard on the motion for his removal. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors unless otherwise determined from time to time by members of the Company.

The Board may from time to time appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period (subject to their continuance as Directors) and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments (but without prejudice to any claim for damages that such Director may have against the Company or vice versa). The Board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the Board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

(ix) Borrowing powers

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

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

(B) ALTERATIONS TO CONSTITUTIONAL DOCUMENTS

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

(C) ALTERATION OF CAPITAL

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

- (i) increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (iii) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares as the directors may determine;

- (iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association;
- (v) change the currency denomination of its share capital;
- (vi) make provision for the issue and allotment of shares which do not carry any voting rights; and
- (vii) cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

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

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

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

(E) SPECIAL RESOLUTION-MAJORITY REQUIRED

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the New Bye-laws (see paragraph (I) below for further details).

(F) VOTING RIGHTS

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the New Bye-laws, at any general meeting on a poll every member present in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share.

A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares held by that clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including, where a show of hands is allowed, the right to vote individually on a show of hands.

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

(G) REQUIREMENTS FOR ANNUAL GENERAL MEETINGS

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

(H) ACCOUNTS AND AUDIT

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

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

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

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

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than Bermuda. If the auditing standards of a country or jurisdiction other than Bermuda are used, the financial statements and the report of the auditor should disclose this fact and name such country and jurisdiction.

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

An annual general meeting must be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days. All other general meeting (including a special general meeting) must be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice must specify the time and place of the meeting and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such.

Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above if permitted by the rules of the Designated Stock Exchange (as defined in the New Bye-laws), it shall be deemed to have been duly called if it is so agreed:

- (i) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representing not less than ninety-five per cent (95%) of the total voting rights at the meeting of all the members.

(J) TRANSFER OF SHARES

All transfers of shares may be effected in any manner permitted by and in accordance with the rules of the Designated Stock Exchange (as defined in the New Bye-laws) or by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange (as defined in the New Bye-laws) or in such other form as the Board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the

transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its discretion, to do so and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. The Board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the Board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor may shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in Bermuda or such other place in Bermuda at which the principal register is kept in accordance with the Companies Act.

The Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.

The Board may decline to recognise any instrument of transfer unless a fee of such maximum sum as any Designated Stock Exchange (as defined in the New Bye-laws) may determine to be payable or such lesser sum as the Directors may from time to time require is paid to the Company in respect thereof, the instrument of transfer, if applicable, is properly stamped, is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

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

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

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

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

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

(M) DIVIDENDS AND OTHER METHODS OF DISTRIBUTION

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

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to a member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. The Company may also upon the recommendation of the Board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

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

(N) PROXIES

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

(O) CALL ON SHARES AND FORFEITURE OF SHARES

Subject to the New Bye-laws and to the terms of allotment, the Board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the Board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the Board may decide.

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

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

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

(P) INSPECTION OF REGISTER OF MEMBERS

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

(Q) QUORUM FOR MEETINGS AND SEPARATE CLASS MEETINGS

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

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

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

(S) PROCEDURES ON LIQUIDATION

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

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

(T) UNTRACEABLE MEMBERS

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

(U) OTHER PROVISIONS

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

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

NOTICE OF AGM



萬隆控股集團有限公司
Ban Loong Holdings Limited
(incorporated in Bermuda with limited liability)
(Stock Code: 30)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Ban Loong Holdings Limited (the “Company”) will be held at Basement 2(B2), The Wharney Guang Dong Hotel, 57-73 Lockhart Road, Wanchai, Hong Kong on Thursday, 29 September 2016 at 10:00 a.m. to transact the following business:

1. To receive and adopt the audited financial statements and the reports of directors of the Company (the “Directors”) and auditors for the financial year ended 31 March 2016;
2. To re-elect the following retiring Directors: (a) Mr. Chow Wang and (b) Mr. Cheung Wai Shing;
3. To authorize the board of Directors (the “Board”) to fix the remuneration of the Directors;
4. To re-appoint SHINEWING (HK) CPA Limited as the auditors of the Company and authorize the Board to fix their remuneration;
5. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:-

“THAT:-

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

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

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

- i. the conclusion of the next annual general meeting of the Company unless this authority is renewed either conditionally or unconditionally at such meeting; and
- ii. the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

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“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors made to the holders of the Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, or in any territory outside, Hong Kong).”

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

“**THAT:-**

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

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

“THAT:-

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

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

“THAT:-

(a) the authorized share capital of the Company be and is hereby increased from HK\$60,000,000.00 divided into 6,000,000,000 shares of HK\$0.01 each (“Shares”) to HK\$200,000,000.00 divided into 20,000,000,000 Shares by the creation of additional 14,000,000,000 Shares; and

(b) any one director of the Company be authorized on behalf of the Company to do all such acts and things and execute and deliver all such documents which he considers necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the foregoing.”

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

“THAT:-

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

By Order of the Board
Ban Loong Holdings Limited
Chow Wang
Chairman & Executive Director

Hong Kong, 29 August 2016

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Registered Office:-

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal place of business in Hong Kong:-

Room 2709-10
27/F China Resources Building
No. 26 Harbour Road
Wanchai
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The register of members will be closed from 27 September 2016 to 29 September 2016, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for attending and voting at the forthcoming 2016 Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 26 September 2016.
3. To be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of authority shall be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting.
4. Members are recommended to read the circular of the Company containing information concerning the Resolutions proposed in this notice.

As at the date hereof, the Board comprises:-

Executive Directors:

Mr. Chow Wang (*Chairman*)
Mr. Cheung Wai Shing

Non-Executive Director:

Mr. Fong For

Independent Non-executive Directors:

Mr. Jiang Zhi
Mr. Leung Kai Kui, Johnny
Ms. Wong Chui San, Susan