

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Rojam Entertainment Holdings Limited (the "**Company**"), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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Stock code: 8075

Website: www.rojam.com

**PROPOSED CHANGE OF DOMICILE
PROPOSED CAPITAL REORGANISATION
ADOPTION OF SHARE OPTION SCHEME
RE-ELECTION OF DIRECTOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Financial Adviser



A notice convening an extraordinary general meeting of the Company to be held at Unit 501, 5th Floor, Lucky Building, 39 Wellington Street, Hong Kong on Thursday, 19 November 2009 at 11:00 a.m. is set out on pages 58 to 61 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed with this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish.

This circular, for which the directors of the Company ("**Directors**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules ("**GEM Listing Rules**") Governing the Listing of Securities on the Growth Enterprise Market ("**GEM**") of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.rojam.com.

27 October 2009

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of **GEM** mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on **GEM**, there is a risk that securities traded on **GEM** may be more susceptible to high market volatility than securities traded on the **Main Board** and no assurance is given that there will be a liquid market in the securities traded on **GEM**.

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DEFINITIONS

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

“Accumulated Losses”	audited accumulated losses of the Company, which amounted to approximately HK\$157,229,000 as at 31 March 2009
“Announcement”	the announcement dated 6 October 2009 issued by the Company in relation to, among others, the proposed Change of Domicile, proposed Capital Reorganisation and adoption of Share Option Scheme
“associates”	has the same meaning ascribed to it under the GEM Listing Rules
“Authorisation”	the proposed authorisation to the Directors to apply the entire amount standing to the credit of the contributed surplus account of the Company within the meaning of the Companies Act in such manner as they consider appropriate, including but not limited to setting off against the Accumulated Losses, subject to compliance with the Companies Act and the bye-laws of the Company
“Bermuda Registrar”	the Registrar of Companies in Bermuda
“Board”	the board of Directors
“Branch Registrar”	Computershare Hong Kong Investor Services Limited, at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, the Company’s branch share registrar in Hong Kong
“Business Day”	a day (other than Saturday) on which banks in Hong Kong are generally open for business
“Capital Reduction”	the proposed reduction of issued share capital of the Company through reducing the par value of each of the issued Existing Shares from HK\$0.10 each to HK\$0.01 each by a cancellation of the paid-up capital of the Company to the extent of HK\$0.09 on each of the issued Existing Shares so that the nominal value of each of the issued Existing Shares will be reduced from HK\$0.10 to HK\$0.01 after the Change of Domicile becoming effective
“Capital Reorganisation”	the Capital Reduction and the Share Subdivision
“Cayman Registrar”	the Registrar of Companies in the Cayman Islands
“Change of Domicile”	the proposed change of the domicile of the Company from the Cayman Islands to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda

DEFINITIONS

“Companies Act”	the Companies Act 1981 of Bermuda
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the laws of Hong Kong)
“Company”	Rojam Entertainment Holdings Limited, a company incorporated in the Cayman Islands and will be re-domiciled and continued in Bermuda as an exempted company with limited liability, the issued Shares of which are listed on GEM
“connected person(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Controlling Shareholder”	any person who is or group of persons who are together entitled to exercise or control the exercise of 30% or more of the voting power at general meetings of the Company or who is or are in a position to control the composition of a majority of the Board
“Director(s)”	the director(s) of the Company
“Eligible Employee(s)”	employee(s) (whether full time or part time employee(s), including any executive director but not any non-executive director) of the Company, its Subsidiaries or any Invested Entity
“EGM”	the extraordinary general meeting of the Company to be held on Thursday, 19 November 2009 at 11:00 a.m. to consider and, if thought fit, approve the Change of Domicile, the Capital Reorganisation, the adoption of the Share Option Scheme and the re-election of Director
“Existing Share Certificate(s)”	certificate(s) for the Existing Shares in light blue colour
“Existing Shares”	existing shares of HK\$0.10 each in the share capital of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange responsible for the GEM listing matters
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange

DEFINITIONS

“General Scheme Limit”	the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and all other share option scheme(s) of the Company
“Grand Court”	the Grand Court of the Cayman Islands
“Grantee(s) of Share Option”	Participant(s) who accepted the offer of the grant of any Share Option(s) in accordance with the terms of the Share Option Scheme or (where the context so permits) a person entitled to any such Share Option in consequence of the death of the original Grantee of the Share Option Scheme
“Group”	the Company and its Subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Invested Entity”	any entity in which the Group holds any equity interest
“Latest Practicable Date”	21 October 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Last Trading Date”	30 September 2009, being the last trading day for the Existing Shares before the publication of the Announcement
“Legal Advisers”	Conyers Dill & Pearman, the Company’s legal advisers as to the laws of the Cayman Islands and Bermuda
“New Share Certificate(s)”	certificate(s) for the New Shares in green colour
“New Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“Offer Date”	the date on which the Board makes an offer of the grant of a Share Option

DEFINITIONS

“Participant(s)”	<p>any person belonging to any of the following classes of persons:</p> <ul style="list-style-type: none">(a) any Eligible Employee;(b) any non-executive director (including independent non-executive directors) of the Company, any of its Subsidiaries or any Invested Entity;(c) any supplier of goods or services to any member of the Group or any Invested Entity;(d) any customer of the Group or any Invested Entity;(e) any consultant, adviser, agent, contractor engaged by the Group or any Invested Entity; and(f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; <p>The basis of eligibility of any of the above classes of Participants to the grant of any Share Options shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group and the Invested Entity</p>
“PRC”	the People's Republic of China
“Share(s)”	the Existing Share(s) or the New Share(s), as the case may be
“Share Option(s)”	the option(s) under Share Option Scheme
“Share Option Scheme”	the new share option scheme proposed to be adopted by the Company
“Share Subdivision”	the proposed subdivision of each authorised but unissued Existing Share of HK\$0.10 into 10 New Shares of HK\$0.01 each
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	a subsidiary of the Company (within the meaning of Section 2 of the Companies Ordinance), whether incorporated in Hong Kong or elsewhere
“Supreme Court”	the Supreme Court of Bermuda
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable for implementation of the Change of Domicile and the Capital Reorganisation is set out below. This timetable is indicative only and may be varied due to additional time required for compliance with regulatory requirements in the Cayman Islands or Bermuda. Shareholders will be informed of any significant changes to the expected timetable by announcement.

2009

Latest time for lodging the form of proxy for the EGM 11:00 a.m., Tuesday, 17 November

EGM 11:00 a.m., Thursday, 19 November

Publication of EGM results announcement Thursday, 19 November

The following events are conditional on the fulfilment of the conditions for the implementation of the Change of Domicile and the Capital Reorganisation, and the dates are therefore tentative:

Effective date for the Change of Domicile Thursday, 3 December

Effective date of the Capital Reorganisation Tuesday, 22 December

Commencement of dealings in New Shares Wednesday, 23 December

First day of free exchange of Existing Share Certificates
for New Share Certificates Wednesday, 23 December

2010

Last day for free exchange of Existing Share Certificates
for New Share Certificates 4:30 p.m., Wednesday, 27 January

All times and dates in this circular refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above depends on the results of the EGM and are therefore indicative only. An announcement will be made regarding any changes to the expected timetable as and when appropriate.

LETTER FROM THE BOARD OF DIRECTORS



Stock code: 8075

Website: www.rojam.com

Executive Directors:

Ms. Etsuko Hoshiyama

Mr. Chan Chi Ming, Alvin

Mr. Luk Hong Man, Hammond

Independent non-executive Directors:

Mr. Zhang Xi

Mr. Chan Chi Yuen

Registered office:

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Unit 501, 5th Floor

Lucky Building

39 Wellington Street, Central

Hong Kong

27 October 2009

To the Shareholders

Dear Sir or Madam,

**PROPOSED CHANGE OF DOMICILE
PROPOSED CAPITAL REORGANISATION
ADOPTION OF SHARE OPTION SCHEME
RE-ELECTION OF DIRECTOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

On 6 October 2009, the Company issued an announcement in respect of, among others, the proposed Change of Domicile, the proposed Capital Reorganisation and adoption of Share Option Scheme.

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the EGM relating to:

1. Change of Domicile;
2. Capital Reorganisation;

LETTER FROM THE BOARD OF DIRECTORS

3. adoption of Share Option Scheme; and
4. re-election of Director.

PROPOSED CHANGE OF DOMICILE AND CAPITAL REORGANISATION

The Directors propose to change the domicile of the Company from the Cayman Islands to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda, and subject to the completion of the Change of Domicile, to adopt a new memorandum of continuance and bye-laws in compliance with Bermuda law to replace the existing memorandum and articles of association of the Company.

The Directors also propose, upon the Change of Domicile becoming effective, to reorganise the capital of the Company in the following manner:

- (a) the reduction of the issued share capital of the Company through reducing the par value of each of the issued Existing Shares from HK\$0.10 each to HK\$0.01 each by canceling the paid-up capital of the Company to the extent of HK\$0.09 on each of the issued Existing Shares so that the existing issued share capital of HK\$192,611,440.30 will be reduced by HK\$173,350,296.27 to HK\$19,261,144.03 comprising 1,926,114,403 New Shares of HK\$0.01 each;
- (b) the subdivision of each authorised but unissued Existing Share of HK\$0.10 into 10 New Shares of HK\$0.01 each;
- (c) the transfer of the credit of HK\$173,350,296.27 arising from the Capital Reduction to the contributed surplus account of the Company within the meaning of the Companies Act; and
- (d) the utilisation of the credits standing to the contributed surplus account of the Company within the meaning of the Companies Act after the event referred to in (c) above to offset the Accumulated Losses in full on the date the Capital Reorganisation becoming effective.

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$500,000,000 divided into 5,000,000,000 Existing Shares of HK\$0.10 each, of which 1,926,114,403 Existing Shares have been issued and fully paid or credited as fully paid. As set out in the annual report of the Company for the year ended 31 March 2009 and on the assumption that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the date on which the Capital Reorganisation becoming effective, a credit of approximately HK\$173,350,296.27 will arise from the Capital Reduction and will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act. The amount of credit arising from the Capital Reduction will then be applied to set off against the Accumulated Losses, which amounted to approximately HK\$157,229,000 as at 31 March 2009.

LETTER FROM THE BOARD OF DIRECTORS

As advised by the Legal Advisers, under Bermuda law, the amount standing to the credit of the contributed surplus account of the Company within the meaning of the Companies Act is a distributable reserve and the Company may apply the contributed surplus in any manner not prohibited by the Companies Act and the bye-laws of the Company and subject to compliance with the Companies Act and the bye-laws of the Company.

The Board also proposes to put forward to the Shareholders to approve the Authorisation, i.e. to authorise the Directors to apply the entire amount standing to the credit of the contributed surplus account of the Company within the meaning of the Companies Act in such manner as they consider appropriate, including but not limited to setting off against the Accumulated Losses, subject to compliance with the Companies Act and the bye-laws of the Company.

The issued New Shares will rank pari passu with each other in all respects, including the rights as to dividends, voting and return of capital. Other than the expenses incurred in relation to the Capital Reorganisation, its implementation will not in itself, alter the underlying assets, business operations, management or financial position of the Group or the proportionate interests or rights of the Shareholders, save for any fractional New Shares will not be issued to individual Shareholders but will be aggregated and, if a premium (net of expenses) can be obtained, sold and retained for the benefit of the Company. The Capital Reorganisation itself will not have any material adverse effect of the financial position of the Group.

Set out below is a table summarising the effects of the Capital Reorganisation on the Company:

	As at the Latest Practicable Date and before the Capital Reorganisation becoming effective (assuming no change in the issued share capital of the Company from the Latest Practicable Date up to the date on which the Capital Reorganisation becomes effective)	Immediately after the Capital Reorganisation becoming effective
Nominal value of shares	HK\$0.10	HK\$0.01
Authorised share capital	HK\$500,000,000 divided into 5,000,000,000 Existing Shares	HK\$500,000,000 divided into 50,000,000,000 New Shares
Issued and fully paid up or credited as fully paid up share capital	HK\$192,611,440.30 divided into 1,926,114,403 Existing Shares	HK\$19,261,144.03 divided into 1,926,114,403 New Shares
Unissued share capital	HK\$307,388,559.70 divided into 3,073,885,597 Existing Shares	HK\$480,738,855.97 divided into 48,073,885,597 New Shares

LETTER FROM THE BOARD OF DIRECTORS

Conditions of the Change of Domicile

The Change of Domicile is conditional upon:

- (a) the passing of the necessary special resolution by the Shareholders at the EGM to approve the Change of Domicile and the adoption of the new memorandum of continuance and bye-laws of the Company; and
- (b) compliance with the relevant procedures and requirements under the Cayman Islands laws, the Bermuda laws and the GEM Listing Rules.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (a) the passing of the necessary special resolution(s) by the Shareholders at the EGM to approve the Capital Reorganisation involving the Capital Reduction and the Share Subdivision;
- (b) the Change of Domicile becoming effective;
- (c) compliance with the relevant procedures and requirements under Bermuda laws and the GEM Listing Rules to effect the Capital Reorganisation; and
- (d) the GEM Listing Committee granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and with effect from the 19th day (if it is not a Business Day, the immediately following Business Day) after the effective date of the Change of Domicile.

The Change of Domicile is not conditional upon completion of the Capital Reorganisation. However, the Capital Reorganisation is conditional upon the Change of Domicile becoming effective. The Capital Reorganisation will be completed after fulfilling all the conditions of Capital Reorganisation.

The Capital Reorganisation is not subject to any approval or consent from the Bermuda court under laws of Bermuda.

Reasons for the Change of Domicile and the Capital Reorganisation and impact on the Company and the Shareholders

(i) *Reasons for Change of Domicile*

The Change of Domicile is proposed to shorten the time required to effect the Capital Reorganisation. As advised by the Legal Advisers, if the Company is to proceed with the Capital Reorganisation in the Cayman Islands, the sanction of the Grand Court shall be required for the Capital Reduction. Subject to availability of the Grand Court, it may take four to six months to complete the Capital Reduction. The Board does not believe that such sanction can be obtained in a commercially expedient time frame. The Company has been advised by the Legal Advisers that the Capital Reorganisation may be effected in Bermuda without the sanction of the Grand Court or approval of the Supreme Court by way of the Change of Domicile from the Cayman Islands to Bermuda through de-registration in the Cayman Islands and continuation in Bermuda as an exempted

LETTER FROM THE BOARD OF DIRECTORS

company. The Legal Advisers also advised that no court order is required in the Cayman Islands or Bermuda for the Change of Domicile. The Change of Domicile will not alter the underlying assets, business operations, management or financial position of the Group nor the proportionate equity interests of the Shareholders. The continuation of the Company in Bermuda as an exempted company does not create a new legal entity or prejudice or affect the continuity of the Company. The head office of the Group will continue to be in Hong Kong. Also, the Change of Domicile will not involve the formation of a new holding company, the withdrawal of listing of existing securities, any issue of new securities, any transfer of assets of the Company or any change in the existing shareholding structure of the Company.

As court sanction is not required for the Change of Domicile in the Cayman Islands and Bermuda and for the Capital Reorganisation in Bermuda, the Board estimates the Capital Reorganisation and the Change of Domicile should be completed between eight to twelve weeks, estimated to be about two to three months earlier than it would otherwise be, if the Company were to proceed with the Capital Reduction in the Cayman Islands with sanction of the Grand Court. Implementation of the Change of Domicile will not affect the listing status of the Existing Shares on GEM.

As advised by the Legal Advisers, Shareholders will be required to approve by way of a special resolution to adopt the proposed memorandum of continuance (effective from the date that the memorandum of continuance is approved and registered by the Bermuda Registrar) and bye-laws (upon the continuance of the Company as an exempted company under the laws of Bermuda and effective from the date that the memorandum of continuance is registered by the Bermuda Registrar). After the passing of the special resolution at the EGM, the Company will make an application to continue as an exempted company in Bermuda. Upon obtaining such permission, applications will be made to the Cayman Registrar to have the Company de-registered in the Cayman Islands and to the Bermuda Registrar for registration of the Company in Bermuda. The Cayman Registrar will de-register the Company if the requirements of the Companies Law have been complied with. The Company will file the memorandum of continuance in Bermuda with the Bermuda Registrar. The memorandum of continuance will be deemed to be the new memorandum of association of the Company. Upon issuance by the Bermuda Registrar of the certificate of continuance, the Company will become a company to which the Companies Act and any other laws in Bermuda apply as if the Company had been incorporated in Bermuda on the date of the registration of the memorandum of continuance. The certificate of continuance will be deemed to be the certificate of incorporation of the Company. Upon approval by the Cayman Registrar of the application for de-registration, the Cayman Registrar will issue a certificate of de-registration.

(ii) Reasons for the Capital Reorganisation

The Capital Reorganisation involves the Capital Reduction and the Share Subdivision.

The nominal value of the Existing Shares is HK\$0.10. Under the laws of Bermuda, a company may not issue shares at a discount to the nominal value of such shares. Accordingly, the Directors propose the Capital Reduction and the Share Subdivision by which the nominal value of the Existing Shares will be reduced which allows a greater flexibility in the pricing for any issue of new shares in the future.

As mentioned above, the amount of credit arising from the Capital Reduction will be applied to set off against the Accumulated Losses. The Directors consider that it will facilitate the Company in restoring its ability to declare dividends in future if retained earnings are available, which in turn will facilitate the Company's negotiation with potential investors in respect of fund raising exercises through issue of New Shares in future.

LETTER FROM THE BOARD OF DIRECTORS

The Directors (including the independent non-executive Directors) are of the view that the Capital Reorganisation will not have a material effect on the financial position of the Group. Other than the expenses to be incurred in relation to the Capital Reorganisation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders.

The Directors consider that the Change of Domicile and the Capital Reorganisation are in the interests of the Company and the Shareholders as a whole.

Application for listing of New Shares

Application will be made to the Stock Exchange for granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and all necessary arrangements will be made for the New Shares to be admitted into the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited.

No part of the equity or debt securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought are listed on any other stock exchange.

Free Exchange of share certificates

The New Share Certificates will be issued in green colour in order to distinguish them from the Existing Share Certificates which are in light blue colour.

Subject to the Capital Reorganisation becoming effective and the confirmation of the timetable, the Existing Share Certificates will be valid for delivery, trading and settlement purposes for the period up to 4:30 p.m., Wednesday, 27 January 2010 and thereafter will not be accepted for delivery, trading and settlement purposes but will continue to be good evidence of legal title to the New Shares on the basis of one Existing Share for one New Share. The Shareholders may, on or after Wednesday, 23 December 2009 until 4:30 p.m., Wednesday, 27 January 2010 (both days inclusive), submit Existing Share Certificates to the Branch Registrar, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, to exchange, at the expense of the Company, for New Share Certificates (on the basis of one (1) Existing Share for one (1) New Share). Thereafter, Existing Share Certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) by Shareholders to the Branch Registrar for each New Share Certificate to be issued or each Existing Share Certificate submitted, whichever number of share certificates is higher. It is expected that the New Share Certificates will be available for collection within a period of ten Business Days after the submission of the Existing Share Certificates.

WARNING

Shareholders and potential investors should also be aware of and take note that, the Change of Domicile, the Capital Reorganisation involving the Capital Reduction and Share Subdivision are conditional upon satisfaction of the conditions precedent set out in the paragraphs headed "Conditions of the Change of Domicile" and "Conditions of the Capital Reorganisation" in the section headed "Proposed Change of Domicile and Capital Reorganisation". Therefore, the Change of Domicile and the Capital Reorganisation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Existing Shares, and if they are in any doubt about their position, they should consult their professional advisers.

LETTER FROM THE BOARD OF DIRECTORS

SHAREHOLDING STRUCTURE

Assuming no additional new Shares are issued by the Company, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the Capital Reorganisation becoming effective:

<i>Name</i>	(i) As at the Latest Practicable Date		(ii) Immediately after the Capital Reorganisation	
	<i>Number of Existing Shares</i>	<i>%</i>	<i>Number of New Shares</i>	<i>%</i>
Marvel Bonus Holdings Limited	1,202,490,000	62.43	1,202,490,000	62.43
Public	723,624,403	37.57	723,624,403	37.57
Total	1,926,114,403	100.00	1,926,114,403	100.00

Note: Marvel Bonus Holdings Limited is owned by Integrated Asset Management (Asia) Limited and Shanghai Assets (BVI) Limited in equal shares. Integrated Asset Management (Asia) Limited is wholly and beneficially owned by Mr. Yam Tak Cheung. Shanghai Assets (BVI) Limited is wholly and beneficially owned by Mr. Ting Pang Wan, Raymond.

ADOPTION OF THE SHARE OPTION SCHEME

Background as to adoption of the Share Option Scheme

The Company currently does not have any share option scheme. To enable the Company to motivate more persons to make contribution to the Group and the Invested Entity and recruit additional talents to serve the Group and the Invested Entity in attaining the long term objectives of the Company, the Board considers that it is in the interest of the Company to adopt the Share Option Scheme with broad categories of eligible participants, including full time and part time employee, consultant, adviser, agent, contractor, customer, supplier and shareholder of the Group and the Invested Entity. As such, a resolution will be proposed at the EGM for the adoption of the Share Option Scheme.

Share Option Scheme

A summary of the principal terms of the Share Option Scheme is set out in Appendix III headed "Summary of the principal terms of the Share Option Scheme" to this circular. The Company will provide a summary of the terms of the Share Option Scheme to all participants on joining the Share Option Scheme and a copy of the scheme document to any participant who requests such a copy.

LETTER FROM THE BOARD OF DIRECTORS

Although the terms of the Share Option Scheme do not impose strict requirements on the Grantee of Share Option for particular achievement of any performance targets or holding a Share Option for a certain period before exercise, the Board believes that the requirements of a minimum subscription price as well as the selection criteria prescribed in the terms of the Share Option Scheme will serve to achieve the purpose of the Share Option Scheme as set out on page 47 of this circular.

Conditions

The Share Option Scheme is conditional upon:

- (i) the approval and adoption of the Share Option Scheme by the Shareholders at the EGM; and
- (ii) the GEM Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, any Shares falling to be issued upon exercise of the Share Options.

Maximum number of Shares subject to the Share Option Scheme

Subject to the approval of the Shareholders of the adoption of the Share Option Scheme and conditional upon the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares falling to be issued upon exercise of the Share Options, the Board will have the right to grant Share Options to the Participants to subscribe for Shares such that the General Scheme Limit shall not exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme (such 10% shall represent 192,611,440 Shares on the basis that the issued Shares of the Company as at the Adoption Date will be 1,926,114,403), unless the Company obtains an approval from the Shareholders to refresh such 10% limit such that the General Scheme Limit shall not exceed 10% of the issued share capital of the Company as at the date of such Shareholders' approval, but provided always that the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 30% of the Shares in issue from time to time.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, any Shares falling to be issued upon exercise of the Share Options granted under the Share Option Scheme.

As at the date hereof, no Share Options have been granted or agreed to be granted under the Share Option Scheme. The Company will comply with the terms of the Share Option Scheme and the requirements of Chapter 23 of the GEM Listing Rules in granting, dealing in or otherwise disposing of any Option.

LETTER FROM THE BOARD OF DIRECTORS

Value of Share Options

The Directors consider that it is inappropriate to state the value of all Share Options that can be granted under the Share Option Scheme on the assumption that they had been granted on the Latest Practicable Date as a number of factors crucial for the valuation cannot be determined. Such factors include the exercise period and the conditions that a Share Option is subject to. Accordingly, any valuation of the Share Options based on various speculative assumptions would not be meaningful but would be misleading to the Shareholders.

RE-ELECTION OF DIRECTOR

Mr. Chan Chi Yuen has been appointed as a non-executive director of the Company with effect from 30 September 2009. As stated in the announcement of the Company dated 30 September 2009 in relation to the aforesaid, Mr. Chan is required to retire at the EGM and, being eligible, offer himself of re-election at the EGM. His biography and other details are set out in Appendix IV to this circular. At the EGM, an ordinary resolution will be proposed to approve his re-election.

DOCUMENTS AVAILABLE FOR INSPECTION

A copy of (i) the Companies Law; (ii) the Companies Act; (iii) the existing memorandum and articles of association of the Company; (iv) the new memorandum of continuance and bye-laws to be adopted by the Company; and (v) the Share Option Scheme rules are available for inspection during normal business hours at the head office and principal place of business of the Company at Unit 501, 5th Floor, Lucky Building, 39 Wellington Street, Hong Kong from the date of this circular up to and including the date of the EGM and at the EGM.

EXTRAORDINARY GENERAL MEETING

A notice of the EGM is set out on pages 58 to 61 of this circular.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case-by-case basis.

A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to attend the EGM in person, you are requested to complete the form of proxy and return it in accordance with the instructions printed thereon to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish. In that event, your form of proxy will be deemed to have been revoked.

LETTER FROM THE BOARD OF DIRECTORS

VOTING BY POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all resolutions put to the vote at the EGM will be taken by way of poll.

RECOMMENDATION

The Directors are of the opinion that the Change of Domicile, the Capital Reorganisation, the adoption of Share Option Scheme, and the re-election of Mr. Chan Chi Yuen as a Director are in the best interests of the Company and its Shareholders as a whole and therefore recommend you to vote in favour of the relevant resolutions to be proposed at the forthcoming EGM.

GENERAL

As a the Latest Practicable Date, none of the Directors, Controlling Shareholder or any of their respective associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

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

Yours faithfully,

For and on behalf of the Board

ROJAM ENTERTAINMENT HOLDINGS LIMITED

Etsuko Hoshiyama

Executive Director

The principal statute in the Cayman Islands governing the operation of the Company is The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “**Companies Law**”). Upon continuation of the Company in Bermuda, the governing statute will be The Companies Act 1981 of Bermuda (the “**Companies Act**”). In general, many of the provisions of both the Companies Law and the Companies Act have been taken from the Companies Act, 1948 of the United Kingdom although their application has, in certain instances, been adapted to conform to general concepts of company law in the Cayman Islands and in Bermuda, respectively. In some circumstances, however, certain statutory provisions of the Companies Law and the Companies Act differ quite substantially from their equivalent in the United Kingdom Companies Act. In Bermuda, certain aspects of Canadian company law have been included in the Companies Act. Generally, principles of English company law apply in Cayman and Cayman courts will look to English decisions for guidance in interpreting these principles, subject to the statutory differences. Similarly, in Bermuda, the courts treat English common law relating to companies as of strong persuasive authority. Further a court is directed by the Interpretation Act, 1951 of Bermuda to apply as nearly as practicable the rules for interpretation and construction of provisions of law which are applicable in England to the interpretation and construction of statutory provisions of Bermuda law.

The following is a summary of the differences of certain provisions of the Companies Law and the Companies Act.

	CAYMAN	BERMUDA
Directors, officers and Representatives	<p>The minimum number of directors of a Cayman company is one. There is no requirement that any of the directors be resident in Cayman. Corporate directors are permitted.</p> <p>An exempted company may in its articles provide that a director must hold at least one share in the company.</p> <p>An exempted company must have such officers as are prescribed by its articles.</p>	<p>The minimum number of directors of a company is two. An exempted company must satisfy one of certain Bermuda residency requirements, namely: appoint (i) a minimum of one director, other than an alternate director, who is ordinarily resident in Bermuda; or (ii) a secretary that is an individual or a company, and who is ordinarily resident in Bermuda; or (iii) a resident representative that is an individual or a company, and who is ordinarily resident in Bermuda. Corporate directors are not permitted.</p>

	CAYMAN	BERMUDA
Constitutional documents	<p>The constitutional documents of an exempted company are its memorandum and articles of association.</p> <p>An exempted company may register articles. The articles only bind the company and its members when registered. The articles of association provide for the regulation of a company's affairs and will set out the rights and duties as between the company, the shareholders and the directors. The articles of association are not generally available for inspection by the public. Where articles have been registered, a copy of every "special resolution" must also be filed with the Registrar either annexed to or embodied in the articles.</p>	<p>The constitutional documents of an exempted company are its memorandum of association and bye-laws.</p> <p>The memorandum of association is filed with the Registrar and is available for public inspection. The bye-laws will generally prescribe the rights and duties as between the company, the shareholders and the directors. The bye-laws of a Bermuda company are not filed with the Registrar and are not available for public inspection.</p>

	CAYMAN	BERMUDA
Share premium and contributed surplus	<p>When a company issues shares at a premium, the amount of the premium will generally be transferred to the share premium account. The money in the share premium account may be applied, subject to the provisions of the memorandum and articles of association, in such manner as the company may, from time to time, determine including, but without limitation, among other things, paying distributions or dividends to members.</p>	<p>When a company issues shares at a premium, the premium will be transferred to the share premium account and its use is more restrictive than that under Companies Law. Share premium is not distributable but it may be used to pay up unissued shares to be issued to members of the company as fully paid bonus shares.</p> <p>Where premium arises from an exchange of shares, however, the excess value of the shares acquired over the nominal value of the shares being issued may be credited to a contributed surplus account of the issuing company. Contributed surplus can, among other things, be distributed to the shareholders subject to there being reasonable grounds for believing that, after the payment (a) the company would be able to pay its liabilities as they become due; and (b) the realizable value of the company's assets would thereby be more than the aggregate of its liabilities and its issued share capital and share premium account.</p>

	CAYMAN	BERMUDA
Financial assistance	<p>There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. A company may therefore provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.</p>	<p>The Companies Act includes financial assistance provisions historically intended to preserve the capital of a company. However, financial assistance is not prohibited in circumstances where, after the giving of any such assistance, the company will be able to pay its liabilities as they become due.</p>

	CAYMAN	BERMUDA
Shareholders' meetings	<p>An exempted company is not required to hold an annual general meeting. A meeting of shareholders, or a class of shareholders, may be validly convened and business conducted, subject to the memorandum and the articles, with only one shareholder present in person, or as the articles provide, on such notice to shareholders as the articles prescribe.</p> <p>Articles may provide for general meetings of shareholders to be called only by the directors or at the written request of shareholders in accordance with the articles.</p> <p>Where there is no contrary provision in the articles, a meeting shall be duly summoned where 5 days' notice is served on every member, 3 members are competent to summon the meeting, and any person elected by the members present is competent to preside as chairman.</p> <p>Shareholders' meetings need not be held in Cayman.</p>	<p>An exempted company must hold an annual general meeting once in every calendar year. A meeting of shareholders may be validly convened, subject to the bye-laws, with at least one person present representing shareholders. The Companies Act provides that the minimum notice with respect to the calling of the annual general meeting or any special general meeting is five days – shorter notice periods require special agreement of the members. The bye-laws may further extend this notice period.</p> <p>Upon the request of shareholders holding at the date of the request not less than 10% of the paid up capital of the company, the directors are required to convene a special general meeting.</p> <p>Shareholders' meetings need not be held in Bermuda.</p>

	CAYMAN	BERMUDA
Voting	<p>Shareholders may vote at general meetings in person. In so far as the company's articles provide, shareholders may vote by proxy; the holder of a proxy may, but need not, be a shareholder and a corporate shareholder of the company may appoint such person as it thinks fit to be its representative at any general meeting of the company or class of shareholders of the company.</p> <p>The Companies Law requires that certain decisions of the shareholders in general meeting must be approved by a "special resolution". A resolution will be a special resolution when passed by a majority of not less than two-thirds (or such greater number as specified in the articles) of the shareholders who vote in person or by proxy at a general meeting and notice of the meeting specified the intention to propose a special resolution. A special resolution will also be made when, if authorised in the articles, a special resolution in writing is approved and signed by all shareholders entitled to vote at a general meeting. Except as aforesaid, resolutions require to be approved by simple majority.</p> <p>Where no regulations are made as to voting, every member has one vote.</p>	<p>Shareholders may vote at general meetings in person or by proxy. The holder of a proxy may, but need not, be a shareholder. A corporate shareholder of an exempted company may appoint such person as it thinks fit to be its representative at general meetings. The holder of more than one share may appoint more than one proxy.</p> <p>Unless the bye-laws provide otherwise, resolutions of shareholders generally require to be approved by a simple majority. Resolutions may be approved by unanimous written consent.</p>

	CAYMAN	BERMUDA
Redemption and repurchase of shares	<p>An exempted company may, if authorised by its articles, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or the shareholder, and it may purchase its own shares, including any redeemable shares. A redemption or purchase may be made out of profits, or the proceeds of a fresh issue of shares made for the purpose of the redemption or purchase, or, under certain circumstances, out of capital. No redemption or purchase may take place unless the shares are fully paid, or if as a result of the redemption or purchase, there would no longer be any other member of the company holding shares. Shares redeemed are treated as cancelled and are available for reissue.</p> <p>An exempted company cannot hold shares in treasury.</p>	<p>Where an exempted company has the power to redeem or repurchase its shares, the manner of effecting such redemptions or purchases must be set out in the bye-laws. A redemption or purchase must be made out of the capital paid up thereon and any related share premium, or profits, or the proceeds of a fresh issue of shares. No redemption or purchase may take place if, as a result of such redemption or purchase, the issued and outstanding shares of the company would represent less than the minimum authorised capital or if there are reasonable grounds for believing that the company would be unable to pay its liabilities as they become due. Shares redeemed or purchased may be held as treasury shares or may be treated as cancelled, in which case they are available for reissue.</p>
Increase of share capital	<p>A company can increase its share capital if authorised by its articles. The articles may provide that this be done by ordinary resolution of the shareholders in general meeting.</p>	<p>The authorised share capital of the company may be increased if authorised by its bye-laws and by resolution of shareholders in general meeting. A memorandum of increase must be filed within 30 days of the increase with the Registrar.</p>

	CAYMAN	BERMUDA
Reduction of share capital	<p>Subject to the provisions of the Companies Law and to confirmation by the court, a company, if so authorised by its articles, may reduce its share capital by special resolution of its shareholders. After the resolution is passed, the company may apply to the court for an order confirming the reduction. A copy of the order of the court and a minute approved by the court setting out particulars prescribed in the Companies Law must be registered with the Registrar. A notice of the registration must be published in the manner directed by the court.</p>	<p>A company may reduce its share capital if authorised by a general meeting of shareholders, provided that publication of the intention to reduce the capital has been made in a newspaper in Bermuda and there are no reasonable grounds for believing that the company is, or after the reduction would be, unable to pay its liabilities as they become due. A memorandum of reduction of share capital must be filed with the Registrar.</p>
Dividends	<p>Dividends may only be paid from profits. The Companies Law prohibits companies from paying a distribution or dividend to shareholders out of share premium account unless, immediately following the date on which the proposed payment is to be made, the company is able to pay its debts as they fall due in the ordinary course of business.</p>	<p>An exempted company may, subject to its bye-laws, by resolution of the directors declare and pay a dividend, or make a distribution out of contributed surplus, provided there are reasonable grounds for believing that after any such payment (a) the company will be solvent and (b) the realizable value of its assets will be greater than the aggregate of its liabilities, issued share capital and share premium account.</p>

	CAYMAN	BERMUDA
Protection of minority shareholders	<p>Any shareholder of a company may petition to the court which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.</p>	<p>Shareholders are entitled to complain to the court under the Companies Act that the affairs of a Bermuda company are being conducted in a manner which is oppressive or prejudicial to the shareholders or a part of them. A Bermuda company may be wound up by the court if the court is of the opinion that it is just and equitable that the company should be wound up. A complaint by a shareholder that the affairs of a company are being conducted or have been conducted in a manner oppressive or unfairly prejudicial to the interest of some part of the members would be considered one of the just and equitable grounds.</p>
Stamp duty	<p>No stamp duty is payable on a transfer of shares of a Cayman company except that which hold interests in land in the Cayman. Certain documents are subject to stamp duty which is generally a nominal amount.</p>	<p>No stamp duty is payable on a transfer of shares of a Bermuda company or in respect of any instrument executed by an exempted company or in respect of an instrument relating to an interest in an exempted company. Stamp duty may be payable in respect of transactions involving Bermuda property.</p>

	CAYMAN	BERMUDA
Taxation	<p>No taxes are imposed in Cayman upon an exempted company or its shareholders.</p> <p>An exempted company is entitled to receive an undertaking from the Cayman government such that no law enacted in Cayman imposing any tax to be levied on profits, income, gains or appreciation or which is in the nature of estate duty or inheritance tax shall apply to an exempted company, or its shares or by withholding for a period of up to twenty years, which is usually renewable for a further ten years upon expiry.</p>	<p>No taxes are imposed in Bermuda on an exempted company or its shareholders, other than on shareholders ordinarily resident in Bermuda.</p> <p>An exempted company may apply for and is likely to receive from the Minister of Finance an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, such tax shall not until March 2016 be applicable to the company or to any of its operations or to the shares, debentures or other obligations of the company except insofar as such tax applies to persons ordinarily resident in Bermuda and holding such shares, debentures or other obligations of the company or any land leased or let to the company.</p>

Set out below is a summary of the provisions of the new memorandum of continuance (the “**New Memorandum**”) and the bye-laws of the Company (“**Bye-laws**”) upon continuation in Bermuda and their differences with the memorandum (the “**Memorandum**”) and articles of association (the “**Articles**”) of the Company prior to the re-domicile.

I. THE MEMORANDUM AND THE NEW MEMORANDUM

The Memorandum states, inter alia, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted and that the Company shall have full power and authority to carry out any object not prohibited by any law as provided by the Companies Law, that the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by the Companies Law and, as an exempted company, the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.

Upon continuance of the Company in Bermuda, the Company will adopt the New Memorandum which, upon filing with and registration by the Bermuda Registrar, will in effect be the Company’s new memorandum of association. The New Memorandum states, inter alia, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the Company is an exempted company as defined in the Companies Act. The New Memorandum also sets out the objects for which the Company was formed which are unrestricted and that the Company has the capacity, rights, powers and privileges of a natural person. As an exempted company, the Company will be carrying on business outside Bermuda from a place of business within Bermuda.

In accordance with and subject to section 42A of the Companies Act, the New Memorandum empowers the Company to purchase its own shares and pursuant to its Bye-laws, this power is exercisable by the board of Directors (the “**board**”) upon such terms and subject to such conditions as it thinks fit.

2. THE ARTICLES AND THE BYE-LAWS

(a) Directors

(i) Power to allot and issue shares and warrants

Summary

Subject to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Company may by ordinary resolution determine or if there has not been any such determination or so far as the same may not make specific provision, as the board may determine. Subject to the Companies Act, any preference shares may be issued or converted into shares that are liable to

be redeemed, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution 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 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 Bye-laws) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

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

Material differences

The corresponding provisions of the Articles relating to the power of directors to allot and issue shares and warrants are substantially the same.

Under the Articles, no shares of the Company may be issued at a discount except in accordance with the provisions of the Companies Law.

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

Summary

There are no specific provisions in the 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 Bye-laws or the Companies Act to be exercised or done by the Company in general meeting.

Material differences

The Articles do not contain any prohibition or restriction on the disposal of the assets of the Company or any of its subsidiaries.

(iii) *Compensation or payments for loss of office*

Summary

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

Material differences

The Articles contain similar provisions.

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

Summary

There are no provisions in the 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.

Material differences

There are provisions in the Articles prohibiting the making of loans to a Director of the Company or a director of any holding company of the Company or to any of their respective associates (as defined by the rules, where applicable, of the Designated Stock Exchange (as defined in the Articles)) for so long as the shares of the Company are listed on the Stock Exchange.

(v) *Financial assistance to purchase shares of the Company*

Summary

Neither the Company nor any of its subsidiaries shall directly or indirectly give financial assistance to a person who is acquiring or proposing to acquire shares in the Company for the purpose of that acquisition whether before or at the same time as the acquisition takes place or afterwards, provided that the Bye-laws shall not prohibit transactions permitted under the Companies Act.

Material differences

The Articles only permit the Company to give financial assistance for the purchase of its shares if the purchase is allowed by the Companies Law and made in compliance with the rules and regulations of the Stock Exchange and any other relevant regulatory body.

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

Summary

A Director may hold any other office or place of profit with the Company (except that of auditor of the Company) in conjunction with his office of Director for such period and, subject to the Companies Act, upon such terms as the board may determine, and may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) in addition to any remuneration provided for by or pursuant to any other Bye-laws. A Director may be or become a director or other officer of, or a member of, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. Subject as otherwise provided by the 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 Bye-laws, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever; nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

**SUMMARY OF THE PROPOSED MEMORANDUM OF
CONTINUANCE AND BYE-LAWS AND DIFFERENCES WITH
THE MEMORANDUM AND ARTICLES OF ASSOCIATION**

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

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

Material differences

The Articles contain substantially similar provisions.

(vii) *Remuneration*

Summary

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

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

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

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

Material differences

The Articles contain substantially similar provisions.

(viii) *Retirement, appointment and removal*

Summary

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

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

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

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

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

Material differences

The Articles contain substantially similar provisions except that directors appointed by the board (whether to fill a casual vacancy or as an addition to the existing Board) shall hold office until the next following annual general meeting of the Company. There is however no requirement to serve any notice on the Director who is being removed nor is there any provision allowing such director to be heard on the motion for his removal and the members may only remove a Director by way of a special resolution. In addition, the chairman of directors and the Managing Director are excluded from the requirement to retire by rotation.

(ix) *Borrowing powers*

Summary

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

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

Material differences

The Articles contain substantially similar provisions.

(b) Alterations to constitutional documents

Summary

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

Material differences

Under the Articles, any alteration to the Memorandum and the Articles requires the sanction of a special resolution.

(c) Alteration of capital

Summary

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

The Company may, by 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.

Material differences

Save for paragraph (v) of the above summary, Article 4 of the Articles contain similar provisions. The Company may also by special resolution reduce any capital redemption reserve.

(d) Variation of rights of existing shares or classes of shares

Summary

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

Material differences

The Articles contain substantially similar provisions.

(e) Special resolution-majority required*Summary*

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice of not less than twenty-one (21) clear days and not less than twenty (20) or ten (10) clear business days (depending on whether it is an annual general meeting or a special general meeting), specifying the intention to propose the resolution as a special resolution, has been duly given. Provided that if permitted by the Designated Stock Exchange (as defined in the Bye-Laws), except in the case of an annual general meeting, if it is so agreed by a majority in number of the members having a right to attend and vote at such meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the shares giving that right and, in the case of an annual general meeting, if so agreed by all members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which notice of less than twenty-one (21) clear days and less than twenty (20) or ten (10) clear business days has been given.

Material differences

The definition of special resolution under the Articles is the same except for the additional twenty or ten clear business days notice requirement. In the case of a meeting convened for the purpose of passing a special resolution, 21 days' notice in writing at the least must be given to all the members for the time being of the Company.

(f) Voting rights*Summary*

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

At any general meeting, a resolution put to the vote of the meeting is to be decided by way of a poll.

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

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

Material differences

The Articles provided that voting shall be by way of a show of hands except where a poll is demanded or required under applicable laws and regulations.

(g) Requirements for annual general meetings

Summary

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

Material differences

Similarly, the Company must hold a general meeting as its annual general meeting and not more than 15 months shall elapse between the date of one annual general meeting and the next. However, the first annual general meeting of the Company may be held at any time within 18 months of its incorporation.

(h) Accounts and audit*Summary*

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

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

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

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

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

Material differences

The Articles contain substantially similar provisions.

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

Summary

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 it is proposed to pass a special resolution shall (save as set out in sub-paragraph (e) above) be called by notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days in writing, and any other special general meeting shall be called by notice of not less than fourteen (14) clear days and not less than ten (10) clear business days (in each case exclusive of the day on which the notice is given or deemed to be given and of the day for which it is given or on which it is to take effect). The notice must specify the time and place of the meeting and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such.

Material differences

The Articles contain substantially similar provisions except for the additional twenty or ten clear business days notice requirements. A notice convening a meeting to pass a special resolution shall specify the intention to propose the relevant resolution as a special resolution.

(j) Transfer of shares

Summary

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

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

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

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

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

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

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

Material differences

The Articles contain substantially similar provisions.

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

The Bye-laws supplement the Company's New Memorandum (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.

Material differences

The Articles provide that subject to the provisions of the Companies Law and the rules of the Stock Exchange, the Company may repurchase its own shares on such terms as the Directors may deem fit.

(l) Power for any subsidiary of the Company to own shares in the Company*Summary*

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

Material differences

Similarly, the Articles do not contain any a provision.

(m) Dividends and other methods of distribution*Summary*

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

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

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

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

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

Material differences

The Articles contain substantially similar provisions save that dividend must be paid out of profits and reserves available for distribution including share premium and there is no reference to contributed surplus which is distributable under Bermuda law.

(n) Proxies

Summary

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one

proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.

Material differences

The Articles contain substantially similar provisions.

(o) Call on shares and forfeiture of shares

Summary

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

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

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

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

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

Material differences

The Articles contain substantially similar provisions to the Bye-laws.

(p) Inspection of register of members

Summary

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

Material differences

Under the Articles, the principal register and branch register of Members, as the case may be, shall be open to inspection for at least two (2) hours on every business day by members of the Company without charge or by any other person, upon payment of a nominal charge.

(q) Quorum for meetings and separate class meetings

Summary

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

Material differences

The Articles contain similar provisions.

(r) Rights of the minorities in relation to fraud or oppression*Summary*

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

Material differences

The Articles contain no provisions specifically dealing with such rights of minority shareholders.

(s) Procedures on liquidation*Summary*

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

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

Material differences

The Articles contain substantially similar provisions to the Bye-laws.

(t) Untraceable members*Summary*

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

Material differences

The Articles contain similar provisions.

This Appendix summarise the principal terms of the Share Option Scheme but does not form part of, nor was it intended to be, part of the Share Option Scheme nor should it be taken as effecting the interpretation of the rules of the Share Option Scheme.

(a) Purpose of the scheme

The purpose of the Share Option Scheme is to provide incentives or rewards to Participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity.

(b) Who may join

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants ("**Participant(s)**"), to take up Share Options to subscribe for Shares:

- (aa) any Eligible Employee;
- (bb) any non-executive director (including independent non-executive directors) of the Company, any of its Subsidiaries or any Invested Entity;
- (cc) any supplier of goods or services to any member of the Group or any Invested Entity;
- (dd) any customer of the Group or any Invested Entity;
- (ee) any consultant, adviser, agent and contractor engaged by the Group or any Invested Entity; and
- (ff) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity.

For the avoidance of doubt, the grant of any share options by the Company for the subscription of Shares to any person who fall within any of the above classes of Participants shall not, by itself, unless the Directors otherwise determined, be construed as a grant of Share Option under the Share Option Scheme.

The basis of eligibility of any of the above classes of Participants to the grant of any Share Options shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group and the Invested Entity.

(c) Maximum number of Shares

- (aa) The maximum number of Shares to be issued upon exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30 per cent of the issued share capital of the Company from time to time.

- (bb) The total number of Shares which may be issued upon exercise of all Share Options (excluding, for this purpose, Share Options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Company) to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10 per cent of the total number of Shares in issue as at the date of approval of the Share Option Scheme (the “**General Scheme Limit**”).
- (cc) Subject to (aa) above and without prejudice to (dd) below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all Share Options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as “refreshed” must not exceed 10 per cent of the total number of Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit as “refreshed”, Share Options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option schemes of the Company) previously granted under the Share Option Scheme and any other share option schemes of the Company will not be counted.
- (dd) Subject to (aa) above and without prejudice to (cc) above, the Company may issue a circular to the Shareholders and seek separate Shareholders’ approval in general meeting to grant Share Options beyond the General Scheme Limit or, if applicable, the limit referred to in (cc) above to Participants specifically identified by the Company before such approval is sought.

(d) Maximum entitlement of each Participant

- (aa) The total number of Shares issued and which may fall to be issued upon exercise of the Share Options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding Share Options) to each Participant in any 12-month period must not exceed 1 per cent of the then total issued share capital of the Company (the “**Individual Limit**”).
- (bb) Any further grant of Share Options to a Participant in excess of the Individual Limit (including exercised, cancelled and outstanding Share Options) in any 12-month period up to and including the date of such further grant must be subject to the Shareholders’ approval in general meeting of the Company with such Participant and his associates abstaining from voting.

(e) Grant of Share Options to connected persons

- (aa) Each grant of Share Options to a Director, chief executive, management shareholder or substantial shareholder of the Company, or any of their respective associates must comply with the requirements of Rule 23.04(1) of GEM Listing Rules. Each grant of Share Options to any of these persons must be approved by independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Share Options).
- (bb) Where any grant of Share Options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Share Options already granted and to be granted (including Share Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
- (i) representing in aggregate over 0.1 per cent of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000;

such further grant of Share Options must be approved by the Shareholders. All connected persons of the Company must abstain from voting in favour at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting subject to the requirements of the GEM Listing Rules. Any change in the terms of the Share Options granted to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates must be approved by the Shareholders in general meeting.

(f) Time of acceptance and exercise of a Share Option

An offer of grant of a Share Option may be accepted by a Participant within 28 days from the date of the offer of grant of the Share Option. A consideration of HK\$1 is payable on acceptance of the offer of grant of a Share Option. To the extent that the offer of grant of a Share Option is not accepted within twenty-eight (28) days from the Offer Date in the manner indicated herein, it will be deemed to have been irrevocably declined and lapsed automatically.

A Share Option shall be exercisable in whole or in part and in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on the day on which the offer for the grant of Share Options is made but shall end in any event not later than 10 years from the date the Board makes an offer of the grant of a Share Option subject to the provisions for early termination thereof. Directors have discretion to impose a minimum period for which a Share Option has to be held before the exercise of the subscription rights attaching thereto on case by case basis.

Unless the Directors otherwise determined and stated in the offer of the grant of Share Options to a Participant, there is no minimum period for which a Share Option granted under the Share Option Scheme must be held before it can be exercised.

(g) Performance targets

Unless the Directors otherwise determined and stated in the offer of the grant of Share Options to a Participant, a Participant is not required to achieve any performance targets before any Share Options granted under the Share Option Scheme can be exercised. Directors have discretion to impose the performance targets restriction on case by case basis.

(h) Subscription price for Shares

Subject to the adjustment made in accordance with the terms of the Share Option Scheme, the subscription price in respect of any particular Share Option shall be such price as determined by the Board in its absolute discretion at the time of making the offer of grant of an option (which shall be stated in the letter containing the offer of grant of an option) but in any case the subscription price must be at least the higher of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a Business Day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Day immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares. Without prejudice to the generality of the foregoing, the Directors may grant Share Options in respect of which the subscription price is fixed at different prices for different periods during the Share Option period provided that the subscription price for Shares for each of the different periods shall not be less than the subscription price determined in the manner set out herein.

(i) Ranking of Shares

- (aa) Shares allotted upon the exercise of a Share Option will be subject to (i) all the provisions of the articles of association of the Company and the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands ; or (ii) subject to the Change of Domicile becoming effective, all the provisions of the bye-laws of the Company and the Companies Act 1981 of Bermuda, and will rank pari passu in all respects with the fully paid Shares in issue as from the day when the name of the grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date when the name of the grantee is registered on the register of members of the Company other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date when the name of the grantee is registered on the register of members of the Company, provided always that when the date of exercise of the Share Option falls on a day upon which the register of members of the Company is closed then the exercise of the Share Option shall become effective on the first Business Day on which the register of members of the Company is re-opened. A Share allotted upon the exercise of a Share Option shall not carry voting rights until the completion of the registration of the grantee as the holder thereof.

- (bb) Unless the context otherwise requires, references to “Shares” in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a sub-division, consolidation, reclassification or reduction of the share capital of the Company from time to time.

(j) Restrictions on the time of grant of Share Options

No offer for grant of Share Options shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in accordance with the requirements of the GEM Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of the Company's quarterly, interim or annual results, (ii) the last date on which the Company must publish its quarterly, interim or annual results announcement under the GEM Listing Rules, and ending on the date of the announcement of the results, no Share Option may be granted.

The Directors may not grant any Share Option to a Participant who is a Director during the periods or times in which Directors are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Companies prescribed by the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

(k) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme becomes unconditional.

(l) Rights on ceasing employment

If the Grantee of a Share Option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death or serious misconduct or other grounds referred to in sub-paragraph (o) below before exercising his Share Option in full, the Share Option (to the extent which has become exercisable and not already exercised) will lapse on the expiration of one (1) month from the date of cessation and will not be exercisable unless the Directors otherwise determine in which event the grantee may exercise the Share Option (to the extent which has become exercisable and not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not.

(m) Rights on ceasing to be a Participant

If the Grantee of a Share Option, who is not an Eligible Employee, ceases to be a Participant by reason other than death, the Grantee of a Share Option shall be entitled within a period of one (1) month from the date of cessation (or such longer period as the Board may determine) to exercise the Share Option (to the extent which has become exercisable and not already exercised);

(n) Rights on death

If the Grantee of a Share Option ceases to be a Participant by reason of death before exercising the Share Option in full (provided that none of the events which would be a ground for termination of his or her employment under sub-paragraph (o) below arises prior to his or her death), the legal personal representative of this grantee shall be entitled within a period of 12 months from the date of death (or such longer period as the Board may determine) to exercise the Share Option (to the extent which has become exercisable and not already exercised).

(o) Rights on dismissal

If the Grantee of a Share Option is an Eligible Employee and ceases to be an Eligible Employee by reason that he has been guilty of misconduct or has committed an act of bankruptcy or has become insolvent or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any ground on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Eligible Employee's service contract with the Company or the relevant Subsidiary or the relevant Invested Entity, his or her Share Option will lapse automatically on the date the grantee ceases to be an Eligible Employee.

(p) Rights on breach of contract

If the Directors at their absolute discretion determine that the Grantee of any Share Option (other than an Eligible Employee) or his or her associate has committed any breach of any contract entered into between the grantee or his or her associate on the one part and the Group or any Invested Entity on the other part or that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her creditors generally, the Directors shall determine that the outstanding Share Options granted to the grantee shall lapse. In such event, his or her Share Options will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

(q) Rights on a general offer

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable

endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Share Options granted to them, Shareholders of the Company. If such offer becomes or is declared unconditional, a grantee shall be entitled to exercise his or her Share Option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company in exercise of his or her Share Option at any time before the close of such offer (or any revised offer). Subject to the above, a Share Option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

(r) Rights on winding up

In the event of an effective resolution being proposed for the voluntary winding-up of the Company during the option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time no later than two Business Days prior to the date on which such resolution is to be passed, exercise his or her Share Option (to the extent which has become exercisable and not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the Share Option Scheme and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his or her Share Option, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the Shares in issue on the date prior to the date of the passing of the resolution to wind-up the Company. Subject to the above, a Share Option will lapse automatically (to the extent not exercised) on the date of the commencement of the winding-up of the Company.

(s) Rights on compromise or arrangement between the Company and its creditors

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement, and thereupon any grantee (or his or her legal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his or her Share Option (to the extent which has become exercisable and not already exercised), but the exercise of the Share Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. The Company may thereafter require such grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his or her Share Option so as to place the grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. Subject to the above, a Share Option will lapse automatically (to the extent not exercised) on the date the proposed compromise or arrangement becomes effective.

(t) Adjustments of the subscription price or other terms

In the event of a capitalisation issue, rights issue, open offer of Shares (if there is a price-dilutive element), consolidation or sub-division of shares or reduction of capital of the Company whilst a Share Option remains exercisable, such corresponding alterations (if any) certified by the then auditors of or an independent financial adviser to the Company as fair and reasonable and at the same time satisfy with the requirements of the GEM Listing Rules will be made to the number of Shares and/or the subscription price for Shares subject to Share Option already granted; and/or the maximum number of Shares subject to the Share Option Scheme provided (i) any adjustments shall give a grantee the same proportion of the issued share capital to which he was entitled prior to such adjustments; (ii) no adjustments shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; and (iii) no such adjustment will be required in circumstances where there is an issue of Shares or other securities of the Group as consideration in a transaction; and (iv) no adjustments shall be made to the advantage of the Grantee of the Share Option or that would increase the Intrinsic Value (as defined below) of any Share Option (immediately before and after any alteration in the capital structure of the Company as a result of the events set out in this clause). The Intrinsic Value is the difference between the market price (or theoretical ex-entitlement price) of the Shares under the Share Option and the subscription price (or revised subscription price) of the Share Option.

For avoidance of any doubt, (a) an issue of any securities of the Company as consideration in respect of a transaction; and (b) an issue of any securities of the Company under the authority of a general mandate or specific mandate granted to the Board by the Shareholders, will not be regarded as circumstances requiring adjustment under this clause. In addition, in respect of any such adjustments, other than any made on a capitalisation issue, the Company's auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the GEM Listing Rules.

(u) Cancellation of Share Options

Unless the Grantee of Share Option otherwise agrees, the Board may only cancel a Share Option (which has been granted but not yet exercised) if, at the election of the Board:

- (a) the Company pays to the Grantee of Share Option an amount equal to the fair market value of the Share Option at the date of cancellation as determined by the Board, after consultation with the Auditors or an independent financial adviser appointed by the Board; or
- (b) the Board offers to grant to the grantee replacement Share Options (or options under any other share option scheme) of equivalent value to the Share Options to be cancelled, provided that the grant of such replacement Share Options (or options under any other share option scheme) shall not cause the limits set out in the applicable clauses of the Share Option Scheme to be breached; or
- (c) the Board makes such arrangements as the grantee may agree to compensate him/her for the loss of the Share Option.

Where the Company cancels Share Options and issues new ones to the same grantee, the issue of such new share options may only be made under the Share Option Scheme and any other share option schemes of the Company with available unissued share options (excluding the cancelled Share Options) within the limit approved by Shareholders as mentioned in note (1) to Rule 17.03(3) of the GEM Listing Rules.

(v) Termination of the Share Option Scheme

The Company may by resolution in general meeting at any time terminate the Share Option Scheme and in such event no further Share Options shall be offered but in all other respects the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Share Options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Share Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(w) Rights are personal to the Grantee of Share Option

A Share Option is personal to the Grantee of Share Option and shall not be assignable and no Grantee of Share Option shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Share Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Share Option or part thereof granted to such Grantee of Share Option.

(x) Lapse of Option

A Share Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (aa) the expiry of the period referred to in paragraph (f);
- (bb) the expiry of the periods or dates referred to in paragraphs (l), (m), (n), (o), (p), (r) and (s);
- (cc) the date on which the offer (or, as the case may be, the revised offer) referred to in paragraph (q) closes; and
- (dd) the date on which a breach of the provision of paragraph (w) is committed.

(y) Others

- (aa) The terms and conditions of the Share Option Scheme relating to the matters set out in Rule 23.03 of the GEM Listing Rules shall not be altered to the advantage of Grantees of the Share Options in the absence of the prior approval of the Shareholders in general meeting.
- (bb) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of Share Options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (cc) The amended terms of the Share Option Scheme or the Share Options must still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.
- (dd) Any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of the Share Option Scheme must be approved by the Shareholders in general meeting.

Mr. Chan Chi Yuen

Mr. Chan Chi Yuen ("**Mr. Chan**"), aged 43, was appointed as an independent non-executive Director with effect from 30 September 2009. He holds a bachelor degree with honours in Business Administration and a master of science degree in Corporate Governance and Directorship. He is a fellow of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants and is an associate of The Institute of Chartered Accountants in England and Wales. Mr. Chan is a practicing certified public accountant and has extensive experience in financial management, corporate finance and corporate governance.

Mr. Chan is currently an executive director of Kong Sun Holdings Limited (stock code: 295) and an independent non-executive director of Asia Energy Logistics Group Limited (formerly known as China Sciences Conservational Power Limited) (stock code: 351), Premium Land Limited (stock code: 164), Hong Kong Health Check and Laboratory Holdings Company Limited (stock code: 397), Superb Summit International Timber Company Limited (stock code: 1228), Richly Field China Development Limited (stock code: 313) and China Grand Forestry Green Resources Group Limited (stock code: 910). Mr. Chan was an executive director of New Times Energy Corporation Limited (stock code: 166) since 10 May 2006 and was redesignated as a non-executive director from 25 October 2006 onwards. He was also an executive director of Amax Holdings Limited (stock code: 959) from August 2005 to January 2009 and China E-Learning Group Limited (stock code: 8055) from July 2007 to September 2008 and an independent non-executive director of Golden Resorts Group Limited (stock code: 1031) from September 2004 to October 2005.

Mr. Chan has signed a letter of appointment with the Company for a term of one year and will be subject to retirement by rotation and re-election at the next general meeting of the Company in accordance with the articles of association of the Company. Pursuant to the terms of his letter of appointment with the Company, Mr. Chan will receive an emolument of HK\$8,000 per month which is determined with reference to the prevailing market rate and his duties and responsibilities in the Company.

Save as disclosed above, as at the Latest Practicable Date, Mr. Chan (i) does not have any relationship with any directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company; (ii) does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); (iii) does not hold other positions with the Company and other members of the Group; and (iv) has not held any directorship in the last three years prior to his appointment in any public companies the securities of which are listed on any securities market in Hong Kong or overseas.

There is no information to be disclosed pursuant to paragraphs (h) to (v) of Rule 17.50(2) of the GEM Listing Rules nor are there any matters relating to Mr. Chan that need to be brought to the attention of the shareholders of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING



Stock code: 8075

Website: www.rojam.com

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of Rojam Entertainment Holdings Limited (the "**Company**") will be held at Unit 501, 5th Floor, Lucky Building, 39 Wellington Street, Central, Hong Kong on Thursday, 19 November 2009, at 11:00 a.m. to consider and, if thought fit, pass, with or without amendments, the following resolutions as resolutions of the Company:

SPECIAL RESOLUTIONS

- I. **"THAT:**
 - (a) subject to all necessary governmental and regulatory consents and approval, the change of the domicile of the Company (the "**Change of Domicile**") from the Cayman Islands to Bermuda by way of de-registration as a company under the laws of the Cayman Islands and continuation of the Company as an exempted company under the laws of Bermuda be and is hereby approved and that the directors of the Company (the "**Director(s)**") be and are hereby authorised to do all such acts and things and execute all documents they consider necessary or expedient to give effect to the Change of Domicile;
 - (b) the memorandum of continuance, a copy of which has been produced to the meeting marked "A" and initialed by the chairman (the "**Chairman**") of EGM for the purpose of identification, be and is hereby adopted in substitution for the memorandum of association of the Company, effective from the date that the memorandum of continuance is approved and registered by the Registrar of Companies in Bermuda;
 - (c) conditional upon the continuance of the Company into Bermuda as an exempted company under the laws of Bermuda, the bye-laws of the Company, a copy of which has been produced to the meeting marked "B" and initialed by the Chairman for the purpose of identification, be and is hereby adopted in substitution for the articles of association of the Company, effective from the date that the memorandum of continuance is registered by the Registrar of Companies in Bermuda;
 - (d) conditional upon the continuance of the Company into Bermuda as an exempted company under the laws of Bermuda, the maximum number of Directors shall, for the time being, be fixed at 20; and
 - (e) the Directors be and are hereby authorised to undertake all such acts and things and execute all documents they consider necessary or expedient to give effect of the Change of Domicile."

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. **“THAT** subject to the passing of special resolution numbered 1 above and conditional upon the Change of Domicile becoming effective and the GEM Listing Committee granting the listing of, and permission to deal in, the New Shares (defined below) arising from the Capital Reduction (defined below) and the Share Subdivision (defined below), with effect from the 19th day (if it is not a business day, the immediately following business day) after the effective date of the Change of Domicile:
- (a) the par value of each of the issued shares (the **“Shares”**) of the Company be and is hereby reduced from HK\$0.10 each to HK\$0.01 each by canceling the capital paid-up thereon to the extent of HK\$0.09 on each issued Share (each such reduced share, a **“New Share”**) in the share capital of the Company (the **“Capital Reduction”**);
 - (b) each of the authorised but unissued Shares be and is hereby sub-divided into ten New Shares of HK\$0.01 each (the **“Share Subdivision”**);
 - (c) the credits arising from the Capital Reduction be transferred to the contributed surplus account of the Company and the Directors be and are hereby authorised to use the amount then standing to the credit of the contributed surplus account of the Company in any manner as may be permitted under the bye-laws of the Company and all applicable laws, including without limitation the eliminating or setting off the accumulated losses of the Company from time to time; and
 - (d) the Directors be and are hereby authorised to do all such acts and things and execute all documents they consider necessary or expedient to give effect to the capital reorganisation of the Company mentioned above involving the Capital Reduction and the Share Subdivision.”

ORDINARY RESOLUTIONS

3. **“THAT**
- (a) subject to and conditional upon the GEM Listing Committee of the Stock Exchange granting the listing of and permission to deal in the shares to be issued pursuant to the exercise of any options granted under the share option scheme of the Company (the **“Share Option Scheme”**), a copy of which marked “C” is produced to the meeting and for the purposes of identification signed by the Chairman thereof, the Share Option Scheme be and is hereby approved and adopted and the directors of the Company be and is hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Option Scheme including but without limitation:
 - (i) to administer the Share Option Scheme under which options will be granted to participants eligible under the Share Option Scheme to subscribe for shares of the Company;
 - (ii) to modify and/or amend the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Option Scheme relating to modification and/or amendment;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iii) to issue and allot from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Share Option Scheme provided always that the total number of shares subject to the Share Option Scheme, when aggregated with any shares subject to any other share option schemes, shall not exceed 10% of the relevant class of the issued share capital of the Company as at the date of passing this resolution, but the Company may seek approval of its shareholders in general meeting for refreshing the 10% limit under the Share Option Scheme and the maximum number of shares which may be issued upon exercise of all outstanding options granted under the Share Option Scheme and any other share option schemes of the Company in issue shall not exceed 30% of the relevant class of the issued share capital of the Company from time to time;
- (iv) to make applications at the appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued shares of the Company may then be listed, for listing of and permission to deal in any shares which may hereafter from time to time be issued and allotted pursuant to the exercise of the options under the Share Option Scheme; and
- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Share Option Scheme."

4. **"THAT**

Mr. Chan Chi Yuen be and is hereby re-elected as a Director and the board of Directors be and is hereby authorised to determine his remuneration."

By order of the Board

ROJAM ENTERTAINMENT HOLDINGS LIMITED

Etsuko Hoshiyama

Company Secretary

Hong Kong, 27 October 2009

As at the date of this notice, the board of directors comprises three executive directors, namely Ms. Etsuko Hoshiyama, Mr. Chan Chi Ming, Alvin and Mr. Luk Hong Man, Hammond; and two independent non-executive directors, namely Mr. Zhang Xi and Mr. Chan Chi Yuen.

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal place of business:

Unit 501

5th Floor

Lucky Building

39 Wellington Street, Central

Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes :

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend the meeting and vote on his behalf. A proxy need not be a member of the Company but must attend the meeting in person to represent the member of the Company.
2. In order to be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. The completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting if he so wish. In that event, his form of proxy will be deemed to have been revoked.
3. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto; but if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.