

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 a 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 Han Tang International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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HAN TANG INTERNATIONAL HOLDINGS LIMITED

漢唐國際控股有限公司

(Continued in Bermuda with limited liability)

(Stock Code: 01187)

PROPOSALS FOR

- (1) GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES,
- (2) RE-ELECTION OF RETIRING DIRECTORS,
- (3) ADOPTION OF NEW BYE-LAWS
AND
- (4) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting (“AGM”) of Han Tang International Holdings Limited (the “Company”) to be held at Suite 5207, 52/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 5 May 2015 at 10:00 a.m., at which, among other things, the above proposals will be considered, are set out on pages 30 to 33 of this circular.

Whether or not you are able to attend and/or vote at the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 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 of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

30 March 2015

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RESPONSIBILITY STATEMENT

This circular, for which the Directors (as defined herein) collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules (as defined herein) for the purpose of giving information with regard to the Company (as defined herein). The Directors (as defined herein), 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.

DEFINITIONS

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

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be convened and held at Suite 5207, 52/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 5 May 2015 at 10:00 a.m.
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company as amended from time to time
“Companies Act”	Companies Act 1981 of Bermuda
“Company”	Han Tang International Holdings Limited, a company continued in Bermuda with limited liability, whose issued Shares are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with new Shares of up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate and adding thereto any Shares representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to the authority granted under the Repurchase Mandate
“Latest Practicable Date”	23 March 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“New Bye-laws”	the new Bye-laws proposed to be adopted at the AGM, the principal terms of which are summarised in Appendix III to this circular
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to repurchase such number of issued and fully paid Shares of up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



HAN TANG INTERNATIONAL HOLDINGS LIMITED

漢唐國際控股有限公司

(Continued in Bermuda with limited liability)

(Stock Code: 01187)

Executive Directors:

Yang Liu (*Chairman and Chief Executive Officer*)
Lo Ka Wai

Non-Executive Director:

Xu Lei

Independent Non-Executive Directors:

Lai Ho Man, Dickson
Wang Xiao Chuan
Wong Lit Chor, Alexis
Liu Hongjun

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal

place of business in Hong Kong:

Suite 5207, 52/F.
Central Plaza
18 Harbour Road
Wanchai, Hong Kong

30 March 2015

*To the Shareholders and for information only,
the holders of the convertible bonds of the Company*

Dear Sir or Madam,

PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES,
(2) RE-ELECTION OF RETIRING DIRECTORS,
(3) ADOPTION OF NEW BYE-LAWS
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM including, among other matters, (i) granting to the Directors the Issue Mandate and the Repurchase Mandate; (ii) re-election of retiring Directors; and (iii) the adoption of New Bye-laws.

LETTER FROM THE BOARD

GENERAL MANDATES

At the annual general meeting of the Company held on 8 September 2014, ordinary resolutions were passed by the then Shareholders giving (a) a general and unconditional mandate to the Directors to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of such resolution; (b) a general and unconditional mandate to the Directors to repurchase Shares up to a maximum of 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of such resolution; and (c) to extend the general mandate mentioned in (a) above by an amount representing the aggregate nominal amount of the securities of the Company repurchased by the Company pursuant to the mandate to repurchase securities referred to (b) above.

The above general mandates will lapse at the conclusion of the AGM. It is therefore proposed to seek your approval by way of passing of ordinary resolutions to be proposed at the AGM of the Issue Mandate and the Repurchase Mandate. The Directors wish to state that they have no immediate plan to issue any new Shares or repurchase any Shares pursuant thereto. Please refer to resolutions numbered 4 to 6 set out in the notice of AGM on pages 30 to 33 of this circular for details of the proposed resolutions in respect of Issue Mandate and Repurchase Mandate.

As at the Latest Practicable Date, the number of issued Shares was 158,127,908 Shares. Assuming no further new Shares will be issued or no Shares will be repurchased prior to the AGM, the Issue Mandate will grant to the Directors an authority to issue up to 31,625,581 Shares.

EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix I to this circular. The explanatory statement is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the ordinary resolution to grant to the Directors the Repurchase Mandate at the AGM.

RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of seven Directors, namely Mr. Yang Liu, Mr. Lo Ka Wai, Mr. Xu Lei, Mr. Lai Ho Man, Dickson, Mr. Wang Xiao Chuan, Mr. Wong Lit Chor, Alexis and Mr. Liu Hongjun.

Pursuant to Bye-law 6.1 (f)(1)(A) of the Bye-laws, Mr. Yang Liu and Mr. Lai Ho Man, Dickson shall retire by rotation from office at the AGM and, being eligible, offer themselves for re-election at the AGM.

Mr. Lai Ho Man, Dickson, being the independent non-executive Director eligible for re-election at the AGM, has given an annual confirmation of his independence to the Company pursuant to Rule 3.13 of the Listing Rules. During his tenure in office, he has demonstrated his abilities to provide an independent view to the Company's matters. The

LETTER FROM THE BOARD

Board considers that he is able to continue to fulfill his role as independent non-executive Director and thus recommends him to be re-elected at the AGM. Furthermore, the Board is of the view that he meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the guidelines.

Details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

ADOPTION OF NEW BYE-LAWS

The existing Bye-laws were adopted in 1994 and have not been amended since 2011. Since then, there have been various amendments in applicable laws and regulations including the Listing Rules and changes in market practice. It is now proposed for the Company to adopt the New Bye-laws to reflect the latest amendments to the Listing Rules and the Companies Act which have come into effect respectively between 2011 and now. As the amendments to the existing Bye-laws are substantial, it is proposed that the New Bye-laws, which comply with all current applicable laws and regulations, be adopted in substitution for and to the exclusion of the existing Bye-laws instead of amending the existing Bye-laws on a piecemeal basis, which may lead to confusion and complication in the future. The Board will seek the approval of the Shareholders by way of passing a special resolution at the AGM to adopt the New Bye-laws in substitution for and to the exclusion of the existing Bye-laws. A summary of the principal provisions of the New Bye-laws is set out in Appendix III to this circular. The major changes brought about by the New Bye-laws are summarised as follows:

- (a) any Director appointed by the Board either to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company;
- (b) all resolutions at general meetings of the Company shall be decided by way of poll other than a resolution which relates purely to a procedural or administrative matter as may be permitted in good faith by the chairman of the general meeting to be voted by a show of hands;
- (c) an annual general meeting shall be called by written notice of not less than 21 clear days and not less than 20 clear business days. Any special general meeting at which the passing of a special resolution is to be considered shall be called by written notice of not less than 21 clear days and not less than 10 clear business days. All other special general meetings may be called by written notice of not less than 14 clear days and not less than 10 clear business days;
- (d) a Director is no longer permitted to disregard 5% interests when considering whether the Director has a material interest which would prevent him from forming part of the quorum or voting at a board meeting;
- (e) if a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board, which the Board has determined to be material, the matter shall be dealt with by a physical board meeting rather than a written resolution;

LETTER FROM THE BOARD

- (f) the voting figures on resolution(s) voted by poll shall be disclosed;
- (g) allow Directors to appoint a new auditor of the Company to fill any vacancy following the resignation or death of the auditor of the Company, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required; and
- (h) allow the Company to give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any Shares.

Shareholders should note that the major changes to the Bye-laws consequential to the changes to 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 companies incorporated in Bermuda whose shares are listed on the Stock Exchange. Your attention is drawn to the summary of certain 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 up to and including the date of the AGM, and at the AGM.

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

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

The legal adviser to the Company as to Hong Kong laws has confirmed that the New Bye-laws comply with the requirements of the Listing Rules. The legal adviser to the Company as to Bermuda laws has confirmed that the New Bye-laws do not violate the applicable laws of Bermuda. The Company confirms that there is nothing unusual about the proposed adoption of the New Bye-laws for the Company being a company continued in Bermuda and listed on the Stock Exchange.

ANNUAL GENERAL MEETING

Set out on pages 30 to 33 of this circular is a notice convening the AGM to consider and, if appropriate, to approve, among other things, the resolutions relating to the proposals for the Issue Mandate and the Repurchase Mandate, the re-election of retiring Directors, and the adoption of New Bye-laws.

A form of proxy for use at the AGM is enclosed herewith. Whether or not you are able to attend and/or vote at the AGM in person, you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 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 of the AGM or any adjournment thereof. Completion and

LETTER FROM THE BOARD

return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, 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. As such, all the resolutions set out in the notice of AGM will be voted by poll.

RECOMMENDATION

The Directors believe that the granting of the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the re-election of the retiring Directors and the adoption of the New Bye-laws are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of such resolutions at the AGM.

GENERAL

Your attention is also drawn to the appendices to this circular.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

By Order of the Board
Han Tang International Holdings Limited
Yang Liu
Chairman and Chief Executive Officer

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution at the AGM to approve the Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 158,127,908 Shares. Subject to the passing of the resolution to approve the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased up to the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 15,812,790 Shares, representing 10% of the issued share capital as at the date of AGM.

3. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or the earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Bye-laws, the applicable laws of Bermuda and the Listing Rules, including capital paid upon the Shares to be repurchased, profits otherwise available for distribution and sums standing to the credit of either the share premium account or contributed surplus account of the Company.

5. GENERAL

There might be a material adverse impact on the working capital or gearing position as disclosed in the audited consolidated financial statements of the Company for the year ended 31 December 2014 in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

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

	Share prices	
	Highest HK\$	Lowest HK\$
2014		
March	3.50	2.50
April*	Suspended	
May*	Suspended	
June*	Suspended	
July*	Suspended	
August*	Suspended	
September*	Suspended	
October*	Suspended	
November*	Suspended	
December*	Suspended	
2015		
January*	Suspended	
February*	Suspended	
March* (up to and including the Latest Practicable Date)	Suspended	

* Trading in the Shares on the Stock Exchange has been suspended since 1 April 2014.

7. UNDERTAKING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

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

8. CORE CONNECTED PERSON

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

9. TAKEOVERS CODE

If on exercise of the powers of repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or 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 at the Latest Practicable Date, Mr. Yang Liu ("**Mr. Yang**"), an executive Director, Chairman of the Board and Chief Executive Officer of the Company, holds 33,000,000 Shares (representing approximately 20.87% of the total issued share capital of the Company). In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, then the interest of Mr. Yang in the Shares would be increased to approximately 23.19% of the issued share capital of the Company. Such increase would not give rise to an obligation to make a mandatory offer under the Takeovers Code.

As at the Latest Practicable Date, nothing has come to the attention of the Directors that suggests there will be any consequences under the Takeovers Code if the Repurchase Mandate is exercised.

10. SHARE PURCHASE MADE BY THE COMPANY

The Company has not purchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

The following set out the details of the Directors who will retire and, being eligible, offer themselves for re-election at the AGM pursuant to the Bye-law 6.1(f)(1)(A) of the Bye-laws.

1. Mr. Yang Liu, an executive Director

Mr. Yang Liu (“**Mr. Yang**”), aged 41, was appointed as an executive Director on 18 November 2013 and was subsequently appointed as the chief executive officer of the Company and the chairman of the Board on 2 January 2014 and 1 September 2014 respectively. He is also a director of various subsidiaries of the Company and a member of the share option committee of the Company. Mr. Yang graduated from Shaanxi University of Technology (formerly known as Shaanxi Institute of Technology) with a bachelor degree in engineering, specializing in auto-control. Mr. Yang has more than 10 years’ experience in corporate and capital management in semi-conductor industry, and international trading of electronic products and bulk commodity. Mr. Yang is currently the general manager, the executive director and the legal representative of a company in the PRC with its principal activities in semi-conductor, and international trading of electronic products and bulk commodity. Mr. Yang has not hold any other directorship in listed public companies in the past three years.

Mr. Yang entered into a service agreement with the Company for an initial term of one year and is subject to the provisions of retirement and rotation of Directors under the Bye-laws. Pursuant to the terms of the service agreement and as determined by the Board, Mr. Yang was entitled to a Director’s remuneration of HK\$100,000 per month, which is determined with reference to the market rate and his time, effort and expertise to be exercised on the Group’s affairs and the Company’s remuneration policy.

Mr. Yang has personal interests in 33,000,000 Shares. Save as disclosed above, he does not have any relationship with any Director, senior management or substantial or controlling shareholder of the Company and does not have any interest in the Shares within the meaning of Part XV of the SFO.

2. Mr. Lai Ho Man, Dickson, an independent non-executive Director

Mr. Lai Ho Man, Dickson (“**Mr. Lai**”), aged 41, was appointed as an independent non-executive Director on 18 November 2013. He is the chairman of each of the audit committee, nomination committee and the share option committee of the Company and a member of the remuneration committee of the Company. He has over 17 years of experience in financial management and auditing. Mr. Lai has been an independent non-executive director of National United Resources Holdings Limited (stock code: 254), a company whose shares are listed on the main board of the Stock Exchange, since March 2015. He is also the chief financial officer and company secretary of Hosa International Limited (stock code: 2200), a company whose shares are listed on the main board of the Stock Exchange, starting from February 2011 and is primarily responsible for the overall financial affairs. From November 2007 to March 2011, Mr. Lai was the group financial controller of AsiaAlum Group. From January 2007 to October 2007, he was the manager of the finance and accounting department of Brigantine Services Limited. From May 2005 to January 2007, he worked as the manager of the financial control department of CITIC

**APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

Pacific Ltd. Mr. Lai worked at Kerry Beverage Services Ltd. as an assistant accounting manager from December 2003 to May 2005 and, from September 1996 to October 2003, worked as an assistant manager in KPMG, where he was mainly responsible for the external auditing, initial public offering and due diligence projects of financial institution sector. Mr. Lai graduated from Hong Kong Polytechnic University with a degree of Bachelor of Arts in Accountancy in November 1996. Mr. Lai also received a master's degree in business administration from the University of Birmingham in 2008. He is a fellow member of the Hong Kong Institute of Certified Public Accountants. He is also a member of the Taxation Institute of Hong Kong. Save as disclosed above, Mr. Lai has not held any other directorship in listed public companies in the past three years.

Mr. Lai entered into a letter of appointment with the Company for an initial term of one year and is subject to the provisions of retirement and rotation of Directors under the Bye-laws. Pursuant to the terms of the letter of appointment and as determined by the Board, Mr. Lai was entitled to a Director's fee of HK\$15,000 per month, which is determined with reference to the market rate and his time, effort and expertise to be exercised on the Group's affairs and the Company's remuneration policy.

Mr. Lai has does not have any relationship with Director, senior management or substantial shareholders or controlling shareholders of the Company and does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there any other matters need to be brought to the attention of the Shareholders in respect of each of the above Directors.

Set out below is a summary of certain provisions of the proposed New Bye-laws. 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 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. Subject to the Companies Act, the New Bye-laws, and to any special rights conferred on the holders of any shares or attaching to any class of shares, 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 continuance, 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. 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, 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. 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 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

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).

(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 relevant provisions of the Companies 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 New Bye-law.

A Director may 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 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 of 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 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.

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 close associates (as defined in the New Bye-laws) is materially interested, but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associate(s) or obligations incurred or undertaken by him or any of his close associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his 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;

- (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any contract or arrangement in which the Director or his 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;
- (v) any proposal or arrangement concerning the adoption, modification or operation of any employees' share scheme, any share incentive or share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to Directors or his close associate(s) and to 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 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 the Board 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. Each Director shall be entitled to be repaid or prepaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director.

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 New Bye-law. A Director appointed to be a managing director, joint managing director or deputy managing director or to hold any other employment or executive officer shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, and either in addition to or in lieu of his remuneration as a Director.

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.

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.

(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 (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

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

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

The members may, at any general meeting convened and held in accordance with the New Bye-Laws, by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything to the contrary in the New Bye-Laws or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director fourteen (14) days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for his removal. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2). There shall be no maximum number of Directors unless otherwise determined from time to time by the members in general meeting.

The Board may from time to time appoint any one or more of its Directors 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. The Board may delegate any of its powers, authorities and discretions to committees, consisting of such Director or Directors and other persons as it 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. 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.

(ix) Borrowing powers

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 Companies 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.

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

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

(c) Alteration of capital

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

- (i) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (iii) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares 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;
- (iv) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of continuance (subject, nevertheless, to the Companies 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;
- (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 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.

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, 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 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 the New 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 (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 of such holders, 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; and
- (b) 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 resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with 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, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid Share of which he is the holder but so that no amount paid up or credited as paid up on a Share in advance of calls or instalments is treated for the foregoing purposes as paid up on the Share. A 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.

At any general meeting, a resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly 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.

Where a member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of the New Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has knowledge that any member 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 member in contravention of such requirement or restriction shall not be counted.

(g) Requirements for annual general meetings

An annual general meeting of the Company shall 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 fifteen (15) months after the holding of the last preceding annual general meeting unless a longer period would not infringe the rules of the

Designated Stock Exchange (as defined in the New Bye-laws), if any) 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 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 the Directors. No member (other than a Director) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board or the Company in general meeting.

Subject to the Companies Act, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the Company at the annual general meeting in accordance with the requirements of the Companies Act provided that this provision shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures. To the extent permitted by and subject to due compliance with all applicable Statutes (as defined in the New Bye-laws), rules and regulations, including, without limitation, the rules of the Designated Stock Exchange (as defined in the New Bye-laws), and to obtaining all necessary consents, if any, required thereunder, the requirements of the New Bye-laws shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes (as defined in the New Bye-laws), summarised financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the Directors' report thereon.

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 or jurisdiction.

(i) Notices of meetings and business to be conducted thereat

An annual general meeting shall be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting at which the passing of a special resolution is to be considered shall be called by notice of not less than twenty one (21) clear days and not less than ten (10) clear business days. All other special general meetings may be called by notice of not less than fourteen (14) clear days and not less than ten (10) clear business days. Provided that if permitted by the rules of the Designated Stock Exchange (as defined in the New Bye-laws), 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.

(j) Transfer of shares

Subject to the New Bye-laws, any member may transfer all or any of his shares 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 any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so and the transferor

shall be deemed to remain the holder of the share(s) until the name of the transferee is entered into the register of members in respect thereof. Without prejudice to the New Bye-laws, 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 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 (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 the Board shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares upon the principal register shall be transferred to any branch register nor shall shares on any branch register be transferred to the principal register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant registration office, and, in the case of any shares on the principal register, at the registered office 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 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.

The Board may decline to recognise any instrument of transfer unless a fee of such maximum sum as the Designated Stock Exchange (as defined in the New Bye-laws) 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; the instrument of transfer is lodged at the registration office or such other place in Bermuda at which the principal register is kept in accordance with the Companies 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 if applicable, the instrument of transfer is duly and properly stamped, is in respect of only one class of share.

The registration of transfers of shares or of any class of shares may, after notice has been given by advertisement in any newspapers in accordance with the requirements of any Designated Stock Exchange (as defined in the New Bye-laws) or by any means in such manner as may be accepted by the Designated Stock Exchange (as defined in the New Bye-laws) to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.

(k) Power for the Company to purchase its own shares

The New Bye-laws supplement the Company's memorandum of continuance (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 from time to time 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 the members out of any 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 otherwise provide, (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a Share in advance of calls shall be treated for the purposes of the New Bye-law as paid up on the Share; and (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. 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.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on any class of 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 if the Board so determines) in cash in lieu of such allotment; 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. The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that 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 (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.

(n) Proxies

Any member of the Company 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 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 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). 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. 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 determine, but the Board may in its absolute discretion 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, 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.

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.

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.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares 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 shares, 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.

(p) Inspection of register of members

The register and branch register of members, as the case may be, 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 at which the register is kept 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 authorized 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 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 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.

(t) Untraceable members

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: all cheques or warrants in respect of dividends of the shares in question, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the New Bye-laws have remained uncashed; 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 the Company, if so required by the rules governing the listing of shares on the Designated Stock Exchange (as defined in the New Bye-laws), has given notice to, and caused advertisement in newspapers in accordance with the requirements of, the Designated Stock Exchange (as defined in the New Bye-laws) to be made of its intention to sell such shares in the manner required by the Designated Stock Exchange (as defined in the New Bye-laws), and a period of three (3) months or such shorter period as may be allowed by the Designated Stock Exchange (as defined in the New Bye-laws) has elapsed since the date of such advertisement. For the purpose of the foregoing, the "relevant period" means the period commencing twelve (12) years before the date of publication of the advertisement and ending at the expiry of the period. 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.

(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 ANNUAL GENERAL MEETING



HAN TANG INTERNATIONAL HOLDINGS LIMITED

漢唐國際控股有限公司

(Continued in Bermuda with limited liability)

(Stock Code: 01187)

NOTICE IS HEREBY GIVEN THAT an annual general meeting (the “**Meeting**”) of Han Tang International Holdings Limited (the “**Company**”) will be held at Suite 5207, 52/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 5 May 2015 at 10:00 a.m. for the following purposes:

As ordinary business:

1. To receive and adopt the audited financial statements of the Company and its subsidiaries for the year ended 31 December 2014 and the reports of the directors of the Company (the “**Directors**”) and the auditor of the Company thereon.
2.
 - (a) To re-elect Mr. Yang Liu as a Director.
 - (b) To re-elect Mr. Lai Ho Man, Dickson as a Director.
 - (c) To authorize the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
3. To re-appoint ZHONGHUI ANDA CPA Limited as auditor of the Company and to authorize the Board to fix its remuneration.

As special business, to consider and, if thought fit, pass, with or without modifications, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

4. “**THAT:**
 - (a) subject to the following provisions of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with ordinary shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”), and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of 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) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of the conversion rights attaching to any convertible securities issued by the Company; (iii) the exercise of warrants to subscribe for Shares; (iv) the exercise of options granted under any share option scheme or similar arrangement for the time being adopted by the Company; or (v) an issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company (“**Bye-laws**”); shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of 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 the Bye-laws or any applicable law of Bermuda to be held; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the shareholders of the Company (“**Shareholders**”) in general meeting.

“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company 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 applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

5. **“THAT:**
- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or any other stock exchange on which Shares 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 those of any other recognised stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of Shares to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, 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 the Bye-laws or any applicable law of Bermuda to be held; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”
6. **“THAT** conditional upon resolutions numbered 4 and 5 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with Shares and to make or grant offers, agreements, and options which might require the exercise of such powers pursuant to resolution numbered 4 above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution numbered 5 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

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

SPECIAL RESOLUTION

7. “**THAT** the new bye-laws of the Company (the “**New Bye-laws**”) (a copy of which marked “A” has been produced to the Meeting and signed by the chairman of the Meeting for identification purposes) be and are hereby approved and adopted as the bye-laws of the Company in substitution for, and to the exclusion of, the bye-laws of the Company in force immediately before the passing of this resolution; and that the Directors be and are hereby authorized generally to do all such acts, deeds and things and to sign, execute and deliver all such documents (including the affixation of the common seal of the Company where required) as they may, in their absolute discretion, consider necessary, desirable or expedient to give effect determine, implement or complete any matters relating to or in connection with such adoption.”

By Order of the Board
Han Tang International Holdings Limited
Yang Liu
Chairman and Chief Executive Officer

Hong Kong, 30 March 2015

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting convened by this notice may, subject to the provisions of the bye-laws of the Company, vote by not more than 2 (two) proxies (where such member is the holder of two or more Shares) provided that where the member is a clearing house (or its nominee) such member may appoint more than 2 (two) proxies. A proxy need not be a member of the Company, but must be present to represent the member.
2. In the case of joint holders of Shares, if more than one joint holder tenders a vote, the vote of the holder named first in the register must be accepted to the exclusion of the other or others.
3. In order to be valid, the form of proxy of the Company together with original or certified copy of the power of attorney or other authority (if any) under which it is signed must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the Meeting or adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Meeting or any adjournment thereof should you so wish.
4. Details of the retiring Directors which are required to be disclosed under the Rules Governing the Listing of Securities on the Stock Exchange are set out in the circular of the Company dated 30 March 2015.
5. As at the date of this notice, the Board consists of seven Directors, namely Mr. Yang Liu (Chairman and Chief Executive Officer) and Mr. Lo Ka Wai as executive Directors, Mr. Xu Lei as non-executive Director, and Mr. Lai Ho Man, Dickson, Mr. Wang Xiao Chuan, Mr. Wong Lit Chor, Alexis and Mr. Liu Hongjun as independent non-executive Directors.