

**CAYMAN ISLANDS**

**The Companies Law (Revised) (Cap. 22)**

**Company Limited by Shares**

**MEMORANDUM OF ASSOCIATION**

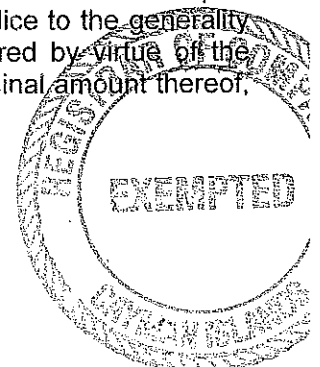
**OF**

**CHINA HAIDIAN HOLDINGS LIMITED**

中國海澱集團有限公司

*(adopted by special resolution passed on 21 April 2009)*

1. The name of the Company is China Haidian Holdings Limited 中國海澱集團有限公司.
2. The Registered Office of the Company shall be at the offices of Maples Corporate Services Limited, PO Box 309, Uglan House, Grand Cayman KY1-1104, Cayman Islands or at such other place as the Directors may from time to time decide.
3. The objects for which the Company is established are unrestricted and shall include, but without limitation, the following:
  - (a) To carry on the business of an investment company and to act as promoters and entrepreneurs and to carry on business as financiers, capitalists, concessionaires, merchants, brokers, traders, dealers, agents, importers and exporters and to undertake and carry on and execute all kinds of investment, financial, commercial, mercantile, trading and other operations.
  - (b) To carry on whether as principals, agents or otherwise howsoever the business of manufacturers of watches, calculators, electronic and other equipment, realtors, developers, consultants, estate agents or dealers in or vendor of all types of property including services.
  - (c) To exercise and enforce all rights and powers conferred by or incidental to the ownership of any shares, stock, obligations or other securities including without prejudice to the generality of the foregoing all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special proportion of the issued or nominal amount thereof,



to provide managerial and other executive, supervisory and consultants services for or in relation to any company in which the Company is interested upon such terms as may be thought fit.

- (d) To purchase or otherwise acquire, to sell, exchange, surrender, lease, mortgage, charge, convert, turn to account, dispose of an deal with real and personal property and rights of all kinds and, in particular, mortgages, debentures, produce, concessions, options, contracts, patents, annuities, licences, stocks, shares, bonds, policies, book debts, business concerns, undertakings, claims, privileges and choose in action of all kinds.
- (e) To subscribe for, conditionally or unconditionally, to underwrite, issue on commission or otherwise, take, hold, deal in and convert stocks, shares and securities of all kinds and to enter into partnership or into any arrangement for sharing profits, reciprocal concessions or cooperation with any person or company and to promote and aid in promoting, to constitute, form or organize any company, syndicate or partnership of any kind, for the purpose of acquiring and undertaking any property and liabilities of the Company or of advancing, directly or indirectly, the objects of the Company or for any other purpose which the Company may think expedient.
- (f) To stand surety for or to guarantee, support or secure the performance of all or any of the obligations of any person, firm or company whether or not related or affiliated to the Company in any manner and whether by personal covenant or by mortgage, charge or lien upon the whole or any part of the undertaking, property and assets of the Company, both present and future, including its uncalled capital or by any such method and whether or not the Company shall receive valuable consideration therefor.
- (g) To engage in or carry on any other lawful trade, business or enterprise which may at any time appear to the Directors of the Company capable of being conveniently carried on in conjunction with any of the aforementioned business or activities or which may appear to the Directors or the Company likely to be profitable to the Company.

In the interpretation of this Memorandum of Association in general and of this Clause 3 in particular no object, business or power, or the name of the Company, or by the juxtaposition of two or more objects, businesses or powers and that, in the event of any ambiguity in this clause or elsewhere in this Memorandum of Association, the same shall be resolved by such interpretation and construction as will widen and enlarge and not restrict the objects, businesses and powers of and exercisable by the Company.

4. Except as prohibited or limited by the Companies Law (Revised) (Cap. 22), the Company shall have full power and authority to carry out and object and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person of full capacity or body corporate in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it is incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to do any of the following acts or things, viz:

to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw; make, accept, endorse, discount, execute and issue promissory notes, debentures, bills of exchange, bills of lading, warrants, share options (whether to employees or officers of the Company or otherwise) and other negotiable or transferable instrument; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to members of the Company; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to carry on any trade or business and generally to do all acts and things which, in the option of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.

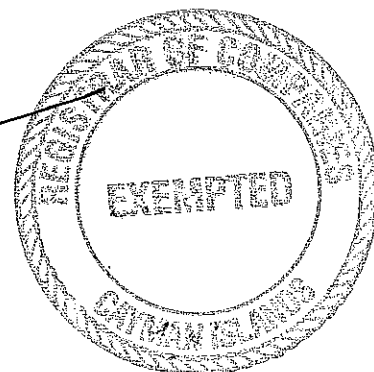
5. The liability of each member is limited to the amount from time to time unpaid on such members' shares.
- \* 6. The share capital of the Company is HK\$400,000,000 divided into 4,000,000,000 shares of a nominal or par value of HK\$0.10 each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (Revised) (Cap. 22) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.
7. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 193 of the Companies Law (Revised) (Cap.22).
8. Subject to the Companies Law (Revised) (Cap. 22), the Company may at any time and from time to time by special resolution alter or amend its Memorandum of Association in whole or in part provided that no such alteration or amendment shall be deemed to have been duly approved unless passed by members holding at least three fourths of the shares carrying the right to vote on such resolution who are present in person or by proxy and who vote in respect thereof.
- \* The authorised share capital of the Company was increased from HK\$400,000,000 divided into 4,000,000,000 shares to HK\$600,000,000 divided into 6,000,000,000 shares on 30 June 2009.

CERTIFIED TO BE A TRUE AND CORRECT COPY

SIG. \_\_\_\_\_

D. EVADNE EBANKS  
Assistant Registrar

Date: 24th May 2009



**ARTICLES OF ASSOCIATION**  
**OF**  
**CHINA HAIDIAN HOLDINGS LIMITED**

中國海澱集團有限公司

*(adopted by special resolution passed on 21 April 2009)*

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Table A

1. The regulations contained in Table A in the First Schedule to the Companies Law shall not apply to the Company.

Interpretation

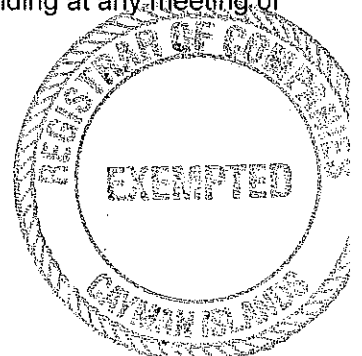
2. The marginal notes to these Articles shall not affect the interpretation of these Articles, unless there be something in the subject or context inconsistent therewith:-

these Articles / these presents "these Articles" or "these presents" shall mean the present Articles of Association and all supplementary, amended or substituted articles for the time being in force;

Auditors "Auditors" shall mean the persons for the time being performing the duties of that office;

Capital "capital" shall mean the share capital from time to time of the Company;

Chairman "the Chairman" shall mean the Chairman presiding at any meeting of members or of the board of Directors;



the Company	"the Company" or "this Company" shall mean China Haidian Holdings Limited 中國海澱集團有限公司;
the Company's website	"the Company's website" shall mean the website of the Company, the address or domain name of which has been notified to shareholders;
the Companies Law / the Law	"the Companies Law" or "the Law" shall mean the Companies Law of the Cayman Islands and any amendments thereto or re-enactment thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
Directors / Board	"Directors" or "Board" shall mean the Directors from time to time of the Company or (as the context may require) the majority of Directors present and voting at a meeting of Directors;
dividend	"dividend" shall include bonus;
dollars HK\$	"dollars" and "HK\$" shall mean dollars legally current in Hong Kong;
Hong Kong	"Hong Kong" shall mean the Hong Kong Special Administrative Region of the People's Republic of China;
month	"month" shall mean a calendar month;
ordinary resolution	"ordinary resolution" shall mean a resolution passed by a bare majority of the votes cast;
the register	"the register" shall mean the register of members of the Company and shall include any branch registers;
recognised clearing house	"recognised clearing house" shall mean a recognised clearing house as referred to in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or a clearing house or authorised share depository recognised by the laws of the jurisdiction in which the shares in the Company are listed or quoted on a stock exchange in such jurisdiction;
seal	"seal" shall mean the common seal of the Company or any official seal adopted by the Company pursuant to Article 137;
Secretary	"Secretary" shall mean the person for the time being performing the duties of that office;
share	"share" shall mean a share in the capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied;

shareholders / members "shareholders" or "members" shall mean the duly registered holders from time to time of the shares in the capital of the company;

special resolution "special resolution" shall have the same meaning as in the Law save that the required majority shall be 75% of the votes cast;

Subject as aforesaid, any words defined in the Law shall, if not inconsistent with the subject and/or context, bear the same meanings in these Articles;

"writing" or "printing" shall include writing, printing, lithograph, photograph, type-writing and every other mode of representing words or figures in a legible and non-transitory forms, and where used in connection with a notice or other document served by the Company, shall include where the representation takes the form of electronic display or a record maintained in an electronic medium which is accessible in visible form so as to be usable for subsequent reference;

References to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether have physical substance or not;

Words importing either gender shall include the other gender and the neuter;

Words importing persons and the neuter shall include companies and corporations;

Words denoting the singular shall include the plural and words denoting the plural shall include the singular;

#### Share Capital and Modification of Rights

- \*3. The capital of the Company at the date of the adoption of these Articles is HK\$400,000,000.00 divided into 4,000,000,000 shares of HK\$0.10 each.
4. Without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of share capital or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination, as the Directors may determine). Fractions of shares or percentages may be issued and shall carry the appropriate fraction or percentage of the rights attaching to a full share, including voting.
5. The Directors may issue warrants to subscribe for any class of shares or securities of the Company on such terms as they may from time to time determine.
6. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holder(s) of three-fourths in nominal value 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 at which the provisions of these Articles relating to general meetings shall
- \* The authorised share capital of the Company was increased from HK\$400,000,000 divided into 4,000,000,000 shares to HK\$600,000,000 divided into 6,000,000,000 shares on 30 June 2009.



mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or represented by proxy one-third in nominal value of the issued shares of the class (but so that if at any adjourned meeting of such holders such a quorum is not present any person holding shares of the class or his proxy shall be a quorum) and that any holder of the shares of the class present in person or by proxy may demand a poll provided that no such alteration or amendment shall be deemed to have been duly approved unless passed by members holding three quarters of the shares carrying the right to vote on such resolution who are present in person or by proxy and who vote in respect thereof.

7. The Company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of in connection with a purchase made or to be made by any persons of any shares in the Company.
8. The Company in general meeting may, from time to time, whether or not all the shares for the time being authorized shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolutions shall prescribe.
9.
  - (a) Subject to the provisions of the Law and the Memorandum of Association shares may be issued on the terms that they are, or at the option of the Company or the holder are, to be redeemed on such terms and in such manner, including out of capital, as the Directors may deem fit.
  - (b) Subject to the provisions of the Law and the Memorandum of Association, the Company may in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The Share Repurchase Code purchase its own shares, including any redeemable shares, provided that, to the extent required by the law, the manner of purchase has first been authorized by the Company by ordinary resolution and may make payment therefor in any manner authorised by the Law, including out of capital, Purchases for redemption not made through the market or by tender shall be limited to a maximum price as shall be decided by the Directors from time to time. Purchases which are made by tender shall be made available for tender to all shareholders of the Company.
10.
  - (a) The purchase or redemption of any share shall not be deemed to give rise to the purchase or redemption of any other share.
  - (b) The holder of the shares being purchased or redeemed shall be bound to deliver up to the Company at the registered office the certificate thereof for cancellation and thereupon the Company shall pay to him the purchase or redemption monies in respect thereof.
11. Subject to the provisions of the Law and of these Articles relating to new shares, all unissued shares in the Company shall be at the disposal of the Board which may allot, grant options over or otherwise dispose of them to such persons, at such times and on such terms as the board shall in its absolute discretion think fit, but so that no shares shall be issued at a discount, except in accordance with the provisions of the Law.

12. The Company may, unless prohibited by law, at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that the conditions and requirements of the Law shall be observed and complied with, and in each case the commission shall not exceed [ten] per cent of the price at which the shares are issued.
13. Except as otherwise expressly provided by these Articles or as required by law or as ordered by a court of competent jurisdiction, no person shall be recognized by the Company as holding any share upon any trust and the company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any shares or any interest in any fractional part of a share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

#### Register of Members & Shares Certificates

14. (a) The Directors shall cause to be kept at such place as they deem fit a register of the members and there shall be entered therein the particulars of the members and the shares issued to each of them.  
(b) The Company shall establish and maintain a branch register in Hong Kong and if the Directors shall consider it necessary or appropriate such other registers of members of such location or locations as the directors think fit.
15. (a) Except when the register of members closed which shall not exceed a maximum of 30 days in each year, the register and any branch register shall during business hours be opened to the inspected of any member without charge.  
(b) The reference to business hours is subject to such reasonable restrictions as the Company in general meeting may impose, but so that not less than 2 hours in each day is to be allowed for inspections.  
(c) Any member may require a copy of the register, or any part thereof, on payment of HK\$0.25, or such lesser sum as the Company may prescribe, for every 100 words or fractional part thereof required to be copies. The Company shall cause any copy so required by any person to be sent to that person within a period of 10 days commencing on the date next after the day on which the request is received by the Company.
16. Every person whose name is entered as member in the register shall be entitled without payment to receive, ten business days after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide), one certificate for all his shares or, if he shall so request, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming a stock exchange board lot, upon payment, in the case of a transfer, of HK\$2.50 for every certificate after the first or such other sum as the Directors shall from time to time determine, such numbers of certificate for shares in stock exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue a certificate or

certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders be sufficient delivery to all such holders.

17. Every certificate for shares or debentures or representing any other form of security of the Company shall be issued under the seal of the Company.
18. Every share certificate hereafter issued shall specify the number of shares in respect of which it is issued and the amount paid thereon or the fact that they are fully paid, as the case may be and may otherwise be in such form as the Directors may from time to time prescribe.
19. If any share shall stand in the names of two or more persons, the person first named in the register shall be deemed the sole holder thereof as regards service of notices and subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the share.
20. If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, not exceeding HK\$2.50 or such other sum as the Directors shall from time to time determine and on such terms and conditions, if any, as to publication of notices, evidence and indemnity, as the Directors think fit.

#### Lien

21. The Company shall have a first and paramount lien on every share (not being a fully paid up share) for all moneys, whether presently payable or not, called or payable at fixed time in respect of such share; and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid up shares) standing registered in the name of a single member for all the debts and liabilities of such member of his estate to the Company and whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts and liabilities of such member of his estate and any other person, whether a member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends and bonuses declared in respect thereof. The Directors may resolve that any share shall for some specified period be exempt wholly or partially from the provision of this Article.
22. The Company may sell in such manner as the Directors think fit any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the shares or the person entitled by reason of such holder's death or bankruptcy to the shares.
23. The net proceeds of such sale after the payment of the costs of such sale shall be applied in or towards payment of satisfaction of the debt or liability or engagement in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person

entitled to the shares at the time of the sale. For giving effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof and may enter the purchaser's name in the register as holder of the shares, and the purchaser shall not be bound to see to the application to the purchaser money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

#### Calls on Shares

24. The Directors may from time to time make such calls as they may think fit upon the members in respect of any monies unpaid on the shares held by them respectively and not by conditions of allotment thereof made payable at fixed times. A call may be made payable either in one sum or by instalments.
25. Fourteen days' notice at least of any call shall be given specifying the time and place of payment and to whom such call shall be paid.
26. A copy of the notice referred to in Article 25 shall be sent to members in the manner in which notices may be sent to members by the Company as herein provided.
27. Every member upon whom a call is made shall pay the amount of every call so made on him to the person and at the time or times and place or places as the Directors shall appoint.
28. Notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members by notice to be inserted once in The Hong Kong Government Gazette and once at least in a leading English language daily newspaper circulating in Hong Kong or, subject to the Rules Governing the listing of Securities on The Stock Exchange of Hong Kong limited and all applicable rules and regulations, in the manner in which notices may be sent to members by the Company as herein provided.
29. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.
30. The joint holders of a share shall be severally as well as jointly liable for the payment of all calls and instalments due in respect of such share or other moneys due in respect thereof.
31. The Directors may from time to time at their discretion extend the time fixed for any call, and may extend such time as to all or any of the members, whom from residence outside Hong Kong or other cause the Directors may deem entitled to any such extension but no member shall be entitled to any such extension other than as a matter of grace and favour.
32. If the sum payable in respect of all call or instalment be not paid on or before the day appointed for payment thereof, the person or persons from the sum is due shall pay interest on the same at such rate not exceeding twenty per cent per annum as the Board shall fix from the day appointed for the payment thereof to the time of the actual payment, but the Board may waive payment of such interest wholly or in part.

33. No member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another member) at any general meeting, either personally or by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member until all calls or instalments due from him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.
34. On the trial or hearing of any action or other proceedings, for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register as the holder, or one of the holders, of the shares in respect of which such debt accrued; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the member sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other members whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
35. Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date, whether on account of the nominal value of the share and/or by way of premium, shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture and the like, shall apply as if such sum had become payable by virtue of a call duly made and notified.
36. The Directors may, if they think fit, receive from any member willing to advance the same and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the moneys so advanced the Company may pay interest at such rate (if any) as the Directors may decide. The Directors may at any time repay the amount so advanced upon giving to such member not less than one month's notice in writing of their intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced.

#### Transfer of Shares

37. All transfers of shares may be effected by transfer in writing in the usual common form or in such other form as the Directors may accept and may be under hand only. All instruments of transfer must be left at the registered office of the Company or at such other place as the Directors may appoint.
38. The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect thereof. The Board may resolve, either generally or in any particular case, upon request by either the transferor or the transferee, to accept machine imprinted signatures on the instrument of transfer. Nothing in these Articles shall preclude the Board from recognising a renunciation of an allotment of any share by the allottee in favour of some other person.
39. 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, 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.

40. If the Board shall refuse to register a transfer of any share, it shall within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal.
41. The Directors may also decline to recognize any instrument of transfer unless:-
  - (1) a fee of HK\$2.50 or such other sum as the Directors may from time to time require is paid to the Company in respect thereof;
  - (2) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
  - (3) the instrument of transfer is in respect of only one class of share; and
  - (4) the instrument of transfer is properly stamped (if necessary).
42. No transfer shall be made to an infant or to a person of unsound mind or under other legal disability.
43. Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued without charge to the transferee in respect of the shares transferred to him, and if any of the shares included in the certificate so given up shall be retained by the transferor a new certificate in respect thereof shall be issued to him without charge. The Company shall also retain the transfer.
44. The registration of transfers may suspend and the register closed at such times and for such periods as the Directors be made from time to time determine, provided always that such registration shall not be suspended or the register closed for more than thirty days in any year or, with the approval of the Company in general meeting, sixty days in any year.

#### Transmission of Shares

45. In the case of the death of a member, the survivor or survivors when the deceased was a joint holder and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognized by the Company as having the any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
46. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence as to his title being produced as may from time to time be required by the Directors, and subject as hereinafter provided, either be registered himself as holder of the share or elect to have some person nominated by him registered as the transferee thereof.
47. If the person is becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered he shall testify his election by executing to his nominee a transfer of such share. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the

registration of transfers or shares shall be applicable to any such death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.

48. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Directors may, if they think fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Article 86 being met, such a person may vote at meetings.

#### Forfeiture of Shares

49. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time during such time as any part thereof remains unpaid, without prejudice to the provisions of Article 33, serve a notice on him requiring payment of so much of the all of instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment.
50. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state 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.
51. If the requirements of any such notice as aforesaid 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 Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share, and not actually paid before the forfeiture.
52. Any share so forfeited shall be deemed to be the property of the Company, and may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
53. 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 moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Directors shall in their discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding twenty per cent per annum as the Directors may prescribe, and the Directors may enforce the payment thereof if they think fit, and without any deduction or allowance for the value of the shares at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of such moneys in respect of the shares. For the purposes of this Article any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that time has not yet arrived be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.

54. A statutory declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
55. When any share shall have been forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register.
56. Notwithstanding any such forfeiture as aforesaid the Directors may at any time, before any share so forfeited shall have been sold, re-allotted, or otherwise disposed of, permit the share forfeited to be redeemed upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as they think fit.
57. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.
58. The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### Stock

59. The Company may by ordinary resolution convert any paid up shares into stock and may from time to time by like resolution reconvert any stock into paid up shares of any denomination.
60. The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations as and subject to which the shares from which the stock arose might prior to conversion have been transferred or as near thereto as circumstances admit, but the Directors may from time to time, if they think fit, fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose. No warrants to bearer shall be issued in respect of any stock.
61. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileged and advantages as regards dividends, participating in assets on a winding up, voting at meetings, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.



62. Such of the provisions of these presents as are applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholders",

Alteration of Capital

63. (a) The Company may from time to time by ordinary resolution:-
- (i) consolidate and divide all or any of its share capital into shares or larger amount than its existing shares, on any consolidation of fully paid shares into shares of larger amount, the board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for the purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;
  - (ii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled; and
  - (iii) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.
- (b) The Company may by special resolution reduce its share capital, any capital redemption reserve or any share premium account in any manner authorised and subject to any conditions prescribed by Law.

Borrowing Powers

64. The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the company and to mortgage or charges its undertaking, property and uncalled capital or any part thereof.
65. The Directors may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and, in particular, by the issue of

debentures, debenture stock, bonds or other securities of the Company, whether outright or as collateral security for any debt, liability or obligations of the Company or of any third party.

66. Debentures, debenture stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
67. Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings, attending and voting at general meetings of the Company, appointment of Directors and otherwise.
68. (a) The Directors shall cause a proper register to be kept, in accordance with the provisions of the Law, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Law in regard to the registration of mortgages and charges therein specified and otherwise.  
(b) If the Company issues a series of debentures or debenture stock not transferable by delivery, the Directors shall cause a proper register to be kept of the holders of such debentures.
69. Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice of to the members or otherwise, to obtain priority over such prior charge.

#### General Meetings

70. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Directors shall appoint.
71. All general meetings other than annual general meetings shall called extraordinary general meetings.
72. The Directors may, whenever they think fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any two members of the Company or any one of more members together holding shares carrying not less than one tenth of the voting rights at general meetings of the Company deposited at the registered office specifying the objects of the meeting and signed by the requisitionists, and if the Directors do not within twenty-one days from the date of deposit of the requisition proceed duly to convene the meeting, the requisitionists themselves may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as result of the failure of the Directors shall be reimburse to them by the Company.
73. An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty-one clear days' notice in writing at the least, and a meeting of the company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or

deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of meeting and, in case of special business, particulars of the resolutions to be considered at the meeting, and shall be given in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting to such persons as are, under these Articles, entitled to receive such notices from the Company provide that a meeting of the company notwithstanding that it is called by shorter notice than that specified in this Article to be deemed to have been duly called if it is so agreed:-

- (a) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
  - (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right.
74. (a) The accidental omission to give any such notice to, or the non-receipt of any such by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.
- (b) In case where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the non-receipt of such instrument of proxy by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.

#### Proceedings at General Meetings

75. All business shall be deemed special that is transacted at an extraordinary general meeting and also all business that is transacted at an annual general meeting, with the exception of sanctioning dividends, making a call in accordance with the provisions of these Articles, the reading, considering and adopting of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the election of Directors and appointment of Auditors and other officers in the place of those retiring, the fixing of the remuneration of extra remuneration of the Directors.
76. For all purposes the quorum for a general meeting shall be three members present in person or by proxy. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business.
77. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Directors, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the members present in person shall be a quorum and may transact the business for which the meeting was called.
78. The Chairman of the Directors shall take the chair at every general meeting or, if there be no such Chairman or, if at any general meeting such Chairman shall be present within fifteen minutes after the

time appointed of holding such meeting, the members present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members present choose one of their own number to be Chairman.

79. The Chairman may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for fourteen days or more, at least seven clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business to be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.
80. At any general meeting a resolution put to the vote at the meeting shall be decided on a show of hands unless a poll is required to be taken under the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited or unless a poll is (before or on the declaration of the result of the show of hands) demanded:-
- (a) by the Chairman; or
  - (b) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
  - (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - (d) by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote as the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of all the shares conferring that right.

Unless a poll is taken as may from time to time be required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or unless a poll be so required or demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the booking containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

81. If a poll is demanded or if a poll is required to be taken under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited as aforesaid, it shall (subject as provided in Article 82) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded or required as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded or required. The demand for a poll may be withdrawn.

82. Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting and without adjournment.
83. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded or required, shall be entitled to a second and casting vote.
84. The demand for a poll shall not prevent the continuance of a meeting for the transacting of any business other than the question on which a poll has been demanded.

#### Votes of Members

85. (a) Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative duly authorised pursuant to Article 96 shall have one vote, and on a poll every member present in person or by proxy shall have one vote for every fully-paid share of which he is the holder and have for every partly-paid share of which he is the holder the fraction of one vote equal to the proportion which the nominal amount due and paid up thereon bears to the nominal value of the share but no amount paid or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of the Articles of Association as paid up on the share. Notwithstanding anything contained in these Articles, where more than one proxy is appointed by a recognised clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. On a poll a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- (b) Where any member is, under any applicable laws or the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited from time to time, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.
86. Any person entitled under Article 46 to be registered as a shareholder may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least 48 hours before the time of the holding of the meeting or adjourned meeting (as the case may be) at which he proposed to vote, he shall satisfy the Directors of his right to be registered as the holder of such shares or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
87. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one or such joint holders by present at any meeting personally or by proxy, that one of such joint holders by present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.

88. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote whether on a show of hands or on a poll, by his committee receiver, curator bonis or other party in the nature of a committee, receiver or curator bonis appointed by the court, and any such committee, receiver, curator bonis or other person may on a poll vote by proxy.
89. (a) Save as expressly provided in these Articles, no person other than a member duly registered and who shall have paid everything for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member) either personally or by proxy, or to be reckoned in a quorum, at any general meeting.
- (b) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. At such objection made in due time shall be referred to the Chairman, whose decision shall be final and conclusive.
90. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
91. The instrument appointing a proxy shall be in writing under the hand of the duly authorised officer or of his attorney authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
92. The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place as is specified in the notice of meeting or in the instrument of proxy issued by the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date.
93. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Directors may from time to time approve but shall not preclude the use of two way proxy form.
94. The instrument appointing a proxy to vote at a general meeting: (i) be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit; and (ii) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
95. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or power of attorney or other authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as

aforesaid shall have been received by the Company at its registered office, or at such other place as is referred to in Article 92, at least two hours before the commencement of the meeting or adjourned meeting at which the proxy is used.

96. (A) Any corporation which is a member of the Company may, by resolution of its discretion of other governing body or by power of attorney authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.
- (B) If a recognised clearing house or its nominee(s) is a member of the Company, it may authorise or appoint such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any general meeting, provided that, if more than one person is so authorised and appointed, the authorisation or the instrument appointing a proxy must specify the number and class of shares in respect of which each such person is so authorised or appointed. The person so authorised or appointed shall be deemed to have been duly authorised or appointed without the need of producing any documents of title, notarised authorisation and/or further evidence for substantiating the facts that such person is duly authorised and shall be entitled to exercise the same powers (on behalf of the clearing house (or its nominee(s))) as that recognised clearing house or its nominee(s) could exercise as if it were an individual member, including the right to vote individually on a show of hands, notwithstanding any contrary provision contained in these Articles.

#### Registered office

97. The registered office of the Company shall be at such place in the Cayman Islands as the Directors shall from time to time appoint.

#### Board of Directors

98. The number of Directors shall not less than three and shall not be more than such number as the shareholders in general meeting may stipulate from time to time. The Directors shall cause to be kept a register of the Directors and Officers, and there shall be entered therein the particulars required by the Law.
99. The Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at the meeting, but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.
100. (a) A Director may at any time by notice in writing delivered to the registered office of the Company or at a meeting of the Directors, appoint any person (including another Director) to be his alternate Director in his place during his absence and may in like manner at any time determine such appointment. Such appointment, unless previously approved by the Directors, shall have effect only upon and subject to being so approved.

- (b) The appointment of an alternate Director shall determine on the happening of any event which, were he a Director, would cause him to vacate such office or if his appointor ceases to be a Director.
  - (c) An alternate Director shall (except when absent from Hong Kong), be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a Director and for the purpose of the proceedings at such meeting as alternate for more than one Director his voting rights shall be cumulative. If his appointor is for the time being absent from Hong Kong or otherwise not available or unable to act, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committee of the Directors, the foregoing provisions of this paragraph shall also supply mutatis mutandis to any meeting of any such committee of which his appointor is a member. An alternate Director shall not, save as aforesaid, have power to act as a director nor shall he be deemed to be a Director for the purposes of these Articles.
  - (d) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may be notice in writing to the Company from time to time direct.
101. A director need not hold any qualification shares. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at general meetings or meetings of the holders of any class of shares. No Director shall be required to vacate office or be ineligible for re-election or re-appointment as a director and no person shall be ineligible for appointment as a director by reason only of his having attained any particular age.
102. (a) The Directors shall be entitled to by way of remuneration for their service such sum as shall from time to time be determined by the Company in general meeting, such sum (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 in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall rank in such division only in proportion to the time during the period for which he has held office.
- (b) The Company shall not make to any Director or past Director any payment by way of compensation for loss of office, or as consideration for or in connection with his retirement from office, without particulars with respect to the proposed payment (including the amount thereof) being disclosed to the members of the Company and the proposal being approved by the Company in general meeting.



103. The Director shall also be entitled to be repaid all travelling, hotel and other expenses of travelling to and from any board meeting, committee meeting or general meeting or otherwise incurred whilst engaged on the business of the Company.
104. The Board may grant special remuneration to any Director who, being called upon, shall perform special or extra services to the Company of any kind including travelling or residing abroad for any business or purpose of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be arranged.
105. Notwithstanding the foregoing, the remuneration of a Managing Director, Deputy Managing Director or other Executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Directors and may by way of salary, commission, or participation in profit or otherwise or by all or any of those modes and with such other benefits (including pension and/or gratuity and/or other benefit on retirement) and allowance as the Directors may from time to time decide. Such remuneration shall be in addition to his remuneration as a Director.
106. A Director shall vacate his office:-
- (i) If he becomes bankrupt or has a receiving order made against him or suspends payment or compound with his creditors.
  - (ii) If he becomes a lunatic or of unsound mind.
  - (iii) If he absents himself from the meetings of the Board during a continuous period of six months, without special leave of absence from the Board, and his alternate Director (if any), shall not during such period have attended in his stead, and the Board passes a resolution that he has by reason of such absence vacated his office.
  - (iv) If he becomes prohibited from being a Director by reason of any order made by any court of competent jurisdiction.
  - (v) If by notice in writing delivered to the Company at its registered office he resigns his office.
  - (vi) If he shall be removed from office by notice in writing served upon him signed by all his Co-Directors.
  - (vii) If, having been appointed to an office under Article 108, he is dismissed or removed therefrom by the Board under Article 109.
  - (viii) If he shall be removed from office pursuant to the procedure described in Article 122.
107. (a) (i) Subject to Article 107(a)(iii), no Director or intended Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any

director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being any member or so interested be liable to account to the Company for any profit so realized by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall forthwith disclose the nature of the interest in any contract or arrangement in which he is interested. A Director shall not vote (nor be counted in the quorum) on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).

- (ii) Any Director may continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company in which the Company may be interested and unless otherwise agreed no such Director shall be accountable for any remuneration or other benefits received by him as a director managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any such other company. The Directors may exercise the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them director, managing directors, joint managing directors, executive directors, managers or other officers of such company) and any Director of the Company may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or be about to be, appointed a director, managing director, joint managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.
- (iii) A Director shall not be entitled to vote in respect of any contract or arrangement or any other proposal in which he or any of his associates has a material interest and shall not be counted in the quorum present at the meeting at which such contract or arrangement or other proposal is considered. The above prohibitions shall not apply to the following matters namely:
  - (1) the giving of any security or indemnity either:
    - (a) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
    - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and

whether alone or jointly under a guarantee or indemnity or by the giving of security;

- (2) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (3) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director, and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;
- (4) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
  - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or
  - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to the Director, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (5) 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 issuer by virtue only of his/their interest in shares or debentures or other securities of the Company.

If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the Board whose determination shall be final. In the event any question shall arise at any meeting of the Board as to the materiality of the interest of the chairman of the meeting, such chairman shall not determine the question of materiality, but instead shall be decided by a majority vote of the remaining Directors. If there is an equality

of votes, such chairman's interest in question shall be deemed to be a material interest.

For the purpose of this Article, an "associate" of a Director has the meaning ascribed to it under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

- (iv) A general notice to the Directors by a Director that he is to be regarded as interested in any contract or arrangement which may be made with any specified person, firm or corporation after the date of such notice shall be a sufficient declaration of interest in relation to any contract or arrangement so made, provided that no such notice shall be of enact unless either it is given at the earliest meeting of the Directors or the Director takes reasonable steps to ensure that it is brought up and read at the next meeting of the Directors after it is given.
- (b) A Director of the Company may be or become a director or any company promoted by the Company or in which it may be interested as a vendor, shareholder of otherwise and no such Director shall be accountable for any benefits received as a director member of such company.
- (c) Any Director may act by himself or by his firm in professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services, but a director of his firm shall not act as Auditor of the Company.

#### Managing Directors, etc.

- 108. The Board may from time to time appoint any one or more of its body to the office of Managing Director, Joint Managing Director, Deputy Managing Director, or other Executive Director and/or such other office in the management of the business of the Company as it may decide for such period and upon such terms as it thinks fit and upon such terms as to remuneration as it may decide in accordance with Article 105.
- 109. Every Director appointed to an office under Article 108 hereof shall, subject to the provisions of a contract between himself and the Company with regard to his employment in such office, be liable to be dismissed or removed therefrom by the Board of Directors.
- 110. A Director appointed to an office under Article 108 shall be subject to the same provisions as to removal as the other Directors of the Company, and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.
- 111. The Directors may from time to time entrust to and confer upon a Managing Director, Joint Managing Director, Deputy Managing Director or Executive Director all or any of the powers of the Directors that think may think fit. But the exercise of all powers by such Director shall by subject to such regulations and restrictions as the Directors may from time to time make and impose, and the said powers may at any time be withdrawn, revoked and varied.

### Management

112. (a) Subject to any exercise by the Directors of the powers conferred by Articles 113 to 115, the management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by these Articles expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Law expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Law and of these Articles and to any regulations from time to time made by the Company in general meeting not being inconsistent with such provisions of these Articles provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.
- (b) Without prejudice to the general powers conferred by these Articles, it is hereby expressly declared that the Directors shall have the following powers:-
- (i) To give to any person the right or option or requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed.
  - (ii) To give to any Directors, officers or servants of the Company an interest in any particular business or transaction or participating in the profits thereof or the general profits of the Company either in addition or in substitution for a salary or other remuneration.
- (c) The Directors shall not carry into effect any proposals relating to the disposition of any fixed assets of the Company if the aggregate of:-
- (i) the amount or value of the consideration for the proposed disposal; and
  - (ii) where any fixed assets of the Company have been disposed of in the period of 4 months immediately preceding the proposed disposal, the amount of value of the consideration for any such disposal in that period
- exceeds 33% of the value of the Company's fixed assets as shown in the latest balance sheet said before the Company in general meeting, unless those proposals have been approved by the Company in general meeting.
- (d) The Company shall not, directly or indirectly:-
- (i) make a loan to a director of the Company or of any holding company of the Company;
  - (ii) enter into any guarantee or provide any security in connection with a loan made by any person to such a director;
  - (iii) if any one or more of the directors of the Company hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other

company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company;

provided that a loan made by the Company to any of its subsidiaries or the Company entering into a guarantee or providing any security in connection with a loan made by any person to such subsidiary shall be excepted from the prohibition in this Article;

provided further that for the purposes of this Article, references to a director shall include references to:-

- (A) the spouse or any child or step child of such director;
- (B) a person acting in his capacity as the trustee (other than as trustee under an employees' share scheme or a pension scheme) of any trust the beneficiaries of which include the director, his spouse or any of his children or step children or the terms of which confer a power on the trustee that may be exercised for the benefit of the director, his spouse or any of his children or step children; and
- (C) a person acting in his capacity as partner of that director or his spouse, of that director or his spouse, child or step child, or of any trustee referred to in Article 112(d)(B);

and provided further that reference in sub-paragraph (A), (B) and (C) above to the child or step child of any person shall include a reference to any illegitimate child of that person but shall not include a reference to any person who attained the age of 21 years.

#### Managers

- 113. The Directors may from time to time appoint a general manager, manager or managers of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes and pay the parking expenses of any of the staff of the general manager, manager or managers who may be employed by him or them upon the business of the Company.
- 114. The appointment of such general manager, manager or managers may be for such period as the Directors may decide and the Directors may confer upon him or them all or any of the powers of the Directors as they may think fit.
- 115. The Directors may enter into such agreement with any such general manager, manager or managers upon such terms and conditions in all respects as the Directors may in their absolute discretion think fit, including a power for such general manager, manager or managers to appoint an assistant manager or managers or other employees whatsoever under them for the purpose of carrying on the business of the Company.
- 116. At each annual general meeting of the Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than one-third, shall retire from office, provided that every Director shall be subject to retirement by rotation at least once every three years or within such other period as The Stock Exchange of Hong Kong

Limited may from time to time prescribe. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election.

117. The Company at any general meeting at which any Directors retire in manner aforesaid the vacated office by electing a like number of persons to be Directors.
118. If at any general meeting at which an election of Directors ought to take place, the places the retiring Directors are not filled the retiring Directors or such of them as have not had their places filled shall be deemed to have been re-elected and shall, if willing, continue in office until the next annual general meeting and so on from year to year until their places are filled, unless
  - (a) it shall be determined at such meeting to reduce the number of Directors; or
  - (b) it is expressly resolved at such meeting not to fill up such vacated offices; or
  - (c) in any such case the resolution for re-election of a Director is put to the meeting and lost.
119. The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall never be less than three.
120. No person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company no earlier than the day after the despatch of the notice of the meeting appointed for such election and no later than seven days prior to the date of such meeting.
121. The Company shall keep at its office a register containing the names and addresses and occupations of its Directors and shall send to the Register of Companies a copy of such register and shall from time to time notify to the Register of Companies any change that takes place in such Directors as required by the Law.
122. The Company may by ordinary resolution remove any Director (including a Managing Director, Joint Managing Director, Deputy Managing Director, or other Executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed.

#### Proceedings of Directors

123. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit and may determine the quorum necessary for the transaction of business. Unless otherwise determined two Directors shall be a quorum. For the purposes of this Article an alternate Director is an alternate for more than one Director, he shall for

quorum purposes count as only one Director. The Board of Directors or any committee of the Board may participate in a meeting of the Board or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.

124. A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Board. Notice thereof shall be given to each Director either in writing or by telephone or by telex or telegram at the address from time to time notified to the Company by such Director or in such other manner as the Board may from time to time determine.
125. Questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall have second or casting vote.
126. The Directors may elect a Chairman of their meetings and determine the period (not being a period extending beyond the date of the annual general meeting at which such Chairman is due to retire by rotation under Article 116) for which he is hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.
127. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorises, powers and discretions by or under these Articles for the time being vested in or exercisable by the Directors generally.
128. The Directors may delegate any of their powers to committee consisting of such member or members of their body as the Directors think fit, and they may from time to time revoke such delegation or revoke the appointment of and discharge and 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 so delegated conform to any regulations that may from time to time to impose upon it by the Directors.
129. All acts done by any such committee in conformity with such regulations and in fulfilment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as it done by the Directors, shall have power, with the consent of the Company in general meeting, to remunerate the members of any special committee, and charge such remuneration to the current expenses of the Company.
130. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the members and proceedings of the Directors.
131. All acts bona fide done by any meeting of the Directors or by a committee of Directors or by any person acting as a Director shall, notwithstanding that it shall be afterwards discovered that there was some defect in the appointment of such Director or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
132. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary



quorum of directors, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company but for no other purpose.

133. A resolution in writing signed by each and every one of the Directors (or their respective alternates to Article 100 (c)) shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held and may consist of several documents in like form each signed by one or more of the Directors or alternate Directors.

#### Secretary

134. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board. Anything by the Law of these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specifically in that behalf by the Board. If the Secretary appointed is a corporation or other body, it may act and sign by the hand of any one or more of its directors or officers duly authorised.
135. A provision of the Law or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its done by or to the same person acting both as Director and as or in place of the Secretary.

#### General Management and Use of the Seal

136. The Board shall provide for the safe custody of the seal which shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf, and every instrument to which the seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Board for the purpose, provided that the Board may either generally or in any particular case or cases resolve (subject to such restrictions as to the manner in which the seal may be affixed as the Board may determine) that such signatures or any of them may be affixed to certificates for shares or debentures or representing any other form of security by some mechanical means other than autographic to be specified in such resolution or that such certificates need not be signed by any person. Every instrument executed with the authority of the Directors previously given.
137. The Company may have an official seal for use abroad under the provisions of the Law where and as the Board shall determine, and the Company may by writing under the seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company for the purpose of affixing and using such official seal and they may impose such restrictions on the use thereof as may be thought fit. Whenever in the Articles reference is made to the seal, the reference shall, when and so far as may be applicable be deemed to include any such official seal as aforesaid.
138. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, indorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution

determine. The Company's banking accounts shall be kept with such banker or bankers as the Board shall from time to time determine.

139. (a) The Board may from time to time and at any time, by power of attorney under the seal, appoint any company, firm or person or any fluctuating body or persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers authorities and discretions vested in him.
- (b) The Company may, by writing under its seal, empower any person, either generally or in respect of any specified matter, as its attorney to execute deeds and instruments on its behalf and to enter into contracts and sign the same on its behalf and every deed signed by such attorney on behalf of the Company and under his seal shall bind the Company and have the same effect as if it were under the seal of the Company.
140. The Board may establish any committees, local board or agencies for managing any of the affairs of the Company, either in Hong Kong or elsewhere, and may appoint any persons to be members of such committees, local boards or agencies and may fix their remuneration and may delegate to any committee, local board or agent any of the powers, authorities and discretions vested in the Board (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
141. The directors may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or is allied or associated with the Company or with any such subsidiary company, or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid, and holding or who have held any salaried employment or office in the Company or such other company, and the wives, widows, families and dependents of any such persons. The Board may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interest and well-being of the Company or of any such other company as aforesaid, and may make payments for or towards the insurance of any such persons as aforesaid, and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. The Board may do any of the matters aforesaid either alone or in conjunction with the other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

### Capitalisation of Reserves

142. The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution (and not required) for the payment or provision of the dividend on any shares with a preferential right to dividend) and accordingly that such sums be set free for distribution amongst the members who would have been entitled thereto is distributed by way of dividend and in the same proportion on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in proportion aforesaid or partly in the one way and partly in the other, and the Directors shall give effect to such resolution, provided that a share premium account and a capital redemption reserve may, for the purposes of this Article, only be applied in paying up unissued shares to be issued to members of the Company as fully paid up shares.
143. (a) Wherever such a resolution as referred to in Article 142 shall have been passed the Directors shall make all appropriations and applications of the reserves or undivided profits or other amounts resolved to be capitalised thereby, and all allotments and issues or fully paid up share or debentures, if any, and generally shall do all acts and things required to give effect thereto, when all power to the Directors to such provision by the issue of fractional certificates or by payment in cash or otherwise (including provision for the benefit or fractional entitlements to accrue to the Company rather than to the members concerned) as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or, as the case may require, for the payment up by the Company on their behalf, by the application thereto of their respective proportions thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members;
- (b) The Directors may, in relation to any capitalisation sanctioned under this Article in their absolute discretion specify that, and in such circumstances and if directed so to do by a member or members entitled to an allotment and distribution credited as fully paid up of unissued shares or debentures in the Company pursuant to such capitalisation, shall allot and distribute credited as fully paid up the unissued shares or debenture to which that member is entitled to such person or persons as that member may nominate by notice in writing to the Company, such notice to be received not later than the day for which the General Meeting of the Company to sanction the capitalisation is convened.

### Dividends and Reserves

144. (a) The Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.

- (b) The dividends, interest and bonuses and any other benefits and advantages in the nature of income receivable in respect of the Company's investments, and any commissions, trusteeship, agency, transfer and other fees and current receipts of the Company shall, subject to the payment thereof of the expenses of management, interest upon borrowed money and other expenses of management, interest upon borrowed money and other expense which in the opinion of the Directors are of a revenue nature, constitute the profits of the Company available for dividend.
145. (a) The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company and, in particular (but without prejudice to the generality of the foregoing), if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights.
- (b) The Board may also pay half-yearly or at other suitable intervals to be settled by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits justify the payment.
146. No dividend shall be payable except out of the profits of the Company. No dividend shall carry interest.
147. (a) Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Directors may further resolve:-
- either
- (i) that: such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply:-
- (aa) the basis of any such allotment shall be determined by the Directors;
- (bb) the Directors, after determining the basis of allotment, shall give not less than two weeks notice in writing to the shareholders' of the right to election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

- (cc) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded;
- (dd) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash or shares in respect whereof the cash election has not been duly exercised ("the non-elected shares") and in satisfaction thereof shares shall not allotted credited and fully paid to the shareholders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company's reserve accounts (including any special account, share premium account and capital redemption reserve (if there be any such reserve)) as the Directors may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis.

or

- (ii) that shareholders entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:-
  - (aa) the basis of any such allotment shall be determined by the Directors;
  - (bb) the Directors, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly elected forms of election must be lodged in order to be effective;
  - (cc) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded;
  - (dd) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect where of the share election has been duly exercised ("the elected shares") and in lieu thereof shares shall be allotted credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of any part of the undivided profits of the Company's reserve accounts (including any special account, share premium account and capital redemption reserve) as the Directors may determine, a sum equal to the aggregate nominal amount of the

shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares of the elected shares on such basis.

- (b) The shares allotted pursuant to the provisions of paragraph (a) of this Article shall rank *pari passu* in all respects with the shares then in issue save only as regards participation:-
- (i) in the relevant dividend of the right to receive or to meet to receive an allotment or shares in lieu thereof as aforesaid; or
  - (ii) in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payments or declaration of the relevant dividend.

unless contemporaneously with announcement by the Directors of their proposal to apply the provision of sub-paragraph (i) or (ii) or paragraph (a) of this Article in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Directors shall specify that the shares to be allotted pursuant to the provisions of paragraph (a) of this Article shall rank for participation in such distribution, bonus or rights.

- (c) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (a) of this Article with full power to the Directors to make such provisions as they think fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter into, on behalf of all members interested, an agreement with the members providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.
- (d) The Company may upon the recommendation of the Directors by special resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (a) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.
- (e) The Directors may on any occasion determine that rights of election and the allotment of shares under paragraph (a) of this Article shall not be made available or made to any shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of such rights of election or the allotment of shares would or might be unlawful, and in such even the provisions aforesaid shall be read and construed subject to such determination.

148. The Board, may, before commencing any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve of reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be

properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may from time to time think fit, and so that it shall not be necessary to keep reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute by way of dividend. If during the period while any of the rights attached to any warrants issued by the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments as to the subscription price in accordance with the provisions applicable under the terms and conditions of the warrants, would reduce the subscription price therefore below the par value of a share of the Company, a subscription right reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

149. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid up or credited as paid up on the shares in respect whereof the dividend is paid, but no amount paid up or credited as paid up on a share in advance or calls or instalments shall for this purpose be treated as paid up on the share.
150. (a) The Directors may retain any dividends or other moneys payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities of engagements in respect of which the lien exists.
- (b) The Directors may deduct from any dividend or bonus payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.
151. Any general meeting sanctioning a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the member, be set off against the call.
152. Whenever the Directors of the Company in general meeting have resolved that a dividend be paid or declared, the Directors may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, and where or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Directors may settle the same as they think expedient, and in particular may issue fractional certificates, disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, any may vest any such specific assets in trustee as may seem expedient to the Directors and may appoint any person so sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. Where requisite, a contract shall be filed in accordance with the provisions of the Law and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective.

153. A transfer of shares shall not pass the right to any dividend or bonus declared thereon before the registration of the transfer.
154. If two or more persons are registered as joint holder of any shares, any one of such persons may give effectual receipts for any dividends, interim dividends or bonuses and other moneys payable in respect of such shares.
155. Unless otherwise directed by the Directors, any dividend or bonus may be paid by cheque or warrant sent through the post to the registered address of the member entitled, or, in case of joint holders, to the registered address of that one whose name stands first in the register in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent, and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged.
156. All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claim 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 Directors and shall revert to the Company.

#### Annual Returns

157. The Directors shall make the requisite annual returns in accordance with the Law.

#### Accounts

158. The Directors 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 Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions.
159. The books of account shall be kept at the Company's principal place of business in Hong Kong or at such other place or places as the Directors think fit and shall always be open to the inspection of the Directors.
160. The Directors shall from time to time determine whether and to what extent, at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of the members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book of documents of the Company, except as conferred by law or authorised by the Directors or by the Company in general meeting.
161. (a) The Directors shall annually lay before the Company in general meeting an audited profit and loss account and balance sheet in respect of the proceeding financial year of the Company.  
(b) Every balance sheet of the Company shall be approved by the Board and signed on behalf of the Board by two of the Directors, and a copy of every balance sheet (including every



document required by law to be annexed thereto) and profit and loss account which is to be laid before the Company in general meeting together with a copy of the Directors' report and a copy of the Auditors' report, shall not less than twenty-one days before the date of the meeting, be sent in the manner as permitted by the Law, the rules and requirements of any stock exchange applicable to the Company and these Articles, to every member of, and every holder of debentures of, the Company and every person registered under Article 46 and every other person entitled to receive notices of general meetings of the Company, provided that this Article shall not affect the operation of paragraph (c) of this Article, or require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures. The auditor's report shall be read before the Company in general meeting and shall be open to inspection by any member during the general meeting.

- (c) Subject to due compliance with the Law and the rules and requirements of any stock exchange applicable to the Company, and to obtaining all necessary consents, if any, required thereunder and such consents being in full force and effect, the requirements of Article 161(b) shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Law copies of the summary financial statement derived from the Company's annual financial statements and the Directors' report and the Auditors' report thereon, which shall be in the form and containing the information required by applicable laws and regulation, provided that any person who is otherwise entitled to the annual financial statements of the Company and the Directors' report and the Auditors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company send to him, in addition to a summary financial statement, a complete printed copy of the Company's annual financial statement and the Directors' report and the Auditors' report thereon.

#### Audit

162. The accounts relating to the Company's affairs shall be audited in such manner as may be determined from time to time by the Company in general meeting or failing any such determination by the Directors.
163. The remuneration of the Auditors shall be fixed by the Company in general meeting provided always that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors.
164. Every statement of accounts audited by the Company's Auditors and presented by the Director at a general meeting shall often approve at such meeting be conclusive except as regards any error discovered therein within three months of the approval thereof. Whenever any such error is discovered within that period, it shall forthwith be corrected, and the statement of account amended in respect of the error shall be conclusive.

#### Notice

165. (a) Subject to due compliance with the Law and the rules and requirements of any stock exchange applicable to the Company, any notice or document may be served by the

Company on any member either (i) personally; or (ii) by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register; or (iii) by advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper, being in each case a newspaper published daily and circulating generally in Hong Kong and specified in the list of newspapers issued and published in the Hong Kong Government Gazette for the purposes of S71A of the Companies Ordinance (Cap 32 Laws of Hong Kong); or (iv) by any of the electronic means as provided in Article 165(b). In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.

- (b) Subject to due compliance with the Law and the rules and requirements of any stock exchange applicable to the Company, any notice or document (including, without limitation, any document or notice issued or to be issued by the Company for the information and/or action of holders of any of its securities, whether pursuant to the Law, the rules and requirements of any stock exchange applicable to the Company, or these Articles) may be served by the Company on any shareholder or holder of other securities of the Company by electronic means:
- (i) at his electronic address or website as appearing in the register (if any); or
  - (ii) at any other electronic address or website supplied by him to the Company for the purpose of such transmission; or
  - (iii) by placing it on the Company's website, provided that where the relevant documents are the Company's Directors' report, annual financial statements, Auditors' report and, where Article 161(c) applies, a summary financial statement, any service of such document by placing on the Company's website shall also be accompanied by a notice of the publication ("Notification") of such documents on the Company's website given to the relevant recipient of the notice concerned in the manner as permitted by the Law, the rules and requirements of any stock exchange applicable to the Company and these Articles.
- (c) Subject to due compliance with the Law and the rules and requirements of any stock exchange applicable to the Company, any notice or other document may be given by the Company in the English language only, in the Chinese language only or in both. Where a person, in accordance with the Law and the rules and requirements of any stock exchange applicable to the Company, has consented or is deemed to have consented to receive notices and other documents from the Company in the English language only or the Chinese language only but not both, it shall be sufficient for the Company to serve on or deliver to him any such notice or document in such language only in accordance with these presents unless and until there is a notice of revocation or amendment of such consent given or deemed to have been given by such person to the Company in accordance with Law and the rules and requirements of any stock exchange applicable to the Company which shall have effect in respect of any notice or document to be served on or delivered to such person subsequent to the giving of such notice of revocation or amendment.

166. A member shall be entitled to have notice served on him at any registered address. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address shall be deemed to have received any notice which shall have been displayed at the registered office of the Company and shall have remained there for the space of twenty-four hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed.
167. (a) Any notice sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly prepaid, addressed and put into such post office and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice was so addressed and put into such post office shall be conclusive evidence thereof.
- (b) A notice or document served by advertisement in the newspapers shall be deemed to have been served on the day on which the notice is first published.
- (c) Any notice or document sent by electronic transmission shall be deemed to have been served on the day on which the notice or document is sent.
- (d) Any notice or document placed on the Company's website is deemed given by the Company to the recipient on the day the notice or document is placed on the Company's website, provided that in the case of any notice or document issued pursuant to the rules and requirements of any stock exchange applicable to the Company, such notice or document shall be taken to be sent on (i) the date on which the Notification referred to in Article 165(b)(iii) is sent; or (ii) if later, the date on which the notice or document first appears on the Company's website after the Notification is sent.
168. A notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member by sending it through the post in a prepaid letter addressed to him by name or electronic means, or by the title representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, within Hong Kong (including electronic address) supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.
169. Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound every notice in respect of such share which prior to his name and address being entered on the register shall have been duly given to the person from whom he derives his title to such share.
170. Any notice or document delivered or sent by post or electronic means or left at the registered address of any member in pursuance of these presents, shall notwithstanding that such member be then deceased and whether or not the Company has notice of his death be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such

member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such shares.

171. The signature to any notice to be given by the Company may be written or printed or by electronic signature.

#### Information

172. No member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it would not be in the interest of the members or the Company to communicate to the public.
173. The Director shall be entitled to release or disclose any information in their possession, custody or control regarding the Company or its affairs or any of its members including, without limitation, information contained in the register of members and transfer books of the Company.

#### Winding Up

174. If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution, divide among the members in specie or kind the whole or any part of the assets shall consist of property of one kind or shall consist or properties of different kind and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority and subject to the Law shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributor shall be compelled to account an shares in respect of which there is a liability.
175. If the Company shall be wound up, and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution amongst the members shall be more sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. This Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
176. In the event of a winding-up of the Company in Hong Kong, every member of the Company who is not for the time being in Hong Kong shall be bound, within fourteen days after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong and stating that person's full name, address and occupation upon whom all summonses,

notices, process, orders and judgments in relation to or under the winding-up of the company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee, whether appointed by the member or the liquidator, shall be deemed to be good personal service on such member for all purposes, and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such member by advertisement in such English language daily newspaper circulating in Hong Kong as he should deem appropriate or by a registered letter sent through the post and addressed to such member his address as mentioned in Hong Kong register, and such notice shall be deemed to be service on the day following that on which the advertisement appears or the letter is posted.

177. (a) Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses of liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director or other office shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto.
- (b) If any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.
178. The Fiscal year of the Company shall be prescribed by the Directors and may, from time to time, be changed by them.
179. Subject to the Law, the Company may at any time and from time to time by special resolution alter or amend its Articles of Association in whole or in part provided that no such alteration or amendment shall be deemed to have been duly approved unless passed by members holding three fourths of the shares carrying the right to vote on such resolution who are present in person or by proxy and who vote in respect thereof.

CERTIFIED TO BE A TRUE AND CORRECT COPY

SIG.

  
D. EVAadne EBANKS  
Assistant Registrar

Date.

24 May 2009

