

**MEMORANDUM**  
**AND**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**THE HONG KONG BUILDING AND LOAN AGENCY LIMITED**  
**香港建屋貸款有限公司**

This is a consolidated version of the Memorandum and Articles of Association  
of the Company.

This Memorandum and Articles of Association was published in both English and Chinese.  
The English version shall prevail in case of discrepancies or inconsistencies.

**[COPY]**  
**CERTIFICATE OF INCORPORATION**

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**I HEREBY CERTIFY that**

**THE HONG KONG BUILDING AND LOAN  
AGENCY LIMITED**

(香港建屋貸款有限公司)

is this day incorporated in Hong Kong under the Companies Ordinance (Chapter 32 of the Revised Edition, 1950, of the Laws of Hong Kong), and that this Company is limited.

GIVEN under my hand this Twenty-eighth day of November, One Thousand Nine Hundred and Sixty-four.

*(Sd.)* J.A.H. TILLEY,  
*for Registrar of Companies,*  
Hong Kong.

Hong Kong  
Stamp Duty  
\$20.00  
28-11-64

THE COMPANIES ORDINANCE (Chapter 32)

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Company Limited by Shares

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MEMORANDUM OF ASSOCIATION  
OF  
**THE HONG KONG BUILDING AND LOAN  
AGENCY LIMITED**  
(香港建屋貸款有限公司)

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1. The name of the Company is “THE HONG KONG BUILDING AND LOAN AGENCY LIMITED (香港建屋貸款有限公司)”.
2. The registered office of the Company will be situate in Hong Kong.
3. The objects for which the Company is established are:—
  - (a) To conduct any and all businesses and to undertake any and all matters which could be undertaken by a natural person.
    - (a)(a) (i) To encourage and facilitate the private ownership of residential property (including flats) by making loans secured by mortgages of residential property of any kind or tenure.
    - (ii) To lend money, either with or without security, to such persons or corporations (including any government, statutory body or authority supreme, local, municipal or otherwise) and upon such terms as the Company may think fit, for the purpose of financing, wholly or in part, the purchase of land (whether developed or not) or buildings or any interest in land or buildings or the erection of buildings, or the alteration or improvement of buildings, or the carrying out of works of any description for the improvement or development of land, or for any other purpose (whether or not connected with the purchase of land or buildings or any interests therein) whatsoever.

As amended by  
Special Resolution  
dated 23rd June,  
1997.

- (b) To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest any lands, buildings, easements, rights, privileges, concessions, patents, patent rights, licences, secret processes, machinery, plant, stock-in-trade, and any real or personal property of any kind necessary or convenient for the purposes of or in connection with the Company's business or any branch or department thereof.
- (c) To erect, construct, lay down, enlarge, alter and maintain any roads, railways, tramways, sidings, bridges, reservoirs, flats, shops, stories, factories, buildings, works, plant and machinery necessary or convenient for the Company's business, and to contribute to or subsidise the erection, construction and maintenance of any of the above.
- (d) To borrow or raise or secure the payment of money for the purposes of or in connection with the Company's business, and for the purposes of or in connection with the borrowing or raising of money by the Company to become a member of any building society.
- (e) To mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, and all or any of the uncalled capital for the time being of the Company, and to issue at par or at a premium or discount, and for such consideration and with such rights, powers and privileges as may be thought fit, debentures or debenture stock, either permanent or redeemable or repayable, and collaterally or further to secure any securities of the Company by a trust deed or other assurance.
- (f) To make advances to customers and others with or without security, and upon such terms as the Company may approve, and to guarantee the liabilities, obligations and contracts of customers and others, and the dividends, interest and capital of the shares, stocks or securities of any company of or in which this Company is a member or is otherwise interested.
- (g) To receive money on deposit or loan upon such terms as the Company shall think fit.

- (h) To carry on any other business or trade which, in the opinion of the Board of Directors, can be advantageously carried on by the Company in connection with or as ancillary to any of the above businesses or the general business of the Company or is calculated directly or in-directly to enhance the value of or render profitable or more profitable any of the property or rights of the Company.

- (h)(h) To act as the holding and co-ordinating company of the group of companies of which the Company is for the time being the holding company.

As amended by  
Special Resolution  
dated 23rd June,  
1997.

- (i) To grant pensions, allowances, gratuities and bonuses to officers or ex-officers, employees or ex-employees of the Company or its predecessors in business or the dependents of such persons, and to establish and support, or to aid in the establishment and support of, any schools and any educational, scientific, literary, religious or charitable institutions or trade societies, whether such institutions or societies be solely connected with the business carried on by the Company or its predecessors in business or not, and to institute and maintain any club or other establishment or benefit fund or profit-sharing scheme calculated to advance the interests of the Company or of the officers of or persons employed by the Company.
- (j) To draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange, and other negotiable instruments.
- (k) To invest and deal with the moneys of the Company not immediately required for the purposes of the business of the Company in or upon such investments and in such manner as may from time to time be determined.
- (l) To pay for any property or rights acquired by the Company either in cash or fully or partly paid-up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another and generally on such terms as the Company may determine.
- (m) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid-up shares or stock of any company or corporation, with or without preferred or deferred or special rights or restrictions in respect of dividend,

repayment of capital, voting or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine and to hold, dispose of or otherwise deal with any shares, stock, or securities so acquired.

- (n) To amalgamate with or enter into any partnership or arrangement for sharing profits union of interests, reciprocal concession or cooperation with any company, firm or person carrying on or proposing to carry on any business within the objects of this Company or which is capable of being carried on so as directly or indirectly to benefit this Company, and to acquire and hold, sell, deal with or dispose of any shares, stock or securities of or other interests in any such company, and to guarantee the contracts or liabilities of, subsidise or otherwise assist, any such company.
- (o) To enter into any arrangements or contracts with any governments or authorities, supreme, municipal, local or otherwise or with any person or company that may seem conducive to the objects of the Company or any of them and to obtain from any such government or authority person or company any rights, privileges and concessions which the Company may think desirable to obtain and to carry out, exercise and comply with any such arrangements, contracts, rights, privileges and concessions.
- (p) To purchase or otherwise acquire, take over and undertake all or any part of the business, property, liabilities and transactions of any person, firm or company carrying on any business which this Company is authorised to carry on, or the carrying on of which is calculated to benefit this Company or to advance its interests, or possessed of property suitable for the purposes of the Company.
- (q) To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for such consideration as the Company may think fit.

- (r) To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distributions amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- (s) To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors or otherwise.
- (t) To do all such other things as are incidental or conducive to the above objects or any of them.

And it is hereby declared that the objects specified in each paragraph of this clause shall, except where otherwise expressed in such paragraphs, be independent objects, and shall in no way be limited or restricted by reference to or inference from the terms of any other paragraph, or the name of the Company, but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraphs defined the objects of a separate and distinct company.

- 4. The liability of the Members is limited.
- 5. The Share Capital of the Company is HK\$300,000,000.00 divided into 3,000,000,000 Shares of HK\$0.10 each.

As amended by  
Ordinary  
Resolutions  
dated 23rd Jan  
1970, 14th  
June 1972, 19th  
April, 1973, 20th  
May, 1982, 17th  
June, 1993, 25th  
June, 1996, 10th  
February, 2010 and  
Special Resolution  
dated 21st June 2012

WE, the several persons whose names, addresses and descriptions are hereto subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names:

Names, Addresses and Descriptions of Subscribers	Number of Shares taken by each Subscriber
<p>W. E. L. FLETCHER  (WILLIAM ERNEST LAWRENCE FLETCHER)  304 Fung House,  Hong Kong,  Chartered Accountant.</p> <p>F. D. HAMMOND  (FENWICK DEANE HAMMOND)  Flat 53, No. 15 Conduit Road,  Hong Kong,  Solicitor.</p>	<p>One</p> <p>One</p>
Total Number of Shares Taken...	Two

Dated the 26th day of November, 1964.

WITNESS to the above signatures:

**T. JOHN GREGORY**  
*Solicitor,*  
HONG KONG.



THE COMPANIES ORDINANCE (CHAPTER 32)

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Company Limited by Shares

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**ARTICLES OF ASSOCIATION**

(As adopted by Special Resolution passed on 25th June, 2004,  
as amended by Special Resolutions passed on 3rd June, 2005,  
12th May, 2006, 7th May, 2009, 21st June, 2012 and 28th June, 2012 and  
as amended by Ordinary Resolution passed on 10th February, 2010)

OF

**THE HONG KONG BUILDING AND LOAN AGENCY LIMITED**

香港建屋貸款有限公司

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**Table A**

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

Other  
regulations  
excluded

**Interpretation**

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

Interpretation

(As amended  
by Special  
Resolutions  
passed on  
7 May 09 and  
28 June 12)

“Annual Report” shall include a consolidated profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a consolidated balance sheet as at the date to which the consolidated profit and loss account is made up and a Directors’ report with respect to the consolidated profit or loss of the Company for the period covered by the profit and loss account and the state of the Company’s affairs as at the end of such period, and an Auditors’ report on such accounts prepared pursuant to Article 183;

“associates” shall have the meaning ascribed to it under the Listing Rules;

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

“Board” shall mean the board of Directors from time to time of the Company;

“business day” shall mean any day on which the Stock Exchange or any other recognised stock exchange in Hong Kong is open for the business of dealing in securities generally in Hong Kong;

“capital” shall mean the share capital of the Company from time to time;

“Chairman” shall mean the chairman presiding at any meeting of Members or of the Board;

“clear days” shall, in relation to the period of notice, exclude the day when the notice is given or deemed to be given;

“Clearing House” shall have the meaning ascribed thereto in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any amendments thereof and re-enactment thereof for the time being enforced and includes every other ordinance incorporated therewith or substituted therefor;

“Companies Ordinance” or “the Ordinance” shall mean the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and any amendments thereof or re-enactment thereof for the time being in force and includes every other ordinance incorporated therewith or substituted therefor;

“Corporate Communication” shall mean any information issued or to be issued by the Company to its members for their information or action and shall have the meaning ascribed to it in the Listing Rules and shall include but shall not be limited to:–

- (1) the Annual Report;
- (2) the interim report;
- (3) the summary financial report;
- (4) notice of meetings;
- (5) listing documents; and
- (6) any circulars or other documents required by the Listing Rules to be sent to the Company’s members.

“Directors” shall mean the directors from time to time of the Company or (as the context may require) the directors present and voting at a meeting of directors of the Company at which a quorum is present from time to time;

“dividend” shall include dividends, scrip dividends, distributions, distributions in specie or in kind, capital distributions and capitalisation issues;

“electronic communication” shall mean any Corporate Communication sent by electronic means;

“electronic means” shall mean the transmission of any Corporate Communication from the Company in any form through any medium (including but not limited to electronic mail or publication on the Company’s website, or publication on the Company’s computer network or publication on the website of the Stock Exchange or the website of

any stock exchange on which any securities of the Company are listed and/or permitted to be dealt in);

“Electronic Signature” shall mean an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;

“Hong Kong” shall mean the Hong Kong Special Administrative Region of the People’s Republic of China;

“HK dollars” or “HK\$” or “\$” shall mean the lawful currency of Hong Kong;

“Listing Rules” shall mean the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time;

“Members” shall mean the duly registered holders from time to time of the Shares in the capital of the Company;

“month” shall mean a calendar month;

“Office” shall mean the registered office for the time being of the Company;

“published in the newspaper” shall mean published as a paid advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper, being in such case a newspaper published daily and circulating generally in Hong Kong and specified in the list of newspapers issued and published in the Government of the Hong Kong Special Administrative Region Gazette for the purposes of Section 71A of the Companies Ordinance by the Chief Secretary of Hong Kong and “publish in the newspapers” shall be construed accordingly;

“register” shall mean the register of Members to be kept pursuant to the provisions of the Companies Ordinance;

“seal” shall mean the common seal or any other official seal from time to time of the Company adopted pursuant to Article 155;

“secretary” shall mean the person for the time being performing the duties of that office;

“securities seal” shall mean a seal for use for sealing certificates for shares or other securities issued by the Company which is a facsimile of the seal of the Company with the addition on its face of the words “Securities Seal”;

“Share” shall mean a Share in the capital of the Company and includes stock except where a distinction between stock and Share is expressed or implied;

“Stock Exchange” shall mean The Stock Exchange of Hong Kong Limited or any other recognised stock exchange in any part of the world on which the securities of the Company are for the time being listed;

“substantial shareholder” shall have the meaning ascribed to it under the Listing Rules from time to time;

“summary financial report” shall have the meaning as set out in the Companies Ordinance;

“the Company” or “this Company” shall mean THE HONG KONG BUILDING AND LOAN AGENCY LIMITED 香港建屋貸款有限公司;

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

“writing” or “printing” shall include writing, printing, lithography, photography, typewriting and every other mode of representing words or figures in a legible and non-transitory form; and, only where used in connection with a notice served by the Company by electronic means on members or other persons entitled to receive notices hereunder, shall also include a record maintained through an electronic medium which is accessible in visible form so as to be useable for subsequent reference;

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

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

gender

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

persons

references to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force.

statutory force

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

words in the Ordinance to bear the same meanings as the Articles

A resolution shall be a Special Resolution when it has been passed by a majority of not less than three-fourths of such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies and attorneys are allowed, by proxy or by attorney at a general meeting of which notice is given in accordance with Article 78, specifying the intention to propose the resolution as a Special Resolution.

Special Resolution

A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies and attorneys are allowed, by proxy or by attorney at a general meeting and of which notice is given in accordance with Article 78, specifying the intention to propose the resolution as an Ordinary Resolution.

Ordinary Resolution

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles or the Companies Ordinance.

Special Resolutions and Ordinary Resolutions

Without prejudice to any other requirements of the Companies Ordinance, a Special Resolution shall be required to alter the provisions of the memorandum of association, to approve any amendment of these Articles or to change the name of the Company.

Requirements for Special Resolution

### Share capital and modification of rights

- |    |     |   |   |
|----|-----|---|---|
| 3. | (A) | The authorized share capital of the Company is HK\$300,000,000 divided into 3,000,000,000 ordinary shares of HK\$0.10 each.   | Capital<br><br>(As amended by Special Resolution passed on 21 June 12)              |
|    | (B) | If at any time the 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, subject to the provisions of the Companies Ordinance, be varied, modified or abrogated with the consent in writing of the holders 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 (but not otherwise). Such rights may be so varied, modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum at such meeting (other than at an adjourned meeting) shall be not less than two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of that class. The holders of shares of the class shall on a poll have one vote in respect of each share of the class held by them respectively. At any adjourned meeting of such holders two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum. | Modification of rights<br><br>(As amended by Special Resolution passed on 7 May 09) |
|    | (C) | The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.  | No modifications of special rights  |
|    | (D) | The provisions of this Article shall apply to the variation or abrogation of the special rights attached to some of the shares of any class as if each group of shares of the class differently treated formed a separate class the rights whereof are to be varied.  | Modification of special rights as separate class                                    |

### Shares and increase of capital

- |    |     |   |                 |
|----|-----|---|-----------------|
| 4. | (A) | Without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred, qualified or other special rights, privileges or conditions or subject to such restrictions, whether as regards dividend, voting, return of share capital, the distribution of assets of the Company or otherwise, as the Directors may from time to time determine and subject to the provisions of the Companies Ordinance and these Articles provided that where the Company issues shares which do not carry voting rights, the words "non-voting" shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the | Issue of Shares |
|----|-----|---|-----------------|

designation of each class of shares, other than those with the most favourable voting rights shall include the word “restricted voting” or “limited voting”.

- (B) Subject to the provisions of the Companies Ordinance, any shares may, with the sanction of a Special Resolution, be issued on terms that they are, or at the option of the Company or the holder are liable, to be redeemed.
  - (C) 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. Where such warrants are issued to bearer, no new warrant certificate shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed and have received an indemnity in satisfactory form with regard to the issue of any such new warrant certificate. Issue of warrants
  - (D) The Directors may on any occasion determine that the allotment and issue of shares or warrants under paragraphs (A), (B) or (C) of this Article or the allotment and issue of any shares, debentures or other securities under these Articles shall not be made available or made to any Members or other person with registered addresses in any particular territory or jurisdiction being a territory or jurisdiction 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, warrants, debentures or securities would or might be unlawful or impracticable in the opinion of the Directors, and in such event the provisions aforesaid shall be read and construed subject to such determination. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of Members for any purpose whatsoever.
5. (A) Subject to and in accordance with the Companies Ordinance and any other applicable ordinance in force from time to time, the Company may purchase or otherwise acquire its own shares or securities of any class including any redeemable shares or warrants or any other securities carrying a right to subscribe or to purchase shares of the Company at any price or give, directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any shares, securities or warrants in the Company and should the Company purchase or otherwise acquire its own shares, securities or warrants neither the Company nor the Board shall be required to select the shares, securities or warrants to be purchased or otherwise acquired ratably or in any other particular manner as between the holders of shares, securities or warrants of the same class or as between them and the holders of shares, securities or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that (i) purchases not made through the market or by tender shall be limited to a maximum price, and (ii) if purchases are by tender, tenders shall be available to all Members alike and provided further that any such purchase or other acquisition or financial assistance shall only be made or given in accordance with any relevant rules or Purchase of own Shares

regulations issued by the Stock Exchange or the Securities and Futures Commission of Hong Kong from time to time in force.

- (B) Where the Company gives financial assistance (i) in accordance with an employees share scheme of the Company for the time being in force, of money for the acquisition of fully paid shares in the Company or any holding company being an acquisition by trustees of or for shares to be held by or for the benefit of employees of the Company or of any subsidiaries of the Company, including any director holding a salaried employment or office in the Company or any subsidiaries of the Company; or (ii) by way of loans to persons (other than Directors) employed in good faith by the Company with a view to enabling those persons to acquire fully paid shares in the Company or its holding company to be held by them by way of beneficial ownership, in each case as permitted by the Companies Ordinance the Directors may include in the terms of grant of such financial assistance provisions to the effect that, when an employee ceases to be employed by the Company or such other company, shares bought with such financial assistance shall or may be sold to the Company or such other company on such terms as the Directors think fit.
6. The Company in general meeting may from time to time, whether or not all the shares for the time being authorised 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 resolution shall prescribe.
7. The Company may determine by Ordinary Resolution, before the issue of any new shares, that the same, or any of them, shall be offered in the first instance, and either at par or at a premium, to all the existing holders of any class of shares in the capital of the Company, in proportion as nearly as may be to the number of shares of such class held by them respectively, or make any provisions as to the allotment and issue of such new shares and in default of any such determination or so far as the same shall not extend, such shares shall be at the disposal of the Directors and Article 8 shall apply thereto.
8. Except so far as otherwise provided by the conditions of issue or by the resolution creating the same, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company and such shares shall be subject to the provisions contained in these Articles with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.
9. Subject to the provisions of the Companies Ordinance and of these Articles relating to new shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration 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 Companies Ordinance.
- Financial assistance for purchase of own Shares
- Power to increase share capital
- Rights of pre-emption
- Newly issued shares to rank pari passu with existing ones
- Shares at the disposal of Directors

10. The Company may 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 Companies Ordinance 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. The Company (or the Directors on behalf of the Company) may also on any issue of shares pay such brokerage as may be lawful.

Commissions  
for Shares

11. If any shares in the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of such share capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in the Companies Ordinance, may charge the sum so paid by way of interest to capital as part of the cost of construction of the works or buildings, or the provision of plant.

12. 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 recognised 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 recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share 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.

No recognition  
of trust in  
respect of  
shares

#### **Register of Members and share certificates**

13. (A) The Directors shall cause to be kept a register of the Members and there shall be entered therein the particulars required under the Companies Ordinance.

Share register

(B) Subject to the provisions of the Companies Ordinance, if the Directors consider it necessary or appropriate, the Company may establish and maintain a branch register of Members at such location outside Hong Kong as the Directors think fit.

14. Every person whose name is entered as a Member in the register shall be entitled, to receive, within two months after allotment or within ten business days after the lodgement of an instrument of transfer duly stamped (or within such other period as the conditions of issue shall provide or as the Companies Ordinance shall provide from time to time), one certificate for all his shares of any particular class or, if he shall so request, such number of certificates 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, upon payment of a sum equal to the relevant maximum amount as the Stock Exchange may from time to time determine for every certificate or such lesser sum as the Board shall from time to time determine and in the event of a Member transferring part of the shares represented by a certificate in his name, a new certificate in respect of the balance thereof shall be issued in his name and the foregoing charges shall apply to such new certificate and any additional certificates if the Member requests more than one certificate in respect of such balance and in respect of a share or shares held jointly

Share  
certificates



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 shall be sufficient delivery to all such holders.

15. All forms of certificate for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall, except to the extent that terms and conditions for the time being relating thereto otherwise provide, be issued under a seal which shall only be affixed with the authority of the Directors and, if issued under a Securities Seal or an official seal, need not be signed by any person. The Board may also determine, either generally or in any particular case or cases, that any signatures or any such certificates need not be autographic but may be affixed to such certificate by some mechanical method or system. Share Certificate to be sealed
16. Every share certificate hereafter issued shall specify the number of the shares in respect of which it is issued and the amount paid thereon and may otherwise be in such form as the Directors may from time to time prescribe. If at any time the share capital of the Company is divided into different classes of shares, every share certificate issued at that time shall comply with the provisions of the Companies Ordinance and no certificate shall be issued representing shares of more than one class. Share Certificate to specify number of shares
17. 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. The Company shall not be bound to register more than four persons as joint holders of any share except in the case of the executors or administrators of the estate of the deceased Member. Joint holders
18. If a share certificate is worn out, defaced, lost or destroyed, it may be renewed on such evidence being produced and such indemnity (if any) being given as the Directors shall require, and (in case of defacement or wearing out) on delivery up of the old certificate, and it may be replaced on payment of such fee not exceeding the maximum fee permitted or prescribed from time to time by the Stock Exchange or such lesser sum as the Directors may from time to time require to be paid to the Company in respect thereof and on such terms and conditions, if any, as to publication of notices, as the Directors think fit. In the case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Company any exceptional costs and reasonable out of pocket expenses incidental to the investigation by the Company of the evidence of such destruction or loss and of such indemnity, provided always that the Company shall not issue new share warrants to replace one that has been lost unless it is satisfied beyond reasonable doubt that the original has been destroyed. Replacement of share certificates

### **Lien**

19. The Company shall have a first and paramount lien on all shares (other than fully paid up shares) for all moneys, whether presently payable or not, called or payable at a 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 Member, whether singly or jointly with any other person or persons, for all the debts and liabilities of such Members or his estate to the Company and whether the same shall have been incurred Company's lien

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 or liabilities of such Member or his estate and any other person, whether a Member of the Company or not.

20. The Company's lien (if any) on a share shall extend to all dividends and bonuses declared in respect thereof payable thereon. The Directors may at any time either generally or in any particular case waive any lien that has arisen or resolve that any share shall for some specified period be exempt wholly or partially from the provisions of this Article. Lien extended to bonuses and dividends
21. 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 served on the registered holder for the time being of the shares or the person (if any) entitled to the shares by reason of such holder's death or bankruptcy or transmission to the shares, and default in payment, fulfilment or discharge shall have been made by him or them within seven days after such notice. Sale of shares subject to lien
22. The net proceeds of such sale after the payment of the costs of such sale shall be applied in or towards payment or 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 of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. Application of proceeds of sale

#### **Calls on shares**

23. The Directors may, subject to the provisions of these Articles, 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 the conditions of allotment thereof made payable at fixed times. A call may be made payable either in one sum or by instalments. No call shall exceed one-half of the nominal value of the share or be made payable within one calendar month of the due date of payment of the last preceding call. Calls
24. 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. Notice of calls
25. A copy of the notice referred to in Article 23 shall be sent to Members in the manner in which notices may be sent to Members by the Company as herein provided. Copy of notice to be sent to Member

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| 26. | 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.  | Liability of each Member to pay call at appointed time and place |
| 27. | A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.   | Call deemed to be made   |
| 28. | 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.   | Liability of joint holders                                       |
| 29. | 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 due to 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 except as a matter of grace and favour.  | Extension of time fixed for call                                 |
| 30. | Unless the terms of allotment of the shares in respect of which a call is made otherwise provide, if the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest for the same at such rate not exceeding ten per cent. per annum as the Directors shall fix from the day appointed for the payment thereof to the time of the actual payment, but the Directors may waive payment of such interest wholly or in part.  | Interest on unpaid calls   |
| 31. | 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.  | Suspension of privileges   |
| 32. | 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 matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.  | Evidence in action for call                                      |
| 33. | 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 the provisions of these Articles as to payment of interest and expenses, forfeiture, and all other relevant provisions of these Articles shall apply as if such sums had become payable by virtue of a call duly made and notified. The Directors may on the issue of shares differentiate between the allottees and holders as to the amount of calls to be paid and the time of payment. | Sums payable on allotment deemed a call                          |

34. 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 Directors may pay or allow such interest as may be agreed between them and such Member provided that the Member shall not be entitled to participate thereof in a dividend subsequently declared or exercise any rights or privileges as a Member in relation to those shares or the due portion of the shares upon which payment has been advanced by such Member before it was called up. The Directors may at any time repay the amount so advanced upon giving to such Member such notice in writing as the Directors shall determine from time to time 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.

Call paid  
in  
advance

**Transfer of shares**

35. Subject to the Companies Ordinance, all transfers of Shares must be effected by transfer in writing in the usual or common form or in such other form as prescribed by the Stock Exchange or in such other form as the Directors may accept and may be under hand or in the case of a corporate transferor or transferee (whether on its own behalf or as nominee), the transfer may be executed by such mechanical or electronic form(s) of signature as the Directors may approve in the case of any particular company subject to such conditions as the Directors may think fit to impose. All instruments of transfer must be left at the registered office of the Company or at such other place as the Directors may appoint and all such transfers and other documents relating to or affecting the title to any registered shares or loan capital or other securities of the Company may be registered as the Director may think fit.

Form of  
transfer

36. The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee (whether in counterparts or otherwise) provided that the Directors may dispense with the execution of the instrument of transfer by the transferee in any case which they think fit in their absolute discretion to do so. 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. Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.

Execution  
of transfer

37. (A) The Directors may, in their 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 they shall in their opinion consider to be undesirable for any reason whatsoever to admit to membership, 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.

(B) Fully-paid shares shall be free from any restriction on the right of transfer (except when permitted by the Stock Exchange) and shall also be free from all lien.

Refusal to  
register  
transfer

38. If the Directors shall refuse to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged at the registration office or Office, send to each of the transferor and the transferee notice of such refusal.

Notice of  
refusal

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| 39. | The Directors may also decline to recognise any instrument of transfer unless:–  | Transfer requirements                                   |
|     | (i) a fee not exceeding the maximum fee prescribed or permitted from time to time by the Stock Exchange or as the Directors may from time to time require is paid to the Company in respect thereof;   |   |
|     | (ii) the instrument of transfer is lodged at the relevant registration office or Office, as the case may be, and 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;   |   |
|     | (iii) the instrument of transfer is in respect of only one class of share;   |   |
|     | (iv) the shares concerned are free of any lien in favour of the Company; and   |   |
|     | (v) the instrument of transfer is properly stamped.  |   |
| 40. | No transfer shall knowingly be made to an infant or to a person of unsound mind or under other legal disability.   | Legal disability  |
| 41. | 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 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. The Company shall also retain the instrument of transfer. | Certificate of transfer                                 |
| 42. | The registration of transfers may be suspended and the register may be closed, subject to compliance with the Companies Ordinance, at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended or the register be closed for more than thirty days in any year or with the approval of the Company in general meeting, sixty days in any year.  | Closure of transfer books and register                  |
| 43. | A fee not exceeding the maximum fee prescribed or permitted from time to time by the Stock Exchange or as the Directors may from time to time determine, may be charged for the issue of certificates arising out of the registration of a transfer, probate, letters of administration, notice of death, marriage, change of name, power of attorney, or any other document affecting the title to any share, or for making any entry in the Register of Members affecting any share. | Fee for certificates of transfer in order circumstances |

#### **Transmission of shares**

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| 44. | In the case of the death of a Member, the survivor or survivors where 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 recognised by the Company as having 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. | Death or registered or joint holders |
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45. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may with the consent of the Directors, 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. Registration of personal representatives and trustee in bankruptcy
46. If the person so becoming entitled shall elect to be registered himself, he shall within three months of being required by the Directors so to do 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, within three months of being required by the Directors so to do testify his election by executing to his nominee a transfer of such share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a notice or transfer executed by such Member. Notice of election to be registered and registration of nominee
47. 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 as 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 95 being met, such a person may vote at meetings. Retention of privilege

#### **Untraceable Members**

48. (A) Without prejudice to the rights of the Company under paragraph (B) of this Article, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. Dividend entitlements etc of untraceable members
- (B) The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a Member who is untraceable, but no such sale shall be made unless:— Sale of shares of untraceable members
- (i) all cheques or dividend warrants, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by these Articles have remained uncashed;
- (ii) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the Member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and

- (iii) the Company has caused an advertisement to be published in the newspaper giving notice of its intention to sell such shares and has notified the Stock Exchange of such intention and a period of three (3) months has elapsed since the date of such advertisement and the Company has received no notice from any person(s) purporting to be the holders of such shares, objecting to the sale of the shares by the Company.

For the purpose of the foregoing, “relevant period” means the period commencing twelve years before the date of publication of the advertisement referred to in paragraph (B)(iii) of this Article and ending at the expiry of the period referred to in that paragraph.

- (C) To give effect to any such sale, the Board may authorise some person to transfer the said shares and an instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former Member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Article shall be valid and effective notwithstanding that the Member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

Execution of transfers where members are untraceable

- 49. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the person registered as the holders of such shares on a particular date or at a point of time on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Article shall mutatis mutandis apply to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the Members.

Record Date

- 50. The Company may destroy:–

- (i) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- (ii) a dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date such mandate, variation, cancellation or notification was recorded by the Company;

Destruction of Documents

- (iii) any instrument of transfer of shares which has been registered at any time after the expiry of seven years from the date of registration;
- (iv) any allotment letters after the expiry of seven years from the date of issue; and
- (v) copies of powers of attorney, grants of probate and letters of administrative at any time after the expiry of seven years after the account to which the relevant power of attorney, grant of probate or letters of administrative related has been closed;

and it shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:—

- (a) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;
- (b) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where provision (a) above is not fulfilled; and
- (c) references in this Article to the destruction of any document include references to its disposal in any manner.

#### **Forfeiture of shares**

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| 51. | 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 thereafter during such time as any part thereof remains unpaid, without prejudice to the provisions of Article 29, serve a notice on him or on the person entitled to the share by transmission requiring payment of so much of the call or instalment as is unpaid, together with any interest at such rate not exceeding ten per cent. per annum as the Directors shall determine which may have accrued and which may still accrue up to the date of actual payment, and any expenses that may have accrued by reason of such non-payment. | Notice given for failure to pay calls and instalments |
| 52. | The notice shall name a further day (not earlier than the expiration of seven days from the date of service of the notice) on or before which and the place where 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 and at the place appointed, the shares in respect of which the call was made will be liable to be forfeited.  | Form of notice  |
| 53. | 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.   | Forfeiture of shares                                  |



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| 54. | 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.   | Forfeited shares deemed property of the Company |
| 55. | A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but unless the terms of allotment of the shares in respect of which a call is made and remains unpaid otherwise provide, shall notwithstanding forfeiture, 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 ten 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 all 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 at 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. | Arrears remain payable                          |
| 56. | A statutory declaration in writing that the declarant is a Director or secretary of 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 as against all persons claiming to be entitled to the share.   | Evidence of forfeiture                          |
| 57. | 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.  | Transfer of forfeited share                     |
| 58. | When any share shall have been forfeited, notice of the resolution shall be given to the Member in whose name it stood or to the person entitled to the share by transmission immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry.  | Notice after forfeiture                         |
| 59. | 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.  | Power to reduce forfeited shares                |
| 60. | The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share, and   | Forfeiture extinguishes all claims              |

all other rights and liabilities incidental to the share as between the holder whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved or as are by the Companies Ordinance given or imposed in the case of past Members.

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| 61. | The provisions 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. | Forfeiture for non-payment of any sum due on shares |
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**Stock**

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| 62. | 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.  | Power to convert into stock |
| 63. | 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. | Transfer of stock           |
| 64. | The holders of stock shall (subject to the express provisions of these Articles), according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.   | Stockholder's rights        |
| 65. | All such of the provisions of these Articles (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock, and the words "share" and "member" therein shall include "stock" and "stockholder".   | Interpretation              |

**Alteration of capital**

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| 66. | (A) The Company may from time to time by Ordinary Resolution except in cases where the Companies Ordinance requires a Special Resolution in which case the powers conferred under this part of the Article may be exercised by the Company by Special Resolution:–  |   |
|     | (i) consolidate and divide all or any of its share capital into shares of 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 shares are to be consolidated into each consolidated share, and if it shall happen that any person shall | Consolidation, subdivision and division of capital and cancellation of Shares |

become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for that 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. In the case of any shares registered in the name of one holder (or joint holders) being consolidated with shares registered in the name of another holder (or joint holders) the Board may make such arrangements for the allocation, acceptance or sale of the consolidated share and for the distribution of any moneys received in respect thereof as may be thought fit and for the purpose of giving effect thereto may appoint some person to transfer the consolidated share or any fractions thereof to the appropriate person and to receive the purchase price thereof and any transfer executed in pursuance thereof shall be effective and after such transfer has been registered no person shall be entitled to question its validity;

- (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 Companies Ordinance, 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 or as otherwise permitted under the Companies Ordinance reduce its share capital, any capital redemption reserve fund or any share premium account or other undistributable reserve in any manner authorised and subject to any conditions prescribed by the Companies Ordinance.

### **Borrowing powers**

- 67. Subject to the provisions of the Companies Ordinance, 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 and to mortgage or charge its undertaking, property and uncalled capital of any part thereof. Power to borrow
- 68. 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 Conditions to borrow

subject to the Companies Ordinance, by the issue of mortgages, charges, debentures or debenture stock charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being and irredeemable or redeemable by instalments payable out of the profits of the Company or by means of a sinking fund or otherwise whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

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| 69. | 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.   | Assignment                                 |
| 70. | Any debentures, debenture stock, bonds or other securities may be issued, subject to the provisions of the Companies Ordinance, 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 of the Company, appointment of Directors and otherwise provided however that the shares may not be issued at a discount to its par value. | Special privileges                         |
| 71. | The Directors shall cause a register of charges to be kept of all mortgages and charges specifically affecting the property of the Company and of all series of debentures issued by the Company and shall duly comply with the requirements of the Companies Ordinance in regard to the registration of mortgages, charges and debentures therein specified and otherwise.  | Register of charges                        |
| 72. | 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 in accordance with Section 74A of the Companies Ordinance.  | Register of debentures or debentures stock |
| 73. | 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 to the Members or otherwise, to obtain priority over such prior charge.  | Mortgage of uncalled capital               |

#### **Custody of Securities**

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| 74. | (A) Unless and until required for some special purpose all the securities of the Company shall be deposited in the name of the Company with the bankers of the Company, or at some other place of custody approved by the Directors. |  |
|     | (B) The Directors shall make such regulations as they may from time to time think expedient for examining the bonds, coupons and other property so deposited, and certifying the safety thereof.                                     |  |

#### **General meetings**

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|-----|---|--|
| 75. | 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. | When annual general meeting to be held |
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| 76. | Any general meetings other than an annual general meeting, shall be called an extraordinary general meeting.   | Extraordinary general meeting   |
| 77. | The Directors may, whenever they think fit, convene an extraordinary general meeting and extraordinary general meetings shall also be convened on requisition, as provided by the Companies Ordinance.   | Convening of extraordinary general meeting                                      |
| 78. | An annual general meeting shall be called by notice in writing of not less than a period which is the longer of twenty-one clear days and twenty clear Business Days, any extraordinary general meeting called for the passing of a Special Resolution shall be called by notice in writing of not less than a period which is the longer of twenty-one clear days and ten clear Business Days, and any other extraordinary general meeting shall be called by notice in writing of not less than a period which is the longer of fourteen clear days and ten clear Business Days. The notice shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, 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, provided that subject to the provisions of the Companies Ordinance and the Listing Rules, a meeting of the Company notwithstanding that it is called by shorter notice than that specified in this Article shall be deemed to have been duly called if it is so agreed: | Notice of meetings<br><br>(As amended by Special Resolution passed on 7 May 09) |
|     | (i) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and  |   |
|     | (ii) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.  |   |
| 79. | (A) The accidental omission to give any such notice to, or the non-receipt of any such notice by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.  | Omission to give notice   |
|     | (B) In cases 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.   |   |
| 80. | (A) The Directors may resolve to enable persons entitled to attend a general meeting to do so by simultaneous attendance and participation at a satellite meeting place anywhere in the world and the Members present in person or by proxy at such satellite meeting places shall be counted in the quorum for and be entitled to vote at the general meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the Chairman of the general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that Members attending at all the meeting places are able to:-   | Attendance of general meeting by satellite meeting                              |
|     | (i) participate in the business for which the meeting has been convened;   |   |

- (ii) hear and see all persons who speak (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) in the principal meeting place and any satellite meeting place; and
- (iii) be heard and seen by all other persons so present in the same way.

The Chairman of the general meeting may be present at the principal meeting place or the satellite meeting place. The general meeting shall be deemed to take place at the principal meeting place.

- (B) The Directors may from time to time make such arrangements for controlling the level of attendance at any such place as is mentioned in paragraph (A) of this Article (whether involving the issue of tickets or the imposition of some other means of selection or otherwise) as they shall in their absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a Member who, pursuant to such arrangements, is not entitled to attend, in person or by proxy, at any particular place shall be entitled so to attend at one of the other places (if any); and the entitlement of any Member so to attend the meeting or adjourned meeting at such place shall be subject to any such arrangement as may be for the time being in force and by the notice of meeting or adjourned meeting stated to apply to the meeting. Control of satellite meeting
- (C) If it appears to the Chairman of the general meeting that the facilities at the principal meeting place or any satellite meeting place have become inadequate for the purposes referred to in paragraph (A) of this Article, then the Chairman may, without the consent of the meeting, interrupt or adjourn the general meeting. All business conducted at that general meeting up to the time of such adjournment shall be valid.
- (D) The Directors may, at their discretion, make arrangements for persons entitled to attend a general meeting to be able to view or hear the proceedings of any general meeting or to speak at the meeting (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise), by attending a venue anywhere in the world not being a satellite meeting place and those attending any such venue shall not be regarded as present and shall not be entitled to vote at the meeting at or from that venue and the inability for any reason of any Member present in person or by proxy at such a venue to view or hear all or any of the proceedings of the meeting or to speak at the meeting shall not in any way affect the validity of such proceedings.
- (E) For the purposes of this regulation, the right of a Member to participate in the business of any general meeting shall include, without limitation, the right to speak; vote on any poll; be represented by proxy; and have access to all documents which are required by the Companies Ordinance and these presents to be made available at the meeting. (As amended by Special Resolution passed on 7 May 09)

### Proceedings at general meetings

81. All business shall be deemed special that is transacted at an extraordinary general meeting, and at an annual general meeting, with the exception of:
- (i) declaring and sanctioning dividends;
  - (ii) reading, considering and adopting of the Annual Report and other documents required to be annexed to the Annual Report;
  - (iii) the election or re-election of Auditors;
  - (iv) the election of Directors in the place of those retiring (if any); and
  - (v) the fixing of, or the determination of the method of fixing, the remuneration or extra remuneration of the Auditors.
82. For all purposes the quorum for a general meeting shall be two Members present in person (or, in the case of a Member being a corporation, by its duly authorised representative) or by proxy and entitled to vote except that quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of the class. No business other than the appointment of a Chairman shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business.
83. 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. 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 shall be a quorum and may transact the business for which the meeting was called.
84. The Chairman of the Board shall take the chair at every general meeting, or, if there be no such Chairman or, if at any general meeting such Chairman shall not be present within ten minutes after the time appointed for holding such meeting or is unwilling to act or is absent from Hong Kong or has given notice to the Board of his intention not to attend the general meeting, the Directors present shall choose another Director as Chairman, and if there is only one Director present and willing to act, he shall be 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 and the Directors present fail to choose a substitute Chairman, then the Members present shall choose one of their own number to be Chairman of that general meeting.
85. 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 thirty 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

Special  
business and  
annual  
general  
meeting  
business

(As amended  
by Special  
Resolution  
passed on  
12/5/2006)

Quorum

Adjournment

Appointment  
of chairman

Power to  
adjourn  
general  
meeting  
business of  
adjourned  
meeting

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 shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

86. At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll save that and without prejudice to other provisions of these Articles, the Chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the Chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members present a reasonable opportunity to express their views.
- (As amended by Special Resolutions passed on 7 May 09 and 28 June 12)
87. Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:
- (a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.
- A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Member. The demand for a poll may be withdrawn.
88. Where a resolution is voted on by poll, the result of the poll shall be deemed to be the resolution of the meeting at which the poll was required or demanded. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.
- (As amended by Special Resolutions passed on 7 May 09 and 28 June 12)
89. Where a resolution is voted on by a show of hands, a declaration by the Chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minutes book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.
- (As amended by Special Resolutions passed on 7 May 09 and 28 June 12)
90. In the case of an equality of votes, either 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 shall be entitled to a second or casting vote.
- Chairman's casting vote
- (As amended by Special Resolutions passed on 7 May 09 and 28 June 12)



91. In the event that any Member is, under the Listing Rules, required to abstain from voting on any particular resolution at a general meeting of the Company or restricted to voting only for or only against any particular resolution at a general meeting of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.
92. The Chairman of a general meeting may take such action as he considers necessary to ensure the proper and orderly conduct of the general meeting, and his ruling on any matters of procedure or incidental to the business being conducted (including whether or not to allow any amendment to a resolution) shall be final and binding on the Members. The Chairman of a general meeting may, without the consent of the general meeting, interrupt, suspend or adjourn the general meeting if he decides in his discretion it is necessary to do so in order to secure the proper and orderly conduct of the general meeting, or to give all those present a proper opportunity to speak and vote, or ensure that the business of the general meeting is properly disposed of. Chairman to rule on procedures
93. No amendment to an Ordinary Resolution shall be considered or put to the vote (other than an amendment to correct a patent error) unless (i) written notice of the intention to move the amendment is lodged at the registered office no later than 72 hours prior to the time appointed for the holding of the general meeting, or any adjourned meeting, or (ii) the Chairman in his absolute discretion agrees that the amendment may be considered and voted upon. The ruling of the Chairman of the general meeting as to whether any resolution or amendment proposed is in order or not, or as to whether any vote tendered shall be accepted and counted, shall be conclusive, unless challenged in writing at the general meeting. Chairman's ruling is final
94. A resolution in writing signed by or on behalf of every Member who would be entitled to vote at a general meeting of the Company (or the holders of a particular class of shares of the Company) at which such resolution was to be proposed shall be as valid and effective as if it had been passed at a general meeting of the Company (or of such holders) duly convened and held, and may consist of several instruments in the form, each signed by or on behalf of one or more Member. A telex, facsimile message or cable (or any other message sent by electronic means) sent by or at the direction of a Member shall be deemed to be document signed by him for the purpose of this article.

### Votes of Members

95. Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares or stipulated in the terms of issue of any shares, at any general meeting every Member present in person or by proxy or being a corporation is present by a duly authorized representative or by proxy shall, in respect of any resolution put to the vote of the meeting by poll, have one vote for every share of which he is the holder which is fully paid up or credited as fully paid up. 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. Votes of members

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares or stipulated in the terms of issue of any shares or in accordance with these Articles, at any general meeting every Member present in person or by proxy or being a corporation is present by a duly authorized representative or by proxy shall, in respect of any resolution put to vote of the meeting on a show of hands, have one vote. Without prejudice to Article 107, where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

96. Any person entitled under Article 45 to be registered as a Member 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 forty eight hours before the time of the holding of the meeting or adjourned meeting (as the case may be) at which he proposes 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.
- Votes of deceased and bankrupt members
97. Where there are joint registered holders of any share, any one of such persons may vote at any general meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any general 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.
- Joint holders
98. A mentally incapacitated Member in respect of whom an order has been issued by any court or official having jurisdiction on the ground that he is or may be suffering from mental incapacity or is otherwise incapable of managing his affairs may vote by his committee, receiver, curator bonis or other persons in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may vote either personally or by proxy provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting, or adjourned meeting, as the case may be.
- Vote of mentally incapacitated member  
(As amended by Special Resolution passed on 7 May 09)
99. (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.
- Qualification
- (B) No objection shall be raised to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is given or tendered, and every vote not disallowed at such general meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman, whose decision shall be final and conclusive.
- Mental incapacity
100. Any Member of the Company entitled to attend and vote at a general meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a Member of the Company. A Member may appoint more than one proxy to attend on the same occasion. Votes may be given either personally or by proxy.
- Proxies  
(As amended by Special Resolution passed on 7 May 09)

101. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof, it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
- Instrument appointing proxy to be in writing
102. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a 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 at which the person named in such instrument proposes to vote, and in default the person so named shall not be entitled to vote in respect thereof. No instrument appointing a proxy shall be valid after expiration of twelve months from the date of its execution, except at an adjourned meeting in cases where the meeting was originally held within twelve months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the general meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- Appointment of proxy to be deposited  
  
(As amended by Special Resolution passed on 7 May 09)
103. Every instrument of proxy, whether for a specified general meeting or otherwise, shall be in such form as the Directors may from time to time approve provided that, in any event, such form shall include a provision whereby the Member may, if he so elects, indicate whether his proxy is directed to vote for or against the resolution in question.
- Form of proxy
104. The instrument appointing a proxy to vote at a general meeting shall:
- Authority under instrument appointing proxy
- (i) be deemed to confer authority to speak and to vote on any resolution (or amendment thereto) put to the general meeting for which it is given as the proxy thinks fit provided that any form issued to a Member for use by him for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the Member, according to his intention, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business; and
- (As amended by Special Resolution passed on 7 May 09)
- (ii) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the general meeting to which it relates.
105. 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
- When vote by proxy valid though authority revoked

in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its head office, or at such other place as is referred to in Article 102, at least twenty four hours before the commencement of the meeting or adjourned meeting at which the proxy is used.

106. Any corporation which is a Member of the Company may, by resolution of its directors or 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. A corporation shall for the purpose of these presents be deemed to be present in person at any such general meeting if a person so authorised is present thereat. Any reference in these presents to a duly authorised representative of a Member being a corporation shall mean a representative authorised under the provisions of these Articles.
107. If a recognised Clearing House (or its nominee) is a Member it may appoint such person or persons as it thinks fit to act as its proxy or proxies or as its corporate representative or representatives to the extent permitted by the Companies Ordinance at any general meeting of the Company or at any general meeting of any class of Members of the Company provided that, if more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such person is so appointed. A person so appointed under the provisions of this Article shall be entitled to exercise the same powers on behalf of the recognised Clearing House (or its nominee) which he represents as that Clearing House (or its nominee) could exercise as if it were an individual Member in respect of the number and class of shares specified in the relevant authorisation including, where a show of hands is allowed, the right to vote individually on a show of hands.

Corporation acting by representatives at meetings

Clearing House's proxies of representative

(As amended by Special Resolutions passed on 7 May 09 and 28 June 12)

#### **Registered Office**

108. The registered office of the Company shall be at such place in Hong Kong as the Directors shall from time to time appoint.

#### **Board of Directors**

109. The number of Directors shall not be less than two and there shall be no maximum number of Directors. 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 two. The Directors shall cause to be kept a register of the Directors and Secretaries and there shall be entered therein the particulars required by the Companies Ordinance.
110. The Directors shall have power from time to time and at any time to appoint any qualified person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election. Any Director who retires under this Article shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Constitution of the board

Board may fill vacancies

(As amended by Special Resolution passed on 12/5/2006)

111. (A) Any Director may at any time by notice in writing under his hand, addressed to the Company and left at the registered office, appoint any person (including another Director) to be his alternate Director during any period specified in the notice appointing him and may in like manner at any time terminate such appointment.
- (B) The appointment of an alternate Director shall determine if and when his appointor ceases to be a Director or removes the alternate Director from office.
- (C) An alternate Director shall (except when absent from Hong Kong), provided that he shall have given to the Company an address in Hong Kong at which notices may be served upon him, 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 as may be the instrument under which he is appointed be delegated to him by the Director making the appointment. However in default of any express delegation of powers, an alternate Director shall be entitled to exercise all the powers of a Director and for the purposes of the proceedings at such meeting as an alternate for more than one Director his voting rights shall be cumulative. If his appointor is for the time being absent 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 the Director for whom he is the alternate. 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 apply 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 and such alternate Director shall not be deemed as the agent of the Director appointing him and such appointor shall not be vicariously liable for torts committed by his alternate Director unless expressly stated in the relevant notice in writing given by the relevant Director to the Company appointing such alternate Director.
- (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 by notice in writing to the Company from time to time direct.
112. A Director or an alternate director shall not be required to hold any shares in the Company by way of qualification. A Director or alternate Director who is not a Member of the Company shall nevertheless be entitled to attend and speak at general meetings.

Alternate  
Directors

No qualification  
shares

113. The Directors shall be entitled to receive by way of remuneration for their services as directors of the Company such sum as shall from time to time be determined by the Board which may be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only be entitled to such remuneration in proportion to the time during such period for which he has held office. The foregoing provisions shall not apply to a Director who holds any salaried employment or office in the Company except in the case of sums paid in respect of Directors' fees.
- Directors' remuneration  
(As amended by Special Resolution passed on 12/5/2006)
114. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company.
- Directors' expenses
115. The Board may grant special remuneration to the Board or any Member of the Board who, being called upon, shall perform any special or extra services to or at the request 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 or commission or participation in profits or otherwise as may be arranged and approved by the Board. Such special remuneration may be granted for one year or any longer or shorter period.
- Special remuneration  
(As amended by Special Resolution passed on 12/5/2006)
116. Notwithstanding Articles 113, 114 and 115, the remuneration of a managing director, joint 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 be by way of salary, commission, or participation in profits or otherwise or by all or any of those modes and with such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his remuneration as a Director.
- Remuneration of Directors as Officers
117. (A) A Director shall vacate his office:—
- Office of Director to be vacated
- (i) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
  - (ii) if the Directors resolve that he becomes of unsound mind or permanently incapable of performing his duties;
  - (iii) if he absents himself from the meetings of the Board during a period of four consecutive 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 under any provision of the Companies Ordinance;

- (v) if by notice in writing delivered to the Company at its registered office he resigns his office;
  - (vi) if, having been appointed to an office under Article 125, he is dismissed or removed therefrom under Article 126 by notice in writing served upon him signed by three quarters of all the other Directors;
  - (vii) if he shall be removed from office by, unless otherwise provided in the Companies Ordinance, an Ordinary Resolution of the Company under Article 138;
  - (viii) if he shall be convicted in any jurisdiction of a criminal offence;
  - (ix) if he shall be removed from office by notice in writing served upon him signed by three quarters of all the other Directors; or
  - (x) if he is an existing employee of the Company who shall cease to be an employee of the Company at the relevant time.
- (B) No Director shall be required to vacate office as a Director and no person shall be ineligible for appointment as a Director by reason only of his having attained any particular age.
118. (A) Subject to the Companies Ordinance and to this Article, no Director or proposed or intending Director shall be disqualified by this office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director and/or any of his associates is in any way interested be liable to be avoided, nor shall any Director and/or any of his associates so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- (B) A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest and/or the interest of any of his associates at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration if he knows his interest and/or the interest of any of his associates then exists, or in any other case at the first meeting of the Board after he knows that he and/or any of his associates is or has become so interested. For this purpose, a general notice to the Board by a Director to the effect that:—
- (i) he is a Member of a specified company or firm and/or his relationship with the relevant associates and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or

Directors may contract with the Company

- (ii) he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who constitutes his associate,

shall be deemed to be a sufficient declaration of interest in relation to any such contract or arrangement provided that no such notice shall be effective unless either it is given at a meeting of the Board or the relevant Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

- (C) A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.
- (D) Save as otherwise provided by these Articles, a Director shall not vote on any resolution at any meeting of the Board approving any contract, arrangement or proposal in which he or any of his associates is to his knowledge materially directly or indirectly interested (and if he shall do so his vote shall not be counted) nor shall he be counted for the purpose of any resolution regarding the same in the quorum present at the relevant meeting of the Board, but this Article shall not apply to:-
  - (i) any contract or arrangement for the giving by the Company to such Director and/or any of his associates any security or indemnity in respect of money lent by him and/or any of his associates or obligations undertaken by him and/or any of his associates at the request or for the benefit of the Company and/or any of its subsidiaries;
  - (ii) any contract or arrangement for the giving by the Company of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries which the Director has himself and/or any of his associates assumed responsibility in whose or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (iii) any contract or arrangement concerning an offer of shares, 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 such Director and/or any of his associates is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;
  - (iv) any contract or arrangement in which the Director and/or any of his associates is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his interest and/or the interest of any of his associates in shares or debentures or other securities of the Company;



- (v) INTENTIONALLY DELETED;
- (vi) any proposal or arrangement concerning the adoption, modification or operation of a pension fund or insurance scheme or retirement death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director or any of his associates as such any privilege or advantage not accorded to the employees to which such scheme or fund relates; and
- (vii) any proposal or arrangement concerning the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme for the benefit of employees of the Company or of any of its subsidiaries under which the Director or any of his associates may benefit.

Any particular contract, arrangement or transaction, carried out in contravention of this Article may be ratified by Ordinary Resolution of the Company; provided that the Director(s) interested in such contract, arrangement or transaction and their respective associates shall be disqualified from voting on such resolution at the relevant general meeting.

- (E) A Director notwithstanding his interest may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company, (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company and he may vote on any such matter save that a Director shall not vote or 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).
- (F) Any Director may become or continue to be 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, 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 their directors, managing directors, managers or other officers of such company) and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or about to be, appointed a director, managing director, manager or other officer of such a company, and as such that he is or may become interested in the exercise of such voting rights in manner aforesaid.

- (G) A general notice to the Board 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 effect unless either it is given at a meeting of the Board or the Director takes reasonable steps to ensure that it is brought up and read at the next meeting of the Board after it is given.
  - (H) Any Director may act by himself or by his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as an Auditor to the Company.
  - (I) Notwithstanding any other provisions of this Article, any payment to a Director or past Director of the Company by way of compensation for loss of office or as consideration for or in connection with his retirement from office other than payments to which a Director is entitled by contract must be approved by the Company in general meeting.
  - (J) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director together with any of his associates own 5 per cent. or more.
119. (A) A company shall be deemed to be a company in which a Director together with any of his associates own 5 per cent. or more if and so long as (but only if and so long as) he together with any of his associates are (either directly or indirectly) the holders of or beneficially interested in 5 per cent. or more of any class of the equity share capital of such company or of the voting rights available to Members of such company. For the purpose of this paragraph there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares

comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder.

- (B) Where a company in which a Director together with any of his associates hold 5 per cent. or more of any class of the equity share capital of such company or of the voting rights available to Members of such company is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.
- (C) 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 such 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 be counted in the quorum, such question shall be referred to the Chairman of the meeting of the Board and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the Chairman of the meeting of the Board such question shall be decided by a resolution of the Board (for which purpose such Chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Chairman as known to such Chairman has not been fairly disclosed to the Board.
- (D) In so far as it is required by the Listing Rules, a Director shall not vote (nor be counted in the quorum) on any resolution of the Members in respect of any contract or arrangement in which he or any of his associates is to his knowledge materially interested provided that this prohibition (i) shall not apply to any of the matters specified as (i) to (vii) inclusive in Article 118(D) above; and (ii) is also subject to any waiver which may be granted by the Stock Exchange.
- (E) The Company may by Ordinary Resolution ratify any transaction not duly authorised by reason of a contravention of these Articles provided that no Director who is materially interested in such transaction, together with any of his associates, shall vote upon such Ordinary Resolution in respect of any shares in the Company in which they are interested.

#### **Rotation of Directors**

120. Subject to the manner of retirement by rotation of Directors as from time to time prescribed under the Listing Rules, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office such that each Director (including those appointed for a specific term) will be subject to retirement by rotation at least once every three years at the annual general meeting. A Director retiring at an annual general meeting shall retain office until the close or adjournment of the relevant annual general meeting.

Rotation and retirement

(As amended by Special Resolutions passed on 3/6/2005 and 12/5/2006)

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|---------------------------------|--|--|
| 121.                            | The Directors to retire at any annual general meeting pursuant to the preceding Article 120 shall include so far as necessary any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who become or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.   | Retiring Directors are those longest in office                     |
| 122.                            | The Company at the annual general meeting at which a Director retires in the manner aforesaid shall fill up the vacated office by electing a person thereto, and in default of such election by the Company, the retiring Director 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 his place is filled, unless:—<br><br>(a) it is expressly resolved at such meeting not to fill up such vacated office; or<br><br>(b) a resolution for the re-election of such Director shall have been put to the meeting and lost; or<br><br>(c) such Director has given notice in writing to the Company that he is unwilling to be re-elected.  | Meeting to fill up vacancies                                       |
| 123.                            | No person other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for the office of a 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 in each case, during the period (being a period of at least seven days) commencing on the day after the despatch of the notice of the general meeting at which elections to the office of Director are to be considered and ending on the day that falls seven days before the date of the general meeting (both days inclusive). The notice shall give the particulars of that person which would, if he was so appointed or reappointed, be required to be included in the Company's register of directors. | Notice of person proposed for re-election                          |
| 124.                            | The Company in general meeting may from time to time increase or reduce the number of Directors, and may also determine in what rotation such increased or reduced number is to go out of office.  | Power of general meeting to increase or reduce number of Directors |
| <b>Managing Directors, etc.</b> |  |  |
| 125.                            | The Directors may from time to time appoint any one or more of its body or any other person or persons to the office of Chairman, deputy chairman, 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 the Board may confer upon him or them all or any of the powers of the directors as it may think fit and upon such terms as to remuneration as it may decide in accordance with Article 116.   | Power to appoint Managing Directors etc                            |
| 126.                            | Every Director appointed to an office under Article 125 hereof shall, subject to the provisions of any contract between himself and the Company with regard to his   | Removal of Managing Director etc                                   |

employment in such office, be liable to be dismissed or removed therefrom by three quarters of the other Directors.

127. *(Deleted by Special Resolution passed on 12/5/2006)*

128. A Director appointed to an office under Article 125 shall be subject to the same provisions as to removal as the other Directors, 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.

Cessation of appointment

129. The Board may from time to time entrust to and confer upon the Chairman, deputy chairman, managing director, deputy managing director or other executive Director for the time being such of the powers exercisable under these presents by the Directors under these Articles as they think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon terms and conditions and with restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and substitution for all or any of the powers of the Directors in that behalf and from time to time may revoke withdraw enter or vary all or any of such powers.

Delegation of powers

130. The managing director, deputy managing director or other executive Director or Directors shall have the management of the ordinary business of the Company and may do and execute all such contracts acts deeds matters and things as may be considered by him or them requisite or expedient in connection therewith but subject to any directions that may from time to time be given by the Board provided that no directions shall invalidate any prior act of the managing director, deputy managing director or other executive Director or Directors which would have been valid if such directions had not been given.

Managing Directors' powers

### **Management**

131. (A) Subject to the Companies Ordinance and these Articles, 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 Companies Ordinance expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies Ordinance 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 or 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. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

General powers of the Company vested in Directors

(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 of requiring at a future date that all allotment shall be made to him of any share at par or at such premium, as may be agreed; and
- (ii) to give any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration.

### **General Managers**

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| 132. | The Directors may from time to time appoint a general manager of the Company and may fix his 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 working expenses of any of the staff of the general manager who may be employed by him upon the business of the Company. | Appointment and remuneration of managers |
| 133. | The appointment of such general manager may be for such period as the Directors may decide and the Directors may confer upon him all or any of the powers of the Directors as they may think fit.  | Tenure of office and powers              |
| 134. | The general manager shall observe all such directions and restrictions as the Directors may from time to time give or impose upon them.  | Restrictions on General Managers         |
| 135. | The Directors may enter into such agreement or agreements with any such general manager 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 to appoint an assistant manager or managers or other employees whatsoever under him for the purpose of carrying on the business of the Company.                   | Terms and conditions of appointment      |

### **Appointment and removal of directors**

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| 136. | <p>(A) Subject to these Articles, the Members may by Ordinary Resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, and any person so appointed as a Director shall remain as a Director until such time as he vacates his office pursuant to Article 120.</p> <p>(B) A resolution for the election of two or more persons as Directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this Article shall be void.</p> | Appointment of directors by members |
| 137. | The Company shall keep at its registered office a register containing the names, residential addresses, the number of identity cards (if any) or in the absence of such number, the number(s) and issuing countries of any passport of its Directors and secretaries and from time to time shall notify the Registrar of any change of such Directors and secretaries as required by Section 158 of the Companies Ordinance.  | Register of Directors               |

138. The Members may by Ordinary Resolution at a general meeting called for the purpose of passing such Ordinary Resolution remove any Director (including a managing or other executive Directors) (but without prejudice to any claim for damages for breach of any contract of service between him and the Company) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director provided that notice of any such general meeting shall be served upon the Director concerned not less than 21 days before the relevant general meeting and he shall be entitled to be heard at the relevant general meeting. Any vacancy created by the removal of a Director under this Article may be filled either at the same general meeting, provided Article 140 has been complied with, or by the Board in accordance with Article 110. The Company may by Ordinary Resolution appoint another person to fill the vacancy. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

Power to  
remove  
Director  
by ordinary  
resolutions

### **Proceedings of the directors**

139. 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 in general meeting, two Directors shall be a quorum. For the purposes of this Article an alternate Director shall be counted in a quorum but, notwithstanding that an alternate Director is an alternate for more than one Director, he shall for quorum purposes count as only one Director. A Director or any Member of a 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. Meetings of the Board or any committee thereof may be held in Hong Kong or in any other place.
140. 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 facsimile at the facsimile number, or by electronic mail at the electronic mail address 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 although it shall not be necessary to give notice of a meeting of the Board to any Director for the time being absent from Hong Kong. A Director may waive notice of any meeting of the Board and any such waiver may be prospective or retrospective.
141. Questions arising at any meeting of the Board or any committee thereof shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall have a second or casting vote.
142. The Directors may elect a chairman or a deputy chairman of their meetings and determine the period for which such officers shall respectively hold office. In the absence of the chairman (if any) the deputy chairman (if any) shall preside. If such officers have not been appointed or if neither be present within fifteen minutes of the time appointed for the meeting of the Board or any committee thereof, the Directors present may choose one of their number to be Chairman of the meeting of the Board or any committee thereof.

Meetings of  
Directors  
quorum etc

Convening  
of board  
meeting

Questions to  
be  
addressed

Chairman

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| 143. | A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Directors generally.  | Power of Meeting   |
| 144. | The Board may delegate any of their powers to committees consisting of such member(s) of their body as the Board thinks fit, and they may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Board. The meetings and proceedings of any such committee consisting of one or more members of such committee shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board.         | Power to appoint committee   |
| 145. | 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 if done by the Board, and the Board 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.  | Acts of committee to be of same effect as acts of Directors                                  |
| 146. | Unless otherwise determined by the Board, two Directors shall form a quorum for any meeting of a committee of the Board save that where only one Director shall have been appointed to form any committee of the Board, any resolution passed by one such Director shall be valid and effective as if it has been passed at a meeting of such committee of the Board duly convened and held. A committee may elect a Chairman of its meetings. If no such Chairman is elected, or if at any meeting of a committee of the Board the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Director present may choose one of their number to be Chairman of that meeting. | Committee chairman   |
| 147. | A committee may meet and adjourn as its Members think proper.   | Committee meetings   |
| 148. | All acts bona fide done by any meeting of the Board 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 or had vacated office, be as valid as if every such person had been duly appointed and was qualified to be a Director and had continued to act as a Director.  | Acts of Directors or committee valid despite defects   |
| 149. | The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below two, the continuing Director may act for the purpose of filling up vacancies in their body or summoning a general meeting of the Company but for no other purpose, and may act for either of the purposes aforesaid whether or not their number is reduced below the number fixed by or in accordance with these Articles, as the quorum of Directors.   | Directors' powers when vacancies exist   |
| 150. | Subject to all applicable law, rules and regulations, in particular the Companies Ordinance, resolution in writing signed by a majority of the Directors, except such as are temporarily unable to act through ill-health or disability be as valid and effectual as  | Directors' written resolution<br><br>(As amended by Special Resolution passed on 28 June 12) |



if it has 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 provided such Directors are not less than two in number and a copy of such resolution in writing, duly executed by the majority of the Directors shall have been sent to all the Directors as soon as practicable. A telex, facsimile message, cable or electronic mail (or any other message sent by electronic means) sent by or at the direction of a Director (or his alternate) shall be deemed to be a document signed by him for the purpose of this Article. Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.

151. Any minute of any meeting of the Board or committee thereof, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, shall be conclusive evidence without any further proof of the facts therein stated.
- Minutes of board meetings to be signed

### Secretary

152. 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 Companies Ordinance or 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 specially in that behalf by the Board.
- Appointment of secretary
153. The secretary shall, if an individual, be ordinarily resident in Hong Kong, and if a corporation, have its registered office or a place of business in Hong Kong.
- Residence
154. A provision of the Companies Ordinance 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 being done by or to the same person acting both as Director and as or in place of the secretary.
- Same person not to act in two capacities at once

### General management and use of the seal

155. (A) The Company may have one or more seals as the Directors may determine. The Directors shall provide for the safe custody of the seals which shall only be used by the authority of a resolution of the Board or of a duly authorised committee of the Board in that behalf, and every instrument to which the seal shall be affixed shall be signed by (except as hereinafter provided) two Directors or one Director and the Secretary or by some other person or persons duly appointed or authorised by the Directors 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 in the manner provided by this Article shall be deemed to be sealed and executed with the authority of the Directors. Wherever in these Article reference is made to the seal, the reference shall, when and so far as may be applicable, be deemed to include
- Custody of seal

any such other seal as aforesaid.

- (B) Every certificate of shares, stock, debentures or debenture stock of the Company shall be issued under the seal or a securities seal provided that, with the authority of a resolution of the Board, any such certificate may be issued under the seal or a Securities Seal but without signatures or with such signatures made or fixed by means of some mechanical method or system.
  - (C) The Company may have an official seal for use for sealing certificates for shares or other securities issued by the Company as permitted by the Companies Ordinance (and no signature of any Director, officer or other person and no mechanical reproduction thereof shall be required on any such certificates or other document and any such certificates or other document to which such official seal is affixed shall be valid and deemed to have been sealed and executed with the authority of the Board notwithstanding the absence of any such signature or mechanical reproduction as aforesaid) and an official seal for use abroad under the provisions of the Companies Ordinance 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. Wherever in these 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.
156. 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.
157. The Directors shall cause minutes to be made in books provided for the purpose:—
- (a) of all appointments of officers made by the Directors;
  - (b) of the names of the Directors present at each meeting of Directors and of any committee of the Board; and
  - (c) of all resolutions and proceedings at all meetings of the Company and of the Board and of committees of the Board.
158. (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 of 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 discretion (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

Cheques and  
banking  
arrangements

Minutes of  
meetings to  
be kept

Power to  
appoint  
attorney

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.

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|------|--|----------------------------------|
| (B)  | The Company may exercise the powers conferred by the Companies Ordinance as to keeping a seal for use abroad, and such powers shall be vested in the Directors.  | Official seal for use abroad     |
| (C)  | 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.   | Executions of deeds by attorney  |
| 159. | The Board may establish any committees, local boards 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 Directors (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 Directors may think fit, and the Directors 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. | Local boards                     |
| 160. | The Directors may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies, and they may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing, assisting or subsidising any such subsidiary company or guaranteeing its contracts, obligations or liabilities, and they may appoint, remove and re-appoint any persons (whether Members of their own body or not) to act as Directors or managers of any such company or any other company in which the Company may be interested, and may determine the remuneration (whether by way of salary, commission on profits or otherwise) of any person so appointed, and any Directors of this Company may retain any remuneration so payable to them.                 | Branch of the Company            |
| 161. | The Board 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 dependants of any such persons. The Board may also establish and subsidise or subscribe to any  | Power to establish pension funds |

institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons 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 any such 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.

#### **Authentication of documents**

162. (A) Any Director or the Secretary or other authorised officer of the Company shall have power to authenticate any documents in relation to the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies of extracts; and where any books, records, documents or accounts are elsewhere than at the registered office or the head office, the local manager or such other officer of the Company having the custody thereof shall be deemed to be the authorised officer of the Company as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any local board or committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.
- (B) The Company shall be entitled to destroy the following documents at the following times:-
- (i) registered instruments of transfer: at any time after the expiration of seven years from the date of registration thereof;
  - (ii) allotment letters: at any time after the expiration of seven years from the date of issue thereof;
  - (iii) copies of powers of attorney, grants of probate and letters of administration: at any time after the expiration of two years after the account to which the relevant power of attorney, grant of probate or letters of administration related has been closed;
  - (iv) dividend mandates and notifications of change of address: at any time after the expiration of two years from the date of recording thereof; and
  - (v) cancelled share certificates: at any time after the expiration of one year from the date of the cancellation thereof.
- (C) It shall conclusively be presumed in favour of the Company:

Authenticate documents

- (i) that every entry in the register purporting to be made on the basis of any such documents so destroyed was duly and properly made; and
  - (ii) that every such document so destroyed was valid and effective and had been duly and properly registered, cancelled, or recorded in the books or records of the Company, as the case may be.
- (D) The provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (E) Nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Articles;
- (F) References herein to the destruction of any document include references to the disposal thereof in any manner.

#### **Capitalisation of reserves**

163. (A) The Company in general meeting may upon the recommendation of the Board 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 if 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 the 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 any reserve or fund representing unrealised profits may, for the purposes of this Article, only be applied in paying up unissued shares to be issued to Members of the Company credited as fully paid up shares. In carrying sums to reserve and in applying the same the Board shall comply with the provisions of the Companies Ordinance.
- (B) The Directors may allot unissued shares, debentures or other securities of the Company, as the case may be, to the amount authorised by the resolution credited as fully paid up amongst the holders of the shares entitled to participate therein as nearly as may be in proportion to the number of such last mentioned shares held by them respectively with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise (including provision for the benefit of 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 prior to

Power to  
capitalise

Effect of  
resolution to  
capitalise

such allotment 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 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.

- (C) 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 debentures 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.

Distribution of capitalised shares

#### **Dividends and reserves**

164. The Company in general meeting may declare dividends in any currency, but no such dividends or distributions shall exceed the amount recommended by the Board.
165. (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. The Directors may also pay any fixed dividend on preference shares as and when they consider that the same should be paid.
- (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 financial position of the Company justifies such payment.
166. No dividend, distribution or other moneys payable by the Company on or in respect of any share shall bear interest against the Company nor be payable except out of the profits of the Company lawfully available for distribution of the Company in accordance with the Companies Ordinance.
167. (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

Power to declare dividends

Power to pay interim dividends

Dividends not to be paid out of capital

Dividends in cash or in specie

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, provided that the Members 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:–
  - (a) the basis of any such allotment shall be determined by the Directors;
  - (b) the Directors, after determining the basis of allotment shall give not less than fourteen days' notice in writing to the Members 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 completed forms of election must be lodged in order to be effective;
  - (c) 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;
  - (d) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised (the “non-elected shares”) and in satisfaction thereof shares shall be allotted credited as fully paid to the Members 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 any of the Company’s reserve accounts (including any special account, share premium account and reserve fund (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 Members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid 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:–
  - (a) the basis of any such allotment shall be determined by the Directors;

- (b) the Directors, after determining the basis of allotment, shall give not less than fourteen days' notice in writing to the Members 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 completed forms of election must be lodged in order to be effective;
- (c) 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;
- (d) 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 whereof 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 Company's reserve accounts (including any special account, share premium account and reserves) 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 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 (or the right to receive or to elect to receive an allotment of 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 payment or declaration of the relevant dividend,

unless, contemporaneously with the announcement by the Directors of their proposal to apply the provisions of sub-paragraph (i) or (ii) of 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 Company 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 Ordinary Resolution resolve in respect of any one particular dividend or distribution of the Company that notwithstanding the provisions of paragraph (A) of this Article a dividend or distribution may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to Members 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 Members with registered addresses in any territory or jurisdiction 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 event the provisions aforesaid shall be read and construed subject to such determination.
168. The Board may set aside (out of the profits of the Company) such sums as it thinks fit as a reserve or 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 distributions and for any purposes for 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 any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any sums which it may think prudent not to pay by way of dividend or distribution. Reserves
169. The Directors may establish a reserve to be called the Capital Reserve, which shall not be available for dividend, but which shall be available to meet depreciation or contingencies or for repairing, improving, or maintaining any property of the Company or for such other purposes as the Directors may in their discretion think conducive to the interests of the Company, and the Directors may invest the sums standing to the Capital Reserve in such investments as they think fit, other than shares or stock of the Company, and may from time to time deal with or vary such investments and dispose of all or any part thereof with full power to employ the Capital Reserve in the business of the Company, and that without keeping it separate from the other assets and with power to divide the said Capital Reserve into separate accounts or funds, if they think fit. Capital reserves
170. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, or distribution and subject to the terms of issue of any shares providing to the contrary, all dividends or distributions shall be declared and paid pro rata according to Dividends to be paid in proportion to paid up capital

the amounts paid or credited as paid up on the shares in respect whereof the dividend or distribution is paid, but no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of this Article as paid up on the share unless any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

- |      |  |                       |
|------|--|-----------------------|
| 171. | (A) The Directors may retain any dividends, distributions or other moneys payable 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 or engagements in respect of which the lien exists. | Retention of dividend |
|      | (B) The Directors may deduct from any dividend, distribution 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.  | Deduction of debts    |

Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to share therein.

- |      |   |  |
|------|---|--|
| 172. | Any resolution of the Company in general meeting sanctioning the payment of a dividend may make a call on the Members of such amount as the Company in general meeting fixes, but so that the call on each Member shall not exceed the dividend or distribution payable to him, and so that the call be made payable at the same time as the dividend or distribution, and the dividend or distribution may, if so arranged between the Company and the Members, be set off against the call.   | Call on members to be set off by dividends |
| 173. | Whenever the Directors or the Company in general meeting have resolved that a dividend or distribution be paid or declared, the Directors may further resolve that such dividend or distribution 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 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, and may vest any such specific assets in trustees as may seem expedient to the Directors and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend or distribution and such appointment shall be effective. Where required, a contract shall be filed in accordance with the provisions of the Companies Ordinance and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or distribution and such appointment shall be effective. | Dividend in specie                         |
| 174. | A transfer of shares shall not pass the right to any dividend, distribution or bonus declared thereon before the registration of the transfer.  | Effect of transfer                         |
| 175. | If two or more persons are registered as joint holders of any shares, any one of such persons may give effectual receipts for any dividends, distributions, interim dividends or bonuses and other moneys payable in respect of such shares.  | Joint holders' dividends                   |

176. Unless otherwise directed by the Directors, any dividend, distribution or bonus may be paid by cheque or warrant sent through the post to the registered address of the Member entitled (at the risk of such Member), or, in case of joint holders, to any one of such joint holders 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, distribution 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. Payment by  
post
177. All dividends, distributions 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 claimed and the Company shall not be constituted a trustee in respect thereof. All dividends, distributions or bonuses unclaimed for six years after having been declared may be forfeited by the Directors and shall revert to the Company. Unclaimed  
dividend

### **Subscription Right Reserve**

178. (A) If, so long as any of the rights attached to any warrants or similar rights (together "warrants") issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions of the conditions of the warrants, would reduce the subscription price to below the par value of a share then the following provisions shall apply:–
- (i) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Article) maintain in accordance with the provisions of this Article a reserve (the "Subscription Rights Reserve") the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub-paragraph (iii) of this paragraph (A) on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Rights Reserve in paying up such additional shares in full as and when the same are allotted;
  - (ii) the Subscription Rights Reserve will not be used for any purpose other than that specified above until all other reserves of the Company (other than share premium account and capital redemption reserve fund) have been used and will then only be used to make good losses of the Company if and so far as is required by law;
  - (iii) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or as the case may be, the relevant portion thereof in the event of a partial exercise of the

subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrant holder credited as fully paid such additional nominal amount of shares as is equal to the difference between:-

- (a) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights) and
- (b) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par;

and immediately upon such exercise so much of the sum standing to the credit of the Subscription Rights Reserve as is required to pay up in full such additional nominal amount of shares shall be capitalised and applied in paying up in full such additional nominal amount of shares which shall forthwith be allotted and credited as fully paid to the exercising warrant holders;

- (iv) if upon the exercise of the subscription rights represented by any warrant the amount standing to the credit of the Subscription Rights Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such difference as aforesaid to which the exercising warrant holder is entitled, the Board shall apply any profits or reserves then or thereafter becoming available (including to the extent permitted by law, share premium account and capital redemption reserve fund) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until such time no dividend or other distributions shall be paid or made on the shares. Pending such payment up and allotment the exercising warrant holder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Board may think fit and adequate particulars thereof shall be made known to each relevant exercising warrant holder upon the issue of such certificate.
- (B) Shares allotted pursuant to the provisions of this Article shall rank *pari passu* in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned.
  - (C) Notwithstanding anything contained in paragraph (A) of this Article no fraction

of a share shall be allotted on exercise of the subscription rights.

- (D) The provisions of this Article as to the establishment and maintenance of the Subscription Rights Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating, the provisions for the benefit of any warrant holder or class of warrant holders under this Article without the sanction of a special resolution of such warrant holders of class of warrant holders.
- (E) A certificate or report by the Auditors as to whether or not the Subscription Rights Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Rights Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to an exercising warrant holder credited as fully paid and as to any other matter concerning the Subscription Rights Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and Members.

#### **Annual returns**

- 179. The Directors shall make the requisite annual returns in accordance with the Companies Ordinance. Annual return

#### **Accounts**

- 180. The Directors shall cause proper books of account 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, of all sales and purchases of goods and services, and of the assets and liabilities of the Company and of all other matters required by the Companies Ordinance or necessary to give a true and fair view of the Company's affairs and to explain its transactions. Accounts to be kept
- 181. The books of account shall be kept at the registered office or, subject to the Companies Ordinance, at such other place or places as the Directors think fit and shall always be open to the inspection of the Directors. Location of Accounts
- 182. 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 or document of the Company, except as conferred by the Companies Ordinance or authorised by the Directors or by the Company in general meeting.
- 183. (A) In accordance with the provisions of the Companies Ordinance, the Directors shall from time to time cause to be prepared and laid before the Company at each annual general meeting the Annual Report in respect of the preceding financial year or other period for which audited accounts have been prepared and/or the summary financial report which complies with Section 141CF(1) of Annual profit and loss account and balance sheet

the Companies Ordinance, and such other reports and accounts as may be required by any applicable law, rules and regulations.

- (B) Every Annual Report shall be signed pursuant to the provisions of the Companies Ordinance, and copies of those documents (including but not limited to the Annual Report and/or the summary financial report) which are to be laid before the Company in general meeting, shall be made available to every Member of, and every holder of debentures of, the Company and every person registered under Article 44 and every other person entitled to receive notices of general meetings of the Company in printed form and/or using electronic means whether in English language only or in Chinese language only or in both English language and Chinese language, as such persons shall have notified the Company previously in writing, not less than twenty-one clear days before the date of the general meeting, provided that the Company shall not be required to make available those documents 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 whether in printed form or by electronic means. In the case of those documents being made available in printed form, such documents will be sent by post to the registered addresses of those entitled to receive them as set out above.
- (C) Where a Member has, in accordance with the Listing Rules and any applicable law, rules or regulations, consented to treat the publication of the relevant financial documents as set out in this Article 183 using electronic means or has consented to receiving the summary financial report instead of the Annual Report, as discharging the Company's obligation under the Listing Rules and any applicable law, rules and regulations to send a copy of such relevant financial documents, then publication by the Company, in accordance with the Listing Rules and any applicable law, rules and regulations, using electronic means of such relevant financial documents and/or the receipt by such Member of the summary financial report, at least twenty-one clear days before the date of the general meeting shall, in relation to each such Member, be deemed to discharge the Company's obligations under this Article 183 provided that any person who is otherwise entitled to such financial documents of the Company may, if he so requires, by notice in writing served on the Company, demand that the Company sends to him, a complete printed copy of the Annual Report or the summary financial report not previously requested by him.

Laying of  
annual  
accounts  
before  
annual  
general  
meeting

#### **Audit**

184. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Companies Ordinance and any applicable law, rules and regulations.
185. Subject as otherwise provided by the Companies Ordinance, the remuneration of the Auditors shall be fixed by the Company in general meeting except that the remuneration of the Auditors appointed to fill a causal vacancy may be fixed by the Directors. It is always provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors.

Auditors

Auditors  
remuneration

186. Every statement of accounts audited by the Company's auditors and presented by the Directors at a general meeting shall after approval 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.
- When account are deemed settled

### Notices

187. Any notice or document or any Corporate Communication to be given or issued under these Articles shall be in writing, and may be served by the Company and/or by the Board on any Member either personally or by sending it through the post in a prepaid letter envelope or wrapper addressed to such Member at his registered address as appearing in the register either in printed form or by any electronic means in compliance with these Articles, the Listing Rules and any applicable law, rules and regulations, provided that the Company has obtained the relevant Members' prior express positive confirmation in writing to receive or otherwise have made available to him notices, documents or Corporate Communication to be given or issued to him by the Company by such electronic means, or (in the case of notice) by publishing the same as a paid advertisement in English language in at least one English language newspaper and in Chinese language in at least one Chinese language newspaper, being in each case a newspaper published daily and circulating generally in Hong Kong. In case of joint holders of a share, all notices or documents or Corporate Communication 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.
- Service of notice
188. A Member shall be entitled to have notice served on him at any address within Hong Kong or by any electronic means in compliance with these Articles, the Listing Rules and any applicable law, rules or regulations. 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 in Hong Kong shall be deemed to have received (i) any notice which shall have been displayed at the registered office of the Company and shall have remained at the Company's registered office 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; or (ii) any notice which shall have been published on the Company's web-site and which shall remain so published on a continuous basis for at least five years from the date of first publication or in accordance with the requirements of the Listing Rules, provided that, without prejudice to the other provisions of these Articles, nothing in this Article shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents or Corporate Communication of the Company to any Member whose registered address is outside Hong Kong.
- Outside of Hong Kong
189. (A) Any notice or document or Corporate Communication either in printed form, if served by post, shall be deemed to have been served at the time when the envelope 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 letter containing the notice or document was properly addressed and put into such post office and a certificate in writing signed by the secretary or other officer of the Company
- Notice by post deemed service

that the envelope containing the notice or document was so addressed and put into the post office shall be conclusive evidence thereof.

- (B) Any notice required to be or which may be given by advertisement in newspapers shall be published in accordance with the requirements of the Listing Rules and/or the Stock Exchange and shall be deemed to have been served on the day on which the advertisement first so appears.
  - (C) Any notice or document or Corporate Communication, if served or sent by telex or facsimile transmission, shall be deemed to have been served or delivered at the time of transmission of the telex or facsimile transmission, and in proving such service or delivery it shall be sufficient to prove that the telex containing the notice or document was properly addressed and despatched by the relevant establishment or that the facsimile transmission was properly transmitted to the facsimile number of the Member appearing in the register and such transmission has been received by the facsimile machine bearing the facsimile number of the Member concerned.
  - (D) Any notice or document or Corporate Communication sent by electronic mail shall be deemed to have been served at the time when such notice or document or Corporate Communication is transmitted provided no notification is received by the Company that such notice or document has not reached its recipient.
  - (E) Any notice or document or Corporate Communication which the Company has made available to any Member by publication on its own website or computer network or the Stock Exchange's website shall be deemed to have been served on the day on which such publication is made.
190. A notice or document or Corporate Communication may be given by the Company to the person(s) entitled to a share in consequence of the death, mental incapacity or bankruptcy of a Member in the manner set out in Article 188 in which the same might have been given if the death, mental incapacity or bankruptcy had not occurred.
191. Any person who by operation of law, by transfer or by other means whatsoever shall become entitled to any share shall be bound by every notice, document or Corporate Communication 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.
192. Any notice or document or Corporate Communication delivered or sent by post or left at the registered address of any Member or made available by electronic means in compliance with these Articles, the Listing Rules and any applicable law, rules or regulations 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 or Corporate Communication on his personal representatives and all persons (if any) jointly interested with him in any such shares.

Service of notice to person entitled on death, mental incapacity or bankruptcy

Transferee bound by prior notice

Notice valid though member deceased



193. (A) The signature to any notice or document or Corporate Communication to be given by the Company may be written or printed by means of facsimile or where all relevant, by Electronic Signature. How notice signed
- (B) Subject to the Listing Rules and any applicable laws, rules and regulations, any notice or document, including but not limited to the documents referred to in Article 183 and any Corporate Communication, may be given in the English language only, in the Chinese language only or in both the English language and the Chinese language provided that the Company has obtained the relevant Members' prior express positive confirmation in writing to receive or otherwise have made available to him such notices or documents in either the English language only or the Chinese language only or in both the English language and the Chinese language and provided further that such Member may, if he so requires, by notice in writing served on the Company, demand at any time that the Company sends or makes available to him any notice or document or Corporate Communication in the language not previously provided to him.
- (C) Where a given number of days' notice or notice extending over any other period is required to be given, the day of service shall not be counted in such number of days or other period.

#### **Information**

194. 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 will be inexpedient in the interests of the Members of the Company to communicate to the public. Member not entitled to information

#### **Winding up**

195. 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 and any other authority required by the Companies Ordinance, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any 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 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 accept any shares in respect of which there is a liability. Division of assets in liquidation
196. In the event of a winding-up of the Company, every Member who is not for the time being in Hong Kong shall be bound, within fourteen days after the passing of an Service of process

effective Special Resolution to wind up the Company voluntarily or such other means as prescribed under the Companies Ordinance (if any), 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 any of the relevant territories 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 newspapers circulating in each of the relevant territories as he shall deem appropriate or by a registered letter sent through the post and addressed to such Member at his address as mentioned in the 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.

### **Indemnity**

197. (A) Every Director or other officer of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and everyone of them and everyone of their heirs, executors and administrators, shall be entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities (including any such liability as is mentioned in Section 165(2) of the Companies Ordinance) which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, except such (if any) as they shall incur or sustain by or through their own wilful neglect or default respectively, and no Director or other officer shall be liable for any costs, expenses, 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 (including travelling expenses), and no such officer or trustee shall be answerable for the acts, receipts, neglects, defaults or oversight of any other officer or trustee, or for joining in any receipt for the sake of conformity, or for the solvency or honesty or tortuous acts of any bankers or other persons with whom any moneys or effects belonging to the Company may be lodged or deposited for safe custody, or for any insufficiency or deficiency of any security upon which any moneys of the Company shall be invested, or for any other costs, expenses, loss or damage due to any such cause as aforesaid, unless the same shall happen by or through his own wilful neglect or default respectively, provided that this Article shall only have effect in so far as its provisions are not avoided by or would breach the Companies Ordinance.
- (B) Subject to Section 165 of the Companies Ordinance, 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 and the amount for which such indemnity is provided shall immediately attach as a lien

Indemnity

on the property of the Company and have priority as between the Members over all other claims.

- (C) Subject to the provisions of the Companies Ordinance, each Member of the Company agrees to waive any claim or right of action he might have, whether individually or by or in the right of the Company, against any Director or any other officers of the Company on account of any action taken by such Director or officer, or the failure of such Director or officer to take any action in the performance of his duties with or for the Company; provided that such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director or officer.

Names, Addresses and Descriptions of Subscribers

W. E. L. FLETCHER  
(WILLIAM ERNEST LAWRENCE FLETCHER)  
304 Fung House,  
Hong Kong,  
Chartered Accountant.

F. D. HAMMOND  
(FENWICK DEANE HAMMOND)  
Flat 53, No. 15 Conduit Road,  
Hong Kong,  
Solicitor.

Dated the 26th day of November, 1964.

WITNESS to the above signatures:

**T. JOHN GREGORY**  
*Solicitor,*  
HONG KONG.