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C.P. Lotus Corporation

卜蜂蓮花有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00121)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of C.P. Lotus Corporation (the “Company”) will be held at 21st Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, on Wednesday, 23 November 2011 at 3:00 p.m. for the following purposes:

ORDINARY RESOLUTION

- (1) **“THAT** contingent upon the passing of the resolutions set out as Resolution (3) (as an ordinary resolution) and Resolution (4) (as a special resolution) in the notice convening this meeting:
 - (i) the agreement dated 14 October 2011 (the “**Agreement**”) (a copy of which is produced to the meeting marked “A” and initialed by the chairman of the meeting for identification purpose) entered into between the Company and Whole Sino (each as defined in the circular of the Company dated 1 November 2011 (the “**Circular**”), a copy of which is produced and marked “B” and initialed by the chairman of the meeting for identification purpose) pursuant to which the Company has agreed to acquire the Sale Interests (as defined in the Circular) (the “**Acquisition**”) and to issue new unlisted, non-voting convertible preference shares of HK\$0.02 each in the share capital of the Company (having the rights and subject to the conditions attached thereto as set out in the Articles of Association of the Company as amended by the resolution set out as Resolution (4) in the notice convening this meeting) (the “**Series D Convertible Preference Shares**”) to Whole Sino as consideration for the Acquisition in accordance with the terms and conditions of the Agreement, and the transactions contemplated under the Agreement and the implementation thereof, be and are hereby confirmed, approved and ratified;
 - (ii) the grant to the directors of the Company of a specific mandate for the allotment and issue of the 2,211,382,609 Series D Convertible Preference Shares and the Ordinary Shares to be issued by the Company upon conversion of such Series D Convertible Preference Shares be and is hereby approved; and
 - (iii) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such other documents (with or without the affixation of the common seal but to be countersigned by the secretary of the Company or by another director of the Company if it is required to affix the common seal of the Company thereto), instructions and agreements and to do all such acts and things deemed by him to be incidental to, ancillary to, or in connection with the matters contemplated under this resolution.”

- (2) “**THAT** the annual caps under the 2010 CPH Supply Agreement (as defined in the Circular) for each of the three financial years ending 31 December 2011, 2012 and 2013 be increased from RMB640,000,000, RMB704,000,000 and RMB774,400,000 respectively, to RMB850,000,000, RMB977,500,000 and RMB1,124,100,000 respectively be and are hereby approved.”
- (3) “**THAT** contingent upon the passing of the resolution set out as Resolution (4) (as a special resolution) in the notice convening this meeting:
- (i) the 1,518,807,075 preference shares of HK\$0.02 each in issue be redesignated as 1,518,807,075 unlisted, non-voting series A convertible preference shares of HK\$0.02 each (“**Series A Convertible Preference Shares**”) with such rights and privileges as are set out in the Memorandum and Articles of Association of the Company, and the register of members of the Company be updated accordingly;
 - (ii) the 3,897,110,334 new preference shares of HK\$0.02 each in issue be redesignated as 3,897,110,334 unlisted, non-voting series B convertible preference shares of HK\$0.02 each (“**Series B Convertible Preference Shares**”) with such rights and privileges as are set out in the Memorandum and Articles of Association of the Company, and the register of members of the Company be updated accordingly;
 - (iii) the 481,192,925 unissued preference shares of HK\$0.02 each be redesignated as 481,192,925 Series A Convertible Preference Shares with such rights and privileges as are set out in the Memorandum and Articles of Association of the Company;
 - (iv) the 102,889,666 unissued new preference shares of HK\$0.02 each be redesignated as 102,889,666 Series B Convertible Preference Shares with such rights and privileges as are set out in the Memorandum and Articles of Association of the Company; and
 - (v) subsequent to the above-mentioned redesignation of shares, the authorised share capital of the Company be increased from HK\$800,000,000 divided into 34,000,000,000 ordinary shares of HK\$0.02 each (“**Ordinary Shares**”), 2,000,000,000 preference shares of HK\$0.02 each and 4,000,000,000 new preference shares of HK\$0.02 each to HK\$940,000,000 divided into 34,000,000,000 Ordinary Shares, 2,000,000,000 Series A Convertible Preference Shares, 4,000,000,000 Series B Convertible Preference Shares, 4,500,000,000 unlisted, non-voting series C convertible preference shares (“**Series C Convertible Preference Shares**”) by the creation of 4,500,000,000 Series C Convertible Preference Shares and 2,500,000,000 Series D Convertible Preference Shares by the creation of 2,500,000,000 Series D Convertible Preference Shares.”

SPECIAL RESOLUTION

- (4) “**THAT**, contingent upon the passing of the resolutions set out as Resolution (3) (as an ordinary resolution) in the notice convening this meeting:
- A. Clause 6 of the Memorandum of Association of the Company be deleted in its entirety and the following be substituted therefor:

“The authorised share capital of the Company is HK\$940,000,000 divided into 34,000,000,000 ordinary shares of a par value of HK\$0.02 each, 2,000,000,000 Series A Convertible Preference Shares of a par value of HK\$0.02 each, 4,000,000,000 Series B Convertible Preference Shares of a par value of HK\$0.02 each, 4,500,000,000 Series C Convertible Preference Shares of a par value of HK\$0.02 each and 2,500,000,000 Series D Convertible Preference Shares of a par value of HK\$0.02 each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (Cap. 22) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.”; and

B. the Articles of Association of the Company be amended by:

(i) inserting the following definitions immediately after the definition of the “Secretary” in Article 2 of the Articles of Association:

“**Series A Convertible Preference Share(s)**” shall mean the unlisted, non-voting convertible preference share(s) of HK\$0.02 each in the capital of the Company, the rights and conditions attaching to which are set out in Article 4A;”;

“**Series B Convertible Preference Share(s)**” shall mean the unlisted, non-voting convertible preference share(s) of HK\$0.02 each in the capital of the Company, the rights and conditions attaching to which are set out in Article 4B;”;

“**Series C Convertible Preference Share(s)**” shall mean the unlisted, non-voting convertible preference share(s) of HK\$0.02 each in the capital of the Company, the rights and conditions attaching to which are set out in Article 4C;”;

“**Series D Convertible Preference Share(s)**” shall mean the unlisted, non-voting convertible preference share(s) of HK\$0.02 each in the capital of the Company, the rights and conditions attaching to which are set out in Article 4D;”;

(ii) deleting the definition for “**New Preference Share(s)**” and “**Preference Share(s)**” in Article 2 of the Articles of Association;

(iii) deleting Article 3 of the Articles of Association in its entirety and substituting therefor:

“The authorised share capital of the Company is HK\$940,000,000 divided into 34,000,000,000 ordinary shares of a par value of HK\$0.02 each, 2,000,000,000 Series A Convertible Preference Shares of a par value of HK\$0.02 each, 4,000,000,000 Series B Convertible Preference Shares of a par value of HK\$0.02 each, 4,500,000,000 Series C Convertible Preference Shares of a par value of HK\$0.02 each, and 2,500,000,000 Series D Convertible Preference Shares of a par value of HK\$0.02 each.”;

(iv) replacing all references to “**Preference Share**” and “**Preference Shares**” in Article 4A of the Articles of Association with “**Series A Convertible Preference Share**” and “**Series A Convertible Preference Shares**”, respectively;

- (v) replacing all references to “**New Preference Share**” and “**New Preference Shares**” in Article 4B of the Articles of Association with “**Series B Convertible Preference Share**” and “**Series B Convertible Preference Shares**”, respectively;
- (vi) inserting the following new Article 4C immediately after Article 4B of the Articles of Association:

“4C. (a) The Series C Convertible Preference Shares shall be non-voting shares and shall not carry any right or preference save as set out herein. For the purposes of this Article 4C only, unless the context otherwise requires (and notwithstanding any other definition provided in any other Article for any of the following terms):

“**Conversion Period**” means any time after the issue of the Series C Convertible Preference Shares;

“**Capital Distribution**” means any cash dividend or a distribution in specie and any dividend charged or provided for in the accounts for any financial period shall (whenever paid and however described) be deemed to be a Capital Distribution provided that any such dividend shall not be so deemed if the rate of that dividend, together with all other dividends on the class of capital in question charged or provided for in the accounts for the financial year in question, does not exceed the lesser of (i) the aggregate rate of dividend on such class of capital charged or provided for in the accounts for the last preceding financial year and (ii) an amount (rounded up to the nearest one tenth of a cent) equal to $A \times 3\%$:

where: A = the Conversion Price prevailing on the first day of the financial year in question.

In computing such rates, such adjustments may be made as are in the opinion of an approved investment bank appropriate to the circumstances and shall be made if the lengths of such year/periods differ materially;

“**Conversion Price**” means the conversion price applicable for the time being. The initial Conversion Price shall be equal to HK\$0.22 per ordinary share and shall thereafter be as adjusted, where applicable, in accordance with Article 4C(d); and

“**Initial Issue Price**” means HK\$0.22.

- (b) The Series C Convertible Preference Shares shall be issued on the following terms:
 - (i) the par value of each Series C Convertible Preference Share shall be HK\$0.02; and
 - (ii) the Series C Convertible Preference Shares shall be issued at the Initial Issue Price per Series C Convertible Preference Share.

- (c) The Series C Convertible Preference Shares may be assigned or transferred by the holder thereof without restriction, in whole or in part, and the Company shall facilitate any such assignment or transfer of the Series C Convertible Preference Shares, including making any necessary applications to the Stock Exchange or any other regulatory authority for approval (if and to the extent any such approval under applicable laws and/or regulations is required).
- (d) The Series C Convertible Preference Shares shall be convertible into such number of ordinary shares of the Company as is determined by dividing the Initial Issue Price by the Conversion Price during the Conversion Period in accordance with the following provisions:
 - (i) Subject as hereinafter provided, the Conversion Price shall from time to time be adjusted in accordance with the following relevant provisions and so that if the event giving rise to any such adjustment shall be such as would be capable of falling within more than one of sub-paragraphs (1) to (7) inclusive of this Article 4C(d)(i), it shall fall within the first of the applicable sub-paragraphs to the exclusion of the remaining sub-paragraphs provided that if such event would be capable of falling within sub-paragraph (8) as well, sub-paragraph (8) shall apply:

- (1) If and whenever the ordinary shares by reason of any consolidation or sub-division become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{B}$$

where:

A = the revised nominal amount; and

B = the former nominal amount.

Each such adjustment shall be effective from the close of business in Hong Kong on the Business Day immediately preceding the date on which the consolidation or subdivision becomes effective.

- (2) If and whenever the Company shall issue (other than in lieu of a cash dividend) any ordinary shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the following fraction:

$$\frac{C}{D}$$

in each case, where:

C = the aggregate nominal amount of the issued ordinary shares immediately before such issue; and

D = the aggregate nominal amount of the issued ordinary shares immediately after such issue.

Each such adjustment shall be effective (if appropriate, retroactively) from the commencement of the Business Day next following the record date for such issue.

- (3) If and whenever the Company shall make any Capital Distribution (except where, and to the extent that the Conversion Price falls to be adjusted under subparagraph (2) above) to holders (in their capacity as such) of ordinary shares (whether on a reduction of capital or otherwise) or shall grant to such holders rights to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be adjusted by multiplying it by the following fraction:

$$\frac{E - F}{E}$$

where:

E = the market price on the date on which the Capital Distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) the date immediately preceding the date of the Capital Distribution or, as the case may be, of the grant; and

F = the fair market value on the day of such announcement or (as the case may require) the immediately preceding day, as determined in good faith by an approved investment bank of the portion of the Capital Distribution or of such rights which is attributable to one ordinary share,

Provided that:

- (aa) if in the opinion of the relevant approved investment bank, the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine (and in such event the above formula shall be construed as if F meant) the amount of the said market price which should properly be attributed to the value of the Capital Distribution or rights; and

- (bb) the provisions of this sub-paragraph (3) shall not apply in relation to the issue of ordinary shares paid out of profits or reserves and issued in lieu of a cash dividend.

Each such adjustment shall be effective (if appropriate, retroactively) from the commencement of the Business Day next following the record date for the Capital Distribution or grant.

- (4) If and whenever the Company shall offer to holders of ordinary shares new ordinary shares for subscription by way of rights, or shall grant to holders of ordinary shares any options or warrants to subscribe for new ordinary shares, at a price which is less than 90% of the market price at the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

$$\frac{P + \frac{Q \times R}{S}}{P + Q}$$

where:

P = the number of ordinary shares in issue immediately before the date of such announcement;

Q = the aggregate number of ordinary shares so offered for subscription;

R = the amount (if any) payable for the right, option or warrant to subscribe for each new ordinary share, plus the subscription price payable for each new ordinary share; and

S = the market price of one ordinary share on the trading day immediately prior to such announcement.

Such adjustment shall become effective (if appropriate retroactively) from the commencement of the Business Day next following the record date for the offer or grant.

- (5)(aa) If and whenever the Company shall issue any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new ordinary shares, and the total Effective Consideration per share (defined in this sub-paragraph (5) below) initially receivable for such securities is less than 90% of the market price at the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by a fraction of which the numerator is the number of ordinary shares in issue immediately before the date of the issue plus the number of ordinary shares which the total Effective Consideration for the securities issued would purchase at such market price and the denominator is the number of ordinary shares in issue immediately before the date of the issue plus the number of ordinary shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price. Such adjustment shall become effective (if appropriate retrospectively) from the close of business in Hong Kong on the Business Day next preceding whichever is the earlier of the date on which the issue is announced and the date on which the Company determines the conversion or exchange rate or subscription price.
- (bb) If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (aa) of this sub-paragraph (5) are modified so that the total Effective Consideration per Share (as defined below) initially receivable for such securities shall be less than 90% of the market price at the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by a fraction of which the numerator is the number of ordinary shares in issue immediately before the date of such modification plus the number of ordinary shares which the total Effective Consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price and of which the denominator is the number of ordinary shares in issue immediately before such date of modification plus the number of ordinary shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion rate or subscription price. Such adjustment shall become effective (if appropriate, retrospectively) as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be

treated as modified for the foregoing purpose where it is adjusted to take account of rights or capitalisation issues and other events which have given rise to adjustment of the Conversion Price under this Article 4C(d), provided such corresponding adjustment has been made to the Conversion Price.

For the purpose of this sub-paragraph (5), the “**total Effective Consideration**” receivable for the securities issued shall be deemed to be the consideration receivable by the Company for any such securities plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights, and the “**total Effective Consideration per Share**” initially receivable for such securities shall be such aggregate consideration divided by the number of ordinary shares to be issued upon (and assuming) such conversion at the initial conversion rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue.

- (6) If and whenever the Company shall issue any ordinary shares at a price per share which is less than 90% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by a fraction of which the numerator is the number of ordinary shares in issue immediately before the date of such announcement plus the number of ordinary shares which the aggregate amount payable for the issue would purchase at such market price and the denominator is the number of ordinary shares in issue immediately before the date of such announcement plus the number of ordinary shares so issued. Such adjustment shall become effective on the date of the issue.
- (7) If and whenever the Company shall issue ordinary shares for the acquisition of any asset at a total Effective Consideration per Share (as defined in this sub-paragraph (7) below) which is less than 90% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted in such manner as may be determined by an approved investment bank with reference to the methodology set forth in sub-paragraph (6) above. Such adjustment shall become effective on the date of issue. For the purpose of this sub-paragraph (7) “**total Effective Consideration**” shall be the aggregate

consideration credited as being paid for such ordinary shares by the Company on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**total Effective Consideration per Share**” shall be the total Effective Consideration divided by the number of ordinary shares issued as aforesaid.

- (8) If the Company or a holder of Series C Convertible Preference Shares determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances (whether or not referred to in sub-paragraphs (1) to (7) above) (even if the relevant event or circumstance is specifically excluded in this Article 4C(d) from the operation of sub-paragraphs (1) to (7) above), or that an adjustment should be made in a manner other than in accordance with sub-paragraphs (1) to (7) above, or that an adjustment should not be made (even if the relevant event or circumstance is specifically provided for in sub-paragraphs (1) to (7) above), or that the effective date for the relevant adjustment should be a date other than that mentioned in sub-paragraphs (1) to (7) above, the Company or the holder of the Series C Convertible Preference Shares may, at its own expense, request an approved investment bank, acting as expert, to determine as soon as practicable (aa) what adjustment (if any) to the Conversion Price is fair and reasonable to take into account thereto and is appropriate to give the result which the approved investment bank considers in good faith to reflect the intentions of the provisions of this Article 4C(d); and (bb) the date on which such adjustment should take effect; and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this sub-paragraph (8) if the approved investment bank is so requested to make such a determination.
- (9) For the purpose of this Article 4C(d), the consideration received by the Company for the issuance of ordinary shares or grant of any right or option in whatever form to receive shares as set forth in any of the sub-paragraphs above shall be computed as follows:
 - (aa) Insofar as the consideration consists of cash, it shall be computed at the aggregate amount of cash received by the Company excluding amounts paid or payable for accrued interest for accrued dividends; and

- (bb) Insofar as the consideration consists of property other than cash, it shall be computed at the then current fair value thereof, as determined by the approved investment bank; provided, however, that no value shall be attributed to any services performed by any employee, officer or director of the Company.
- (ii) (1) The provisions of sub-paragraphs (2), (3), (4), (5), (6) and (8) of Article 4C(d)(i) shall not apply to:
- (aa) subject to sub-paragraph (bb) below, an issue of fully paid ordinary shares upon the exercise of any conversion rights attached to pre-existing securities (the existence of which has been publicly announced) convertible into ordinary shares or upon exercise of any pre-existing rights (the existence of which has been publicly announced) (including any conversion of part or the whole of any bonds or notes issued by the Company) to acquire ordinary shares (except a rights issue) provided that an adjustment (if required) has been made under this Article 4C in respect of the issue of such securities or granting of such rights (as the case may be);
 - (bb) an issue of ordinary shares or other securities of the Company or any subsidiary of the Company wholly or partly convertible into, or rights to acquire, ordinary shares pursuant to any share option scheme adopted by the Company in accordance with the current rules governing the listing of securities on the Stock Exchange or any issue of ordinary shares pursuant to the conversion of any of the Series C Convertible Preference Shares; or
 - (cc) an issue of fully paid ordinary shares by way of capitalisation of all or part of any subscription right reserve, or any similar reserve which has been or may be established pursuant to the terms of any pre-existing securities (the existence of which has been publicly announced) wholly or partly convertible into or rights to acquire ordinary shares; or
 - (dd) an issue of ordinary shares pursuant to a scrip dividend scheme already approved and publicly announced where an amount not less than the nominal amount of the ordinary shares so issued is capitalised and the market value of such ordinary shares is not more than 105% of the amount of dividend which holders of the ordinary shares could elect to or would

otherwise receive in cash, for which purpose the “**market value**” of an ordinary share shall mean the average of the closing prices for such dealing days on which dealings in the ordinary shares took place (being not less than ten (10) such days) as are selected by the directors of the Company for the purposes of the relevant scrip dividend and which fall within the period of one month ending on the last day on which holders of ordinary shares may elect to receive or (as the case may be) not to receive the relevant dividend in cash; and

- (2) without prejudice to the provisions of sub-paragraph (1) of this Article 4C(d)(ii), no adjustment shall be made to the Conversion Price pursuant to sub-paragraphs (4) to (7) of Article 4C(d)(i), if at any time the amount of adjustment that but for this Article 4C(d)(ii)(2), would have been required to be made pursuant to any of those sub-paragraphs, when aggregated with other adjustments that had not been made prior to that time as a result of the operation of this Article 4C(d)(ii), is less than three (3) per cent. of the Conversion Price prevailing at that time. Any adjustment not required to be made as a result of this Article 4C(d)(ii)(2) shall be carried forward and be taken into account in the first subsequent adjustment to be made pursuant to Article 4C(d)(i)(4) to (5).
- (iii) Notwithstanding anything to the contrary in this Article 4C, no adjustment under Article 4C(d)(i) or otherwise shall be made to the Conversion Price by reason only of the issue by the Company of any new shares and/or new convertible debts and/or similar securities at any time since 31 October 2008 involving the raising of new funds of up to a maximum of HK\$3,120,000,000 (regardless of the issue, conversion or subscription price of such securities).
- (iv) Any adjustment to the Conversion Price shall be made to the nearest one tenth of a cent so that any amount under HK\$0.0005 shall be rounded down and any amount of HK\$0.0005 or more shall be rounded up and, notwithstanding anything to the contrary herein, in no event shall any adjustment (otherwise than upon the consolidation of ordinary shares into ordinary shares of a larger nominal amount) involve an increase in the Conversion Price. In addition to any determination which may be made by the directors of the Company in accordance with the relevant provisions herein, every adjustment to the Conversion Price shall be certified by an approved investment bank.

- (v) Notwithstanding anything contained herein, no adjustment shall be made to the Conversion Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions of this Article 4C would be less than one tenth of a cent and any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with any subsequent adjustment which, on a cumulative basis, amounts to an adjustment of one tenth of a cent or more in the Conversion Price.
- (vi) If the Company or any subsidiary of the Company shall in any way modify the rights attached to any share or loan capital so as wholly or partly to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire, shares, the Company shall appoint an approved investment bank to consider whether any adjustment to the Conversion Price is appropriate (and if such approved investment bank shall certify that any such adjustment is appropriate, the Conversion Price shall be adjusted in accordance with this Article 4C(d)).
- (vii) Whenever the Conversion Price is adjusted as herein provided, the Company shall as soon as possible but not later than five (5) Business Days after the relevant adjustment has been determined give notice to the holder of the Series C Convertible Preference Shares that the Conversion Price has been adjusted (setting out brief particulars of the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof) and shall at all times thereafter so long as any Series C Convertible Preference Share remains unconverted make available for inspection at its principal place of business in Hong Kong a signed copy of the said certificate of the approved investment bank setting forth particulars of the event giving rise to the adjustment, the Conversion Price in effect prior to the adjustment, the adjusted Conversion Price and the effective date thereof.
- (viii) Notwithstanding any other provision of this Article 4C(d), no adjustment shall be made which would (but for this Article 4C(d) (viii)) result in the Conversion Price being reduced so that on conversion, ordinary shares shall fall to be issued at a discount to their nominal value, and in such case an adjustment shall be made to the effect that the Conversion Price will be reduced to the nominal value of an ordinary share.

- (ix) In case of any merger, amalgamation, arrangement or consolidation of the Company or any capital reorganization, reclassification or other change in respect of the issued shares (each, a “**Transaction**”), the Company shall execute and deliver to the holder(s) of the Series C Convertible Preference Shares at least five (5) Business Days prior to effecting such Transaction or as soon as practicable thereafter a certificate stating that the rights of the holder(s) of the Series C Convertible Preference Shares under this Article 4C shall continue to be recognized and not be prejudiced in any respect by the Transaction and appropriate provision shall be made therefore in the agreement, if any, relating to such Transaction. Any certificate delivered pursuant to this Article 4C(d)(ix) shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in Article 4C(d). The provisions of this Article 4C(d)(ix) and any equivalent thereof in any such certificate similarly shall apply to successive transactions.

- (e) (i) If the issue of ordinary shares following the exercise by a holder of Series C Convertible Preference Shares of the conversion rights relating to any of the Series C Convertible Preference Shares held by such holder of Series C Convertible Preference Shares would result in the Company not meeting the requirement under the Listing Rules applicable to the Company that not less than the Public Float Requirement immediately after the conversion, then the number of ordinary shares to be issued pursuant to such conversion shall be limited to the maximum number of ordinary shares issuable by the Company which would not in the reasonable opinion of the Company result in a breach of the Public Float Requirement and the balance of the conversion rights attached to the Series C Convertible Preference Shares which the holder of the Series C Convertible Preference Shares sought to convert shall be suspended until such time when the Issuer is able to issue new ordinary shares in satisfaction of the exercise of the said balance of conversion rights and at the same time comply with the Public Float Requirement.

- (ii) In the event that Article 4C(e)(i) shall affect the exercise of the conversion right of any holder of the Series C Convertible Preference Shares, the Company shall use reasonable endeavours to procure that there will be a sufficient number of ordinary shares in public hands so that all Series C Convertible Preference Shares suspended from conversion may be converted as soon as practicable without causing the Company to breach the Public Float Requirement.

- (f) (i) The conversion rights under Article 4C(d) may, subject as provided herein, be exercised on any Business Day during the Conversion Period by the holders any Series C Convertible Preference Shares delivering to at its own expense during normal business hours at the principal place of business of the Company in Hong Kong, a notice duly completed (a “**Series C Convertible Preference Shares Conversion Notice**”) stating the intention of such holder to convert and the address in Hong Kong for the delivery of the certificate for the ordinary shares into which the relevant Series C Convertible Preference Shares are to be converted (the “**Series C Convertible Preference Shares Conversion Shares**”) pursuant to this Article 4C together with the original certificate for the Series C Convertible Preference Shares and proof reasonably satisfactory to the Company of the authority of the person or persons to execute the Series C Convertible Preference Shares Conversion Notice. The Company shall be responsible for payment of all taxes and stamp, issue and registration fees and duties (if any), and Stock Exchange levies and charges (if any) arising on any such conversion. A Series C Convertible Preference Shares Conversion Notice once delivered shall be irrevocable.
- (ii) The Series C Conversion Shares arising on conversion shall be allotted and issued by the Company, credited as fully paid, to the holder of the relevant Series C Convertible Preference Shares or its nominees as it may in writing direct within ten (10) Business Days after, and with effect from, the date on which the Series C Convertible Preference Shares Conversion Notice is given to the Company, and the Company shall issue certificates for the Series C Convertible Preference Shares Conversion Shares to which the holder of the relevant Series C Convertible Preference Shares or such person as it may direct shall become entitled in consequence of exercising its conversion right in board lots with one certificate for any odd lot of ordinary shares arising from conversion and shall deliver the ordinary share certificates to the holder of the relevant Series C Convertible Preference Shares at the address in Hong Kong set out in the Series C Convertible Preference Shares Conversion Notice (or, in the absence of such address in the Series C Convertible Preference Shares Conversion Notice to the correspondence address or, in the absence of which, the registered address of such holder) together with the original certificate for the relevant Series C Convertible Preference Shares with an endorsement on it by a director of the Company for any balance of the Series C Convertible Preference Shares not converted within the ten (10) Business Day period referred to above.

- (g) The holder(s) of the Series C Convertible Preference Shares will not be entitled to attend or vote at any general meeting of the Company by reason only of his/her being the holder(s) of the Series C Convertible Preference Shares, except where a resolution is to be proposed at a general meeting for winding-up the Company or a resolution is to be proposed which if passed would vary or abrogate the rights or privileges of the holder(s) of the Series C Convertible Preference Shares.
 - (h) Upon the liquidation or dissolution of the Company, all sums available for distribution to members of the Company (including the holder(s) of the Series C Convertible Preference Shares) shall be distributed according to their percentage holding of the total issued share capital of the Company.
 - (i) Each Series C Convertible Preference Share shall confer on the holder thereof the same right to receive dividend *pari passu* with holders of ordinary shares of the Company on the basis of the number of ordinary share(s) into which each Series C Convertible Preference Share may be converted in accordance with Article 4C(d) and on an as converted basis.”
- (vii) inserting the following new Article 4D immediately after Article 4C of the Articles of Association:

“4D. (a) The Series D Convertible Preference Shares shall be non-voting shares and shall not carry any right or preference save as set out herein. For the purposes of this Article 4D only, unless the context otherwise requires (and notwithstanding any other definition provided in any other Article for any of the following terms):

“**Conversion Period**” means any time after the issue of the Series D Convertible Preference Shares;

“**Capital Distribution**” means any cash dividend or a distribution in specie and any dividend charged or provided for in the accounts for any financial period shall (whenever paid and however described) be deemed to be a Capital Distribution provided that any such dividend shall not be so deemed if the rate of that dividend, together with all other dividends on the class of capital in question charged or provided for in the accounts for the financial year in question, does not exceed the lesser of (i) the aggregate rate of dividend on such class of capital charged or provided for in the accounts for the last preceding financial year and (ii) an amount (rounded up to the nearest one tenth of a cent) equal to $A \times 3\%$:

where: A = the Conversion Price prevailing on the first day of the financial year in question.

In computing such rates, such adjustments may be made as are in the opinion of an approved investment bank appropriate to the circumstances and shall be made if the lengths of such year/periods differ materially;

“**Conversion Price**” means the conversion price applicable for the time being. The initial Conversion Price shall be equal to HK\$0.23 per ordinary share and shall thereafter be as adjusted, where applicable, in accordance with Article 4D(d); and

“**Initial Issue Price**” means HK\$0.23.

- (b) The Series D Convertible Preference Shares shall be issued on the following terms:
- (i) the par value of each Series D Convertible Preference Share shall be HK\$0.02; and
 - (ii) the Series D Convertible Preference Shares shall be issued at the Initial Issue Price per Series D Convertible Preference Share.
- (c) The Series D Convertible Preference Shares may be assigned or transferred by the holder thereof without restriction, in whole or in part, and the Company shall facilitate any such assignment or transfer of the Series D Convertible Preference Shares, including making any necessary applications to the Stock Exchange or any other regulatory authority for approval (if and to the extent any such approval under applicable laws and/or regulations is required).
- (d) The Series D Convertible Preference Shares shall be convertible into such number of ordinary shares of the Company as is determined by dividing the Initial Issue Price by the Conversion Price during the Conversion Period in accordance with the following provisions:
- (i) Subject as hereinafter provided, the Conversion Price shall from time to time be adjusted in accordance with the following relevant provisions and so that if the event giving rise to any such adjustment shall be such as would be capable of falling within more than one of sub-paragraphs (1) to (7) inclusive of this Article 4D(d)(i), it shall fall within the first of the applicable sub-paragraphs to the exclusion of the remaining sub-paragraphs provided that if such event would be capable of falling within sub-paragraph (8) as well, sub-paragraph (8) shall apply:
 - (1) If and whenever the ordinary shares by reason of any consolidation or sub-division become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{B}$$

where:

A = the revised nominal amount; and

B = the former nominal amount.

Each such adjustment shall be effective from the close of business in Hong Kong on the Business Day immediately preceding the date on which the consolidation or subdivision becomes effective.

- (2) If and whenever the Company shall issue (other than in lieu of a cash dividend) any ordinary shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the following fraction:

$$\frac{C}{D}$$

in each case, where:

C = the aggregate nominal amount of the issued ordinary shares immediately before such issue; and

D = the aggregate nominal amount of the issued ordinary shares immediately after such issue.

Each such adjustment shall be effective (if appropriate, retroactively) from the commencement of the Business Day next following the record date for such issue.

- (3) If and whenever the Company shall make any Capital Distribution (except where, and to the extent that the Conversion Price falls to be adjusted under subparagraph (2) above) to holders (in their capacity as such) of ordinary shares (whether on a reduction of capital or otherwise) or shall grant to such holders rights to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be adjusted by multiplying it by the following fraction:

$$\frac{E - F}{E}$$

where:

E = the market price on the date on which the Capital Distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) the date immediately preceding the date of the Capital Distribution or, as the case may be, of the grant; and

F = the fair market value on the day of such announcement or (as the case may require) the immediately preceding day, as determined in good faith by an approved investment bank of the portion of the Capital Distribution or of such rights which is attributable to one ordinary share,

Provided that:

- (aa) if in the opinion of the relevant approved investment bank, the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine (and in such event the above formula shall be construed as if F meant) the amount of the said market price which should properly be attributed to the value of the Capital Distribution or rights; and
- (bb) the provisions of this sub-paragraph (3) shall not apply in relation to the issue of ordinary shares paid out of profits or reserves and issued in lieu of a cash dividend.

Each such adjustment shall be effective (if appropriate, retroactively) from the commencement of the Business Day next following the record date for the Capital Distribution or grant.

- (4) If and whenever the Company shall offer to holders of ordinary shares new ordinary shares for subscription by way of rights, or shall grant to holders of ordinary shares any options or warrants to subscribe for new ordinary shares, at a price which is less than 90% of the market price at the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

$$\frac{P + \frac{Q \times R}{S}}{P + Q}$$

where:

P = the number of ordinary shares in issue immediately before the date of such announcement;

Q = the aggregate number of ordinary shares so offered for subscription;

R = the amount (if any) payable for the right, option or warrant to subscribe for each new ordinary share, plus the subscription price payable for each new ordinary share; and

S = the market price of one ordinary share on the trading day immediately prior to such announcement.

Such adjustment shall become effective (if appropriate retroactively) from the commencement of the Business Day next following the record date for the offer or grant.

(5)(aa) If and whenever the Company shall issue any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new ordinary shares, and the total Effective Consideration per share (defined in this sub-paragraph (5) below) initially receivable for such securities is less than 90% of the market price at the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by a fraction of which the numerator is the number of ordinary shares in issue immediately before the date of the issue plus the number of ordinary shares which the total Effective Consideration for the securities issued would purchase at such market price and the denominator is the number of ordinary shares in issue immediately before the date of the issue plus the number of ordinary shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price. Such adjustment shall become effective (if appropriate retrospectively) from the close of business in Hong Kong on the Business Day next preceding whichever is the earlier of the date on which the issue is announced and the date on which the Company determines the conversion or exchange rate or subscription price.

(bb) If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (aa) of this sub-paragraph (5) are modified so that the total Effective Consideration per Share (as defined below) initially receivable for such securities shall be less than 90% of the market price at the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by a fraction of which the numerator is the number of ordinary shares in issue immediately before the date of such modification plus the number of

ordinary shares which the total Effective Consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price and of which the denominator is the number of ordinary shares in issue immediately before such date of modification plus the number of ordinary shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion rate or subscription price. Such adjustment shall become effective (if appropriate, retrospectively) as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purpose where it is adjusted to take account of rights or capitalisation issues and other events which have given rise to adjustment of the Conversion Price under this Article 4D(d), provided such corresponding adjustment has been made to the Conversion Price.

For the purpose of this sub-paragraph (5), the “**total Effective Consideration**” receivable for the securities issued shall be deemed to be the consideration receivable by the Company for any such securities plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights, and the “total Effective Consideration per Share” initially receivable for such securities shall be such aggregate consideration divided by the number of ordinary shares to be issued upon (and assuming) such conversion at the initial conversion rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue.

- (6) If and whenever the Company shall issue any ordinary shares at a price per share which is less than 90% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by a fraction of which the numerator is the number of ordinary shares in issue immediately before the date of such announcement plus the number of ordinary shares which the aggregate amount payable for the issue would purchase at such market price and the denominator is the number of ordinary shares in issue immediately before the date of such announcement plus the number of ordinary shares so issued. Such adjustment shall become effective on the date of the issue.

- (7) If and whenever the Company shall issue ordinary shares for the acquisition of any asset at a total Effective Consideration per Share (as defined in this sub-paragraph (7) below) which is less than 90% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted in such manner as may be determined by an approved investment bank with reference to the methodology set forth in sub-paragraph (6) above. Such adjustment shall become effective on the date of issue. For the purpose of this sub-paragraph (7) “**total Effective Consideration**” shall be the aggregate consideration credited as being paid for such ordinary shares by the Company on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**total Effective Consideration per Share**” shall be the total Effective Consideration divided by the number of ordinary shares issued as aforesaid.
- (8) If the Company or a holder of Series D Convertible Preference Shares determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances (whether or not referred to in sub-paragraphs (1) to (7) above) (even if the relevant event or circumstance is specifically excluded in this Article 4D(d) from the operation of sub-paragraphs (1) to (7) above), or that an adjustment should be made in a manner other than in accordance with sub-paragraphs (1) to (7) above, or that an adjustment should not be made (even if the relevant event or circumstance is specifically provided for in sub-paragraphs (1) to (7) above), or that the effective date for the relevant adjustment should be a date other than that mentioned in sub-paragraphs (1) to (7) above, the Company or the holder of the Series D Convertible Preference Shares may, at its own expense, request an approved investment bank, acting as expert, to determine as soon as practicable (aa) what adjustment (if any) to the Conversion Price is fair and reasonable to take into account thereto and is appropriate to give the result which the approved investment bank considers in good faith to reflect the intentions of the provisions of this Article 4D(d); and (bb) the date on which such adjustment should take effect; and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this sub-paragraph (8) if the approved investment bank is so requested to make such a determination.

- (9) For the purpose of this Article 4D(d), the consideration received by the Company for the issuance of ordinary shares or grant of any right or option in whatever form to receive shares as set forth in any of the sub-paragraphs above shall be computed as follows:
- (aa) Insofar as the consideration consists of cash, it shall be computed at the aggregate amount of cash received by the Company excluding amounts paid or payable for accrued interest for accrued dividends; and
 - (bb) Insofar as the consideration consists of property other than cash, it shall be computed at the then current fair value thereof, as determined by the approved investment bank; provided, however, that no value shall be attributed to any services performed by any employee, officer or director of the Company.
- (ii) (1) The provisions of sub-paragraphs (2), (3), (4), (5), (6) and (8) of Article 4D(d)(i) shall not apply to:
- (aa) subject to sub-paragraph (bb) below, an issue of fully paid ordinary shares upon the exercise of any conversion rights attached to pre-existing securities (the existence of which has been publicly announced) convertible into ordinary shares or upon exercise of any pre-existing rights (the existence of which has been publicly announced) (including any conversion of part or the whole of any bonds or notes issued by the Company) to acquire ordinary shares (except a rights issue) provided that an adjustment (if required) has been made under this Article 4D in respect of the issue of such securities or granting of such rights (as the case may be);
 - (bb) an issue of ordinary shares or other securities of the Company or any subsidiary of the Company wholly or partly convertible into, or rights to acquire, ordinary shares pursuant to any share option scheme adopted by the Company in accordance with the current rules governing the listing of securities on the Stock Exchange or any issue of ordinary shares pursuant to the conversion of any of the Series D Convertible Preference Shares; or

- (cc) an issue of fully paid ordinary shares by way of capitalisation of all or part of any subscription right reserve, or any similar reserve which has been or may be established pursuant to the terms of any pre-existing securities (the existence of which has been publicly announced) wholly or partly convertible into or rights to acquire ordinary shares; or
 - (dd) an issue of ordinary shares pursuant to a scrip dividend scheme already approved and publicly announced where an amount not less than the nominal amount of the ordinary shares so issued is capitalised and the market value of such ordinary shares is not more than 105% of the amount of dividend which holders of the ordinary shares could elect to or would otherwise receive in cash, for which purpose the “market value” of an ordinary share shall mean the average of the closing prices for such dealing days on which dealings in the ordinary shares took place (being not less than ten (10) such days) as are selected by the directors of the Company for the purposes of the relevant scrip dividend and which fall within the period of one month ending on the last day on which holders of ordinary shares may elect to receive or (as the case may be) not to receive the relevant dividend in cash; and
- (2) without prejudice to the provisions of sub-paragraph (1) of this Article 4D(d)(ii), no adjustment shall be made to the Conversion Price pursuant to sub-paragraphs (4) to (7) of Article 4D(d)(i), if at any time the amount of adjustment that but for this Article 4D(d)(ii)(2), would have been required to be made pursuant to any of those sub-paragraphs, when aggregated with other adjustments that had not been made prior to that time as a result of the operation of this Article 4D(d)(ii), is less than three (3) per cent. of the Conversion Price prevailing at that time. Any adjustment not required to be made as a result of this Article 4D(d)(ii)(2) shall be carried forward and be taken into account in the first subsequent adjustment to be made pursuant to Article 4D(d)(i)(4) to (5).

- (iii) Notwithstanding anything to the contrary in this Article 4D, no adjustment under Article 4D(d)(i) or otherwise shall be made to the Conversion Price by reason only of the issue by the Company of any new shares and/or new convertible debts and/or similar securities at any time since 31 October 2008 involving the raising of new funds of up to a maximum of HK\$3,120,000,000 (regardless of the issue, conversion or subscription price of such securities).
- (iv) Any adjustment to the Conversion Price shall be made to the nearest one tenth of a cent so that any amount under HK\$0.0005 shall be rounded down and any amount of HK\$0.0005 or more shall be rounded up and, notwithstanding anything to the contrary herein, in no event shall any adjustment (otherwise than upon the consolidation of ordinary shares into ordinary shares of a larger nominal amount) involve an increase in the Conversion Price. In addition to any determination which may be made by the directors of the Company in accordance with the relevant provisions herein, every adjustment to the Conversion Price shall be certified by an approved investment bank.
- (v) Notwithstanding anything contained herein, no adjustment shall be made to the Conversion Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions of this Article 4D would be less than one tenth of a cent and any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with any subsequent adjustment which, on a cumulative basis, amounts to an adjustment of one tenth of a cent or more in the Conversion Price.
- (vi) If the Company or any subsidiary of the Company shall in any way modify the rights attached to any share or loan capital so as wholly or partly to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire, shares, the Company shall appoint an approved investment bank to consider whether any adjustment to the Conversion Price is appropriate (and if such approved investment bank shall certify that any such adjustment is appropriate, the Conversion Price shall be adjusted in accordance with this Article 4D(d)).
- (vii) Whenever the Conversion Price is adjusted as herein provided, the Company shall as soon as possible but not later than five (5) Business Days after the relevant adjustment has been determined give notice to the holder of the Series D Convertible Preference Shares that the Conversion Price has been adjusted (setting out brief particulars of the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof) and shall at all times thereafter so long as any Series D Convertible Preference Share remains unconverted make available for inspection at its principal place of business in Hong

Kong a signed copy of the said certificate of the approved investment bank setting forth particulars of the event giving rise to the adjustment, the Conversion Price in effect prior to the adjustment, the adjusted Conversion Price and the effective date thereof.

- (viii) Notwithstanding any other provision of this Article 4D(d), no adjustment shall be made which would (but for this Article 4D(d) (viii) result in the Conversion Price being reduced so that on conversion, ordinary shares shall fall to be issued at a discount to their nominal value, and in such case an adjustment shall be made to the effect that the Conversion Price will be reduced to the nominal value of an ordinary share.
 - (ix) In case of any merger, amalgamation, arrangement or consolidation of the Company or any capital reorganization, reclassification or other change in respect of the issued shares (each, a “**Transaction**”), the Company shall execute and deliver to the holder(s) of the Series D Convertible Preference Shares at least five (5) Business Days prior to effecting such Transaction or as soon as practicable thereafter a certificate stating that the rights of the holder(s) of the Series D Convertible Preference Shares under this Article 4D shall continue to be recognized and not be prejudiced in any respect by the Transaction and appropriate provision shall be made therefore in the agreement, if any, relating to such Transaction. Any certificate delivered pursuant to this Article 4D(d)(ix) shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in Article 4D(d). The provisions of this Article 4D(d)(ix) and any equivalent thereof in any such certificate similarly shall apply to successive transactions.
- (e) (i) If the issue of ordinary shares following the exercise by a holder of Series D Convertible Preference Shares of the conversion rights relating to any of the Series D Convertible Preference Shares held by such holder of Series D Convertible Preference Shares would result in the Company not meeting the requirement under the Listing Rules applicable to the Company that not less than the Public Float Requirement immediately after the conversion, then the number of ordinary shares to be issued pursuant to such conversion shall be limited to the maximum number of ordinary shares issuable by the Company which would not in the reasonable opinion of the Company result in a breach of the Public Float Requirement and the balance of the conversion rights attached to the Series D Convertible Preference Shares which the holder of the Series D Convertible Preference Shares sought to convert shall be suspended until such time when the Issuer is able to issue new ordinary shares in satisfaction of the exercise of the said balance of conversion rights and at the same time comply with the Public Float Requirement.

- (ii) In the event that Article 4D(e)(i) shall affect the exercise of the conversion right of any holder of the Series D Convertible Preference Shares, the Company shall use reasonable endeavours to procure that there will be a sufficient number of ordinary shares in public hands so that all Series D Convertible Preference Shares suspended from conversion may be converted as soon as practicable without causing the Company to breach the Public Float Requirement.
- (f)
 - (i) The conversion rights under Article 4D(d) may, subject as provided herein, be exercised on any Business Day during the Conversion Period by the holders any Series D Convertible Preference Shares delivering to at its own expense during normal business hours at the principal place of business of the Company in Hong Kong, a notice duly completed (a “**Series D Convertible Preference Shares Conversion Notice**”) stating the intention of such holder to convert and the address in Hong Kong for the delivery of the certificate for the ordinary shares into which the relevant Series D Convertible Preference Shares are to be converted (the “**Series D Convertible Preference Shares Conversion Shares**”) pursuant to this Article 4D together with the original certificate for the Series D Convertible Preference Shares and proof reasonably satisfactory to the Company of the authority of the person or persons to execute the Series D Convertible Preference Shares Conversion Notice. The Company shall be responsible for payment of all taxes and stamp, issue and registration fees and duties (if any), and Stock Exchange levies and charges (if any) arising on any such conversion. A Series D Convertible Preference Shares Conversion Notice once delivered shall be irrevocable.
 - (ii) The Series D Conversion Shares arising on conversion shall be allotted and issued by the Company, credited as fully paid, to the holder of the relevant Series D Convertible Preference Shares or its nominees as it may in writing direct within ten (10) Business Days after, and with effect from, the date on which the Series D Convertible Preference Shares Conversion Notice is given to the Company, and the Company shall issue certificates for the Series D Convertible Preference Shares Conversion Shares to which the holder of the relevant Series D Convertible Preference Shares or such person as it may direct shall become entitled in consequence of exercising its conversion right in board lots with one certificate for any odd lot of ordinary shares arising from conversion and shall deliver the ordinary share certificates to the holder of the relevant Series D Convertible Preference Shares at the address in Hong Kong set out in the Series D Convertible Preference Shares Conversion Notice (or, in the absence of such address in the Series D Convertible Preference Shares Conversion Notice to the correspondence address or, in the absence of which, the registered address of such holder) together with the original certificate for the relevant Series D Convertible Preference Shares with an endorsement on it by a director of the Company for any balance of the Series D Convertible Preference Shares not converted within the ten (10) Business Day period referred to above.

- (g) The holder(s) of the Series D Convertible Preference Shares will not be entitled to attend or vote at any general meeting of the Company by reason only of his/her being the holder(s) of the Series D Convertible Preference Shares, except where a resolution is to be proposed at a general meeting for winding-up the Company or a resolution is to be proposed which if passed would vary or abrogate the rights or privileges of the holder(s) of the Series D Convertible Preference Shares.
- (h) Upon the liquidation or dissolution of the Company, all sums available for distribution to members of the Company (including the holder(s) of the Series D Convertible Preference Shares) shall be distributed according to their percentage holding of the total issued share capital of the Company.
- (i) Each Series D Convertible Preference Share shall confer on the holder thereof the same right to receive dividend *pari passu* with holders of ordinary shares of the Company on the basis of the number of ordinary share(s) into which each Series D Convertible Preference Share may be converted in accordance with Article 4D(d) and on an as converted basis.”

By Order of the Board
Choi Yi Mei
Company Secretary

Hong Kong, 1 November 2011

As at the date of this notice, the Board of the Company comprises twelve executive directors, namely Mr. Dhanin Chearavanont, Mr. Soopakij Chearavanont, Mr. Narong Chearavanont, Mr. Li Wen Hai, Mr. Meth Jiaravanont, Mr. Michael Ross, Mr. Yang Xiaoping, Mr. Umroong Sanphasitvong, Mr. Robert Ping-Hsien Ho, Mr. Suphachai Chearavanont, Mr. Piyawat Titasattavorakul and Mr. Shih Hong-Mo and three independent non-executive Directors, namely Mr. Viroj Sangsnit, Mr. Chokchai Kotikula and Mr. Cheng Yuk Wo.

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, the proxy form together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority), must be lodged with the Company at 21st Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting.
3. A form of proxy for use at the meeting is being despatched to the shareholders of the Company together with a copy of this notice.