

Memorandum and Articles of Association

May 2011



Hong Kong Exchanges and Clearing Limited
香港交易及結算所有限公司

THE COMPANIES ORDINANCE (Chapter 32)

Company Limited by Shares

MEMORANDUM

and

ARTICLES OF ASSOCIATION

of

HONG KONG EXCHANGES AND CLEARING LIMITED
(香港交易及結算所有限公司)

Incorporated on 8 July 1999

Hong Kong

HONG KONG EXCHANGES AND CLEARING LIMITED
(香港交易及結算所有限公司)

Amendments embodied herein

The following resolutions have been embodied into this copy of the Memorandum and Articles of Association:

- Special Resolutions passed on 2 March 2000 in respect of the amendments to the Memorandum of Association and the adoption of a new Articles of Association which came into effect from 6 March 2000
- Special Resolution passed on 17 April 2002 in respect of the amendments to the Articles of Association which were approved by the Securities and Futures Commission on 22 April 2002 pursuant to section 10 of the then Exchanges and Clearing Houses (Merger) Ordinance (Chapter 555) (now repealed)
- Special Resolution passed on 15 April 2003 in respect of the amendments to the Memorandum and Articles of Association which were approved by the Securities and Futures Commission on 22 April 2003 pursuant to section 67 of the Securities and Futures Ordinance (Chapter 571)
- Special Resolution passed on 31 March 2004 in respect of the amendments to the Articles of Association which were approved by the Securities and Futures Commission on 14 April 2004 pursuant to section 67 of the Securities and Futures Ordinance (Chapter 571)
- Special Resolution passed on 12 April 2005 in respect of the amendments to the Articles of Association which were approved by the Securities and Futures Commission on 18 April 2005 pursuant to section 67 of the Securities and Futures Ordinance (Chapter 571)
- Special Resolutions passed on 20 April 2011 in respect of the amendments to the Articles of Association which were approved by the Securities and Futures Commission on 13 May 2011 pursuant to section 67 of the Securities and Futures Ordinance (Chapter 571)

No. 681388
編號

(COPY)

CERTIFICATE OF INCORPORATION
公司註冊證書

I hereby certify that
本人謹此證明

HONG KONG EXCHANGES AND CLEARING LIMITED
(香港交易及結算所有限公司)

is this day incorporated in Hong Kong under the Companies Ordinance,

於本日在香港依據公司條例註冊成爲

and that this company is limited.

有限公司。

Issued by the undersigned on 8 July 1999.

本證書於一九九九年七月八日簽發。

(Sd.) MISS R. CHEUNG

.....
for Registrar of Companies

Hong Kong

香港公司註冊處處長

(公司註冊主任張潔心代行)

THE COMPANIES ORDINANCE (Chapter 32)

Company Limited by Shares

MEMORANDUM OF ASSOCIATION

(Embodied all amendments passed by Special Resolutions up to 15 April 2003. The amendments to the Company's Memorandum of Association passed on 15 April 2003 were approved by the Securities and Futures Commission on 22 April 2003 pursuant to section 67 of the Securities and Futures Ordinance (Chapter 571).)

OF

HONG KONG EXCHANGES AND CLEARING LIMITED
(香港交易及結算所有限公司)

1. The name of the Company is Hong Kong Exchanges and Clearing Limited (香港交易及結算所有限公司).
2. The registered office of the Company will be situated in Hong Kong.
3. The Company's objects are:
 - (1) to acquire and hold any kind of interest in, or to provide any form of capital for, any person or undertaking of any kind, to carry on business as a holding and investment company and to co-ordinate and manage the activities of, and to provide finance, services and facilities to, any person or undertaking controlled directly or indirectly by the Company or in which the Company is interested, whether as a shareholder or otherwise and whether directly or indirectly;
 - (2) to carry on business as a general commercial company, including, without limitation, to carry on the businesses of owning and operating stock exchanges and markets, futures exchanges and markets and clearing and settlement houses, and in doing so to act in accordance with the duties imposed by law;
 - (3) to carry on any trade or business whatsoever;
 - (4) to do all such things as are, in the opinion of the Directors, incidental or conducive to the carrying on of any trade or business;

- (5) to do all such things as the Directors consider to be desirable or for the benefit of the Company;
- (6) to borrow or raise money by any method and to obtain any form of credit or finance;
- (7) to secure the payment of any moneys, the discharge of any liabilities and the observance or performance of any kind of obligations by the Company by any charge over the whole or any part of the undertaking or assets of the Company;
- (8) to guarantee in any manner, or to enter into any indemnity or other arrangement in relation to, the discharge of any liabilities or the observance or performance of any kind of obligations of any person and to secure any such guarantee, indemnity or arrangement or the discharge of any liabilities or the observance or performance of any such obligations by any charge over the whole or any part of the undertaking or assets of the Company;
- (9) to give any financial assistance that may lawfully be given in connection with the acquisition of shares in the Company or any other company;
- (10) to carry out any form of take-over, acquisition, merger, amalgamation, demerger or reorganisation, to acquire or assume all or any part of the undertaking, assets and liabilities of any person and to dispose of all or any part of the undertaking, assets and liabilities of the Company;
- (11) to provide or arrange for pensions, lump sum payments, gratuities, life, health, accident and other insurances and other benefits (pecuniary or otherwise) of every kind to or for the benefit of any individuals who are or have been directors of, or employed by, or who provide or have provided services to or for, the Company or any body corporate which is or has been a subsidiary, holding company or fellow subsidiary of the Company or otherwise connected with the Company or the predecessors in business of the Company or of any such subsidiary, holding company or fellow subsidiary or connected company and to or for the benefit of the present or former spouses, children and other relatives and dependants of such individuals and others who have or formerly had with any such individuals any relationship of such a kind as the Directors may approve; and for those purposes to establish or participate in any fund or scheme, to effect or contribute to any form of insurance and to enter into any other arrangements of any kind which the Directors may approve;
- (12) to support and subscribe to any institution or association which may be for the benefit of the Company or its Directors or employees or connected with any town or place where the Company carries on business, and to support and subscribe to any charitable or public object whatsoever;
- (13) to act as trustee, personal representative, director or agent of any kind and for any purpose;
- (14) to exercise any power of the Company for any consideration of any kind or for no consideration;

and it is declared that:

- (a) this clause shall be interpreted in the widest and most general manner and without regard to the *ejusdem generis* rule or any other restrictive principle of interpretation;
- (b) each of the above sub-clauses shall, unless it expressly provides to the contrary, be deemed to set out a separate, distinct and independent object of the Company and not a power ancillary or incidental to the objects set out in any other sub-clause;

- (c) sub-clauses (2) to (14) are without prejudice to the generality of the objects and powers conferred by sub-clause (1) and no sub-clause shall be in any way limited or restricted by reference to or inference from any other sub-clause; and
- (d) in this clause:
 - (i) “assets” includes property, rights and interests of every description, whether present or future, actual or contingent and wherever situate and, in the case of the Company, its uncalled capital;
 - (ii) “charge” includes any mortgage, pledge, lien or other form of security;
 - (iii) “dispose of”, in relation to an asset, includes selling or transferring it or surrendering or extinguishing it, and also creating or granting it or any interest or right out of or in respect of it;
 - (iv) “liabilities” includes debts and obligations of every description, whether present or future, actual or contingent;
 - (v) “person” includes any partnership or other body of persons, whether corporate or unincorporate, and any country, territory, public authority and international organisation; and
 - (vi) “subsidiary” has the meaning ascribed to it in the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).
- 4. The liability of the members is limited.
- 5. The share capital of the Company is HK\$2,000,000,000 divided into 2,000,000,000 shares of HK\$1.00 each and the Company shall have the power to divide the original or any increased capital into several classes and to attach thereto any preferential, deferred, qualified, or other special rights, privileges, restrictions or conditions.

WE, the several persons whose names, addresses and descriptions are subscribed, are desirous of being formed into a company pursuant to this memorandum of association; and we respectively agree to take the number of shares in the capital of the company shown opposite our respective names.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	Number of Shares taken by each Subscriber
For and on behalf of FINANCIAL SECRETARY INCORPORATED	ONE SHARE
Authorised Signatory – Yue Chung Yee Financial Secretary’s Office Government Secretariat Central Government Offices 12th Floor West Wing Lower Albert Road Hong Kong Body Corporate	
RAFAEL HUI Flat 19A 135 Tai Hang Road Hong Kong Civil servant	ONE SHARE
Total Number of Shares Taken	TWO SHARES

DATED : 5th July, 1999.

WITNESS to the above signatures:

Signed: Michael S.L. Liu

Michael S.L. Liu- Solicitor
9th Floor, Three Exchange Square
Central, Hong Kong

(Solicitor’s chop)

THE COMPANIES ORDINANCE (Chapter 32)

Company Limited by Shares

ARTICLES OF ASSOCIATION

(Embodied all amendments passed by Special Resolutions up to 20 April 2011. The amendments to the Company's Articles of Association passed on 20 April 2011 were approved by the Securities and Futures Commission on 13 May 2011 pursuant to section 67 of the Securities and Futures Ordinance (Chapter 571).)

OF

HONG KONG EXCHANGES AND CLEARING LIMITED
(香港交易及結算所有限公司)

INTRODUCTORY

1. **Table A not to apply**

The regulations in Table A in the First Schedule to the Companies Ordinance (Chapter 32) shall not apply to the Company.

INTERPRETATION

2. **Interpretation**

- (1) In these Articles the words standing in the first column of the following table shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context:

WORDS		MEANINGS
appointment	...	includes election (and appoint includes elect);
Articles	...	these articles of association, as originally adopted, or as from time to time altered in accordance with the Statutes;
associate	...	has the same meaning as in the Rules Governing the Listing of Securities on the Stock Exchange;
Auditors	...	the auditors for the time being of the Company;
business day	...	a day (other than a Saturday or a Sunday) on which banks are generally open for business in Hong Kong;
Chairman	...	the Chairman of the Company appointed pursuant to Article 111 from time to time;
Chief Executive	...	the Chief Executive of the Company appointed pursuant to Article 111 from time to time;
Chief Operating Officer	...	the Chief Operating Officer of the Company appointed pursuant to Article 111 from time to time;
clearing house	...	a recognised clearing house within the meaning of Schedule 1 of the SFO or a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted with the permission of the Company on a stock exchange in such jurisdiction;
Commission	...	the Securities and Futures Commission established under the Securities and Futures Commission Ordinance (now repealed) which continues in existence in its original name under the SFO;
communication	...	includes a communication comprising sounds or images or both and a communication effecting a payment;
Directors	...	the directors for the time being of the Company;
electronic format	...	notices, documents or other information are in an electronic format if stored on a CD, diskette, USB storage device or other similar media;
Financial Secretary	...	any person from time to time occupying the post of Financial Secretary of the Government;
Government	...	the government of Hong Kong;

Government Appointed Directors	...	any Director appointed pursuant to Article 90(3);
Hong Kong	...	the Hong Kong Special Administrative Region of the People's Republic of China;
holder	...	in relation to any share means the member whose name is entered in the Register as the holder of that share;
in writing	...	written, printed, typewritten or telexed or transmitted by facsimile, or visibly expressed in any other mode of representing or reproducing words, or partly one and partly another;
month	...	calendar month;
Office	...	the registered office for the time being of the Company;
Ordinance	...	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
paid up	...	includes credited as paid up;
Register	...	the register of members of the Company (including any branch register kept in accordance with the Statutes);
Relevant Exchange	...	any stock exchange on which the shares of the Company are listed and permitted to be dealt in at the relevant time, including without limitation, the Stock Exchange;
Seal	...	the common seal of the Company or any official seal that the Company may have in accordance with the Statutes;
SFO	...	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
Stock Exchange	...	The Stock Exchange of Hong Kong Limited;
Statutes	...	the Ordinance and every other ordinance for the time being in force concerning companies and affecting the Company;
year	...	the year from 1st January to 31st December, inclusive.

(2) Subject as aforesaid, any words defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

- (3) Unless inconsistent with the subject or context, words importing the singular number shall include the plural number and vice versa, words importing the masculine gender shall include the feminine gender and words importing persons shall include corporations and bodies of persons.
- (4) The expression the “Secretary” shall (subject to the provisions of the Statutes) include a joint, assistant or deputy Secretary and any person appointed by the Directors to perform any of the duties of the Secretary.
- (5) The headings are inserted for convenience only and shall not affect the construction of these Articles.
- (6) 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.
- (7) References in these Articles to any statutory provision shall be construed as including references to:
 - (a) any statutory modification or re-enactment thereof;
 - (b) all subsidiary legislation, regulations or orders made pursuant thereto; and
 - (c) any statutory provisions of which such statutory provision is a re-enactment or modification.
- (8) (repealed).

REGISTERED OFFICE

3. Office

The Office shall be at such place in Hong Kong as the Directors shall from time to time determine.

SHARE CAPITAL

4. Class of shares

Subject to the Statutes and to any rights conferred on the holders of any shares or class of shares, the capital may be divided into shares of different classes each having, and any share may (without prejudice to any special rights or restrictions for the time being attaching to any shares or any class of shares and without prejudice to the provisions regarding forfeiture and lien in these Articles) be issued with and subject to, such preferred, deferred or other special rights, or such restrictions, whether with regard to dividends, voting, return of capital or otherwise, and such other terms and conditions, as the Company may from time to time by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution shall not make specific provision, as the Directors may decide.

5. Power to issue redeemable shares and subscription warrants

- (1) Subject to the Statutes and any rules prescribed by any Relevant Exchange from time to time, any share may be issued on terms that it is to be redeemed or is liable to be redeemed at the option of the Company or the holder.
- (2) The Directors may issue warrants or other rights and grant options to subscribe for any class of shares or securities of the Company on such terms as they may from time to time determine. Where warrants are issued to bearer, no new warrant 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 the Company has received an indemnity in such form as the Directors shall think fit with regard to the issue of any such new warrant.

INCREASE OF CAPITAL

6. Company may increase its capital

The authorised share capital of the Company at the date of adoption of these Articles is HK\$2,000,000,000 divided into 2,000,000,000 shares of HK\$1.00 each. The Company may from time to time, by ordinary resolution, whether or not all the shares for the time being authorised shall have been issued, or all the shares for the time being issued shall have been fully paid up, increase its capital by the creation of new shares of such amount as may be deemed expedient.

7. Rights attached to new shares

Any resolution of the Company creating any new shares in the capital of the Company may, subject to the Statutes and without prejudice to the rights and privileges attached to any then existing shares in the capital, specify rights and privileges to be attached to such new shares and restrictions to which they shall be subject and may (subject to the Statutes and any rules prescribed by any Relevant Exchange which may be applicable from time to time) provide that the same are to be issued on terms that they are, or at the option of the holder or the Company are liable, to be redeemed and set out the terms on and the manner in which redemption of the same may be effected.

8. New shares considered as original capital

Subject to any direction or determination that may be given or made in accordance with the powers contained in these Articles, all shares created on any increase of capital shall be subject to the provisions contained herein with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as if they had been part of the original capital.

ALTERATION OF CAPITAL

9. Power to consolidate, sub-divide and cancel shares

- (1) The Company may, from time to time, by ordinary resolution:
 - (a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;

- (b) 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
 - (c) by sub-division of its existing shares or any of them, divide its share capital or any part thereof into shares of smaller amount than is fixed by its memorandum of association, so however that in the sub-division the proportion between the amount paid up and the amount (if any) not paid up on each such share of smaller amount shall be the same as it was in the case of the share from which it was derived. Any 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 such preferred or other special rights, or may have such qualified or deferred rights or be subject to such restrictions, as compared with the other or others, as the Company has power to attach to new shares.
- (2) Anything done in pursuance of this Article shall be done in any manner provided, and subject to any conditions imposed, by the Statutes, so far as they shall be applicable, and, so far as they shall not be applicable, in accordance with the terms of the resolution authorising the same, and, so far as such resolution shall not be applicable, in such manner as the Directors deem most expedient.

10. **Reduction of capital**

Subject to the provisions of the Statutes and these Articles, the Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or any other undistributable reserve in any way.

PURCHASE OF OWN SHARES AND WARRANTS

11. Subject to the provisions of the Statutes and any rules prescribed by any Relevant Exchange from time to time, the Company may purchase its own shares of any class in the capital of the Company, including any redeemable shares or warrants or other securities carrying a right to subscribe for or purchase shares of the Company issued by the Company and, should the Company acquire its own shares or warrants or other such securities, neither the Company nor the Directors shall be required to select the shares or warrants to be acquired rateably or in any other particular manner as between the holders of shares or warrants of the same class or as between them and the holders of shares or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares or warrants. In the case of purchases of redeemable shares, purchases not made through the market or by tender shall be limited to a maximum price and if purchases are by tender, tenders shall be available to all shareholders holding redeemable shares of the Company alike.

VARIATION OF RIGHTS

12. **Variation of rights**

- (1) Whenever the capital of the Company is divided into different classes of shares, all or any of the special rights or privileges attached to any class may be varied or abrogated, either with the consent in writing of 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), and may be so varied 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 all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall apply *mutatis mutandis*, except that:

- (a) the necessary quorum at any such meeting (other than an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal amount of the issued shares of the class;
 - (b) at an adjourned meeting the necessary quorum shall be one person holding shares of the class or his proxy;
 - (c) the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively; and
 - (d) a poll may be demanded by any one holder of shares of the class whether present in person or by proxy.
- (2) For the purposes of this provision any particular issue of shares not carrying the same rights (whether as to rate of dividend, redemption or otherwise) as any other shares for the time being in issue, shall be deemed to constitute a separate class of share.

13. Shares at the disposal of the Directors

All unissued shares shall (subject to any contract binding on the Company, the Statutes, these Articles and any resolution of the Company pursuant thereto) be at the disposal of the Directors, who may (subject to the provisions of any such contract, the Statutes, these Articles and any such resolution) allot (with or without conferring a right of renunciation), grant options over or otherwise deal with or dispose of the same to such persons, at such times and generally on such terms as they think proper.

14. Allotments etc. of shares

The Company shall duly comply with any provisions of the Statutes regarding the allotment, issue and paying up of share capital.

15. Power to pay commission and brokerage

- (1) The Company may pay a commission to any person in consideration of his subscribing, or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the capital of the Company, but such commission shall not exceed the limits permitted by the Statutes. Any such commission may be paid in cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may, in addition to, or in lieu of, such commission, in consideration of any person so subscribing or agreeing to subscribe, or of his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company, confer on any such person an option to call within a specified time for a specified number or amount of shares in the Company at a specified price not being less than par. The payment or agreement to pay a commission or the conferring of an option shall be in the discretion of the Directors on behalf of the Company and subject to the provisions of the Statutes.
- (2) The Company may also pay such brokerage as may be lawful.

16. **Joint holders**

The Company shall not be bound to register more than four persons as joint holders of any share (except in the case of executors or administrators of a deceased member), and any one of such registered joint holders may give effective receipts for any dividend or other moneys payable in respect of such share.

17. **Exclusion of equities**

Except as otherwise required by law or these Articles and notwithstanding any information received by the Company, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound 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 right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

CERTIFICATES

18. **Issue of certificates**

Subject to the Statutes, every person, except any person in respect of which the Company is not by law required to complete and have ready for delivery a certificate, whose name is entered in the Register as a holder of any shares shall be entitled, without payment, to receive within ten business days (or such other period prescribed by any Relevant Exchange from time to time) after allotment or lodgement of a transfer to him of those shares, duly stamped and otherwise valid, (or within such other period as the conditions of issue may provide) a certificate for all his shares in any particular class or several certificates each for one or more of the shares of the class in question upon payment for every certificate after the first of such sum (if any) not exceeding the maximum amount prescribed from time to time by any Relevant Exchange, provided that:

- (a) 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 upon payment of such sum (if any) not exceeding the maximum amount prescribed by any Relevant Exchange from time to time;
- (b) in the case of joint holders, the Company shall not be bound to issue more than one certificate for all the shares in any particular class registered in their joint names, and delivery of a certificate for a share to any one of several joint holders thereof shall be sufficient delivery to all; and
- (c) the provisions of Article 120 concerning the sealing of certificates shall be complied with whenever share certificates are issued.

19. **Replacement of certificates**

If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new share certificate representing the same shares may be issued to the holder upon request and upon payment of such sum (if any) not exceeding the maximum amount prescribed by any Relevant Exchange from time to time, subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) subject to compliance with such conditions as to evidence and indemnity as the Directors may think fit and (in either

case) to the payment of any exceptional expenses of the Company incidental to its investigation of the evidence of such alleged loss, theft or destruction.

CALLS ON SHARES

20. Directors may make calls

The Directors may, subject to any conditions of allotment, from time to time make such calls upon the members in respect of all moneys unpaid on their shares (whether in respect of nominal amount or premium) as they think fit and each member shall (subject to his receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. Any call may be made payable in one sum or by instalments and may be revoked or postponed as the Directors may determine. A person upon whom a call is made shall remain liable therefor notwithstanding the subsequent transfer of the shares in respect whereof the call is made.

21. Time when made

A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.

22. Liability of joint holders

The joint holders of a share shall be jointly and severally liable for the payment of all calls and instalments in respect thereof.

23. Interest on calls

If a call or instalment payable in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the amount is due shall pay interest on the amount of the call or instalment, from the day appointed for payment to the day of actual payment, at such rate (not exceeding 15 per cent. per annum) as the Directors shall from time to time determine, and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to procure payment of or in consequence of the non-payment of such call or instalment but the Directors shall be at liberty to waive payment of such interest, costs, charges and expenses, wholly or in part.

24. Sums due on allotment etc. to be treated as calls

Any sum which by the conditions of allotment of a share is made payable on allotment, or at any fixed time, or by instalments at any fixed times, shall for all purposes of these Articles be deemed to be a call duly made and payable on the date or dates fixed for payment and, in case of non-payment, the provisions of these Articles as to payment of interest and expenses, forfeiture and the like, and all other relevant provisions of the Statutes or of these Articles shall apply as if such sum were a call duly made and notified as hereby provided.

25. Power to differentiate

The Directors may make arrangements on any issue of shares for a difference between the holders of such shares in the amounts and times of payment of calls on their shares.

26. **Payment of calls in advance**

The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys payable upon his shares beyond the sum actually called up thereon and, upon all or any of the moneys so paid in advance, or so much thereof as exceeds the amount for the time being called up on the shares in respect of which such advance has been made, the Directors may pay or allow interest at such rate (not exceeding 15 per cent. per annum) as may be agreed upon between the Directors and the member paying such sum in advance, in addition to the dividend payable upon such part of the shares in respect of which such advance has been made as is actually called up. The Directors may also at any time repay the amount so advanced upon giving to such member one month's notice.

27. **Rights suspended if payment in arrear**

No member shall be entitled to receive any dividend, or (save as proxy for another member) to be present or vote at any general meeting, either personally or by proxy, or to exercise any privilege as a member, or be reckoned in a quorum in respect of any share held by him (whether alone or jointly with any other person) if and so long as he shall have defaulted in payment of any call or other sum for the time being due and payable on such share or any interest or expenses (if any) payable in connection therewith.

LIEN ON SHARES

28. **Company to have lien on partly paid shares**

- (1) The Company shall have a first and paramount lien and charge on all the shares not fully paid up, registered in the name of a member (whether solely or jointly with others), for any amount payable in respect of such shares. Such lien shall extend to all dividends and other moneys from time to time declared or payable in respect of such shares.
- (2) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien (if any) on such shares.
- (3) The Directors may resolve that any share or shares shall for some specified period be exempt, in whole or in part, from the provisions of this Article.

29. **Sale of shares subject to lien**

- (1) For the purpose of enforcing such lien, the Directors may sell all or any of the shares subject thereto in such manner as they may think fit, but no sale shall be made until:
 - (a) the date for payment of the amount referred to in paragraph (1) of the preceding Article shall have arrived;
 - (b) a notice demanding payment of the said amount and giving notice of intention to sell in default shall have been served in accordance with these Articles on such member or the person (if any) entitled by transmission to the shares; and
 - (c) default in such payment shall have been made by him for fourteen days after such notice.

- (2) The net proceeds of any such sale, after payment of the costs, shall be applied in or towards satisfaction of the said amount, and the residue (if any) 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 member or the person (if any) entitled by transmission to the shares.

30. **Purchaser protected**

To give effect to any such sale as aforesaid the Directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser and a sold note in respect 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 regularity or validity of or be affected by any irregularity in or invalidity of the proceedings or be bound to see to the application of the purchase money and the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

FORFEITURE OF SHARES

31. **Notice of unpaid calls**

If any member fails to pay the whole or any part of any call or instalment on or before the day appointed for the payment thereof, the Directors may, at any time thereafter during such time as the call or instalment or any part thereof remains unpaid, serve a notice on him, requiring him to pay such call or instalment, or such part thereof as remains unpaid, together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of such non-payment.

32. **Notice to state time and place for payment**

The notice shall name a further day, being not less than fourteen clear days from the date of such notice, on or before which such call or instalment, or part thereof as aforesaid, and all such interest and costs, charges and expenses as aforesaid are to be paid. It shall also name the place where payment is to be made and shall state that, in the event of non-payment on or before the day and at the place appointed, the share in respect of which such call was made or instalment is payable will be liable to be forfeited.

33. **Forfeiture on non-compliance with notice**

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may, at any time thereafter before payment of all calls or instalments, interest, costs, charges and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Every forfeiture shall include all dividends declared in respect of the forfeited share, and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

34. **Notice of forfeiture to be given**

When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder of the share, or the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture, with the date thereof, shall forthwith be made in the Register opposite to the entry

of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

35. Power to annul forfeiture or surrender

Notwithstanding any such forfeiture as aforesaid, the Directors may, at any time before the forfeited or surrendered share has been sold, re-allotted or otherwise disposed of, annul the forfeiture or surrender upon payment of all calls and interest due upon and costs, charges and expenses incurred in respect of the share, and upon such further conditions (if any) as they may think fit.

36. Sale of forfeited or surrendered shares

Every share which shall be forfeited or surrendered shall thereupon be deemed for the purposes of this Article to be the property of the Company, and (subject to the provisions of the Statutes) may be sold, re-allotted or otherwise disposed of, upon such terms and in such manner as the Directors shall think fit either to the person who was before the forfeiture the holder of such share or to any other person and whether with or without all or any part of the amount previously paid up on the share being credited as so paid up. The Directors may, if necessary, authorise some person to execute an instrument of transfer of a forfeited or surrendered share to any person to whom the same has been sold, re-allotted or disposed of.

37. Rights and liabilities of members whose shares have been forfeited or surrendered

A person any of whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered shares and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall, notwithstanding, be liable (unless payment is waived in whole or in part by the Directors) to pay to the Company all calls, instalments, interest, costs, charges and expenses owing upon or in respect of such share at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until payment at such rate (not exceeding 15 per cent. per annum) as the Directors shall think fit, in the same manner as if the share had not been forfeited or surrendered, and to satisfy all the claims and demands (if any) which the Company might have enforced in respect of the share at the time of forfeiture or surrender, without any deduction or allowance for the value of the share at the time of forfeiture or surrender.

38. Title to forfeited or surrendered shares

A statutory declaration by a Director or Secretary of the Company that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company in pursuance of these Articles, and stating the day when it was forfeited, surrendered or sold, shall, as against all persons claiming to be entitled to the share, be conclusive evidence of the facts therein stated, and such declaration, together with a certificate in respect of such share, delivered to a purchaser or allottee thereof shall (subject to the execution of any necessary transfer and sold note) constitute a good title to the share, and the new holder thereof shall be discharged from all calls made prior to such purchase or allotment 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 omission, irregularity in or invalidity of or relating to or connected with the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

TRANSFER OF SHARES

39. Form of transfer

Subject to the Statutes and the restrictions in these Articles, a member may transfer all or any of his shares by an instrument of transfer in any usual form or in any other form which the Directors may approve.

40. Execution

The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferee (provided that the Directors may dispense with the signing of the instrument of transfer by the transferee in any case which they think fit in their discretion to do so), and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. The machine imprinted signature on an instrument of transfer may be accepted by the Company for the purpose of such transfer subject to any terms which the Company may impose. Shares of different classes shall not be comprised in the same instrument of transfer.

41. Retention of instruments

- (1) All instruments of transfer which shall be registered may be retained by the Company but any instrument of transfer which the Directors may refuse to register shall (except in any case where fraud or any other crime involving dishonesty is suspected in relation to such transfer) be returned to the person presenting the same.
- (2) Subject to paragraph (4) below and as hereinafter provided, the Company, if so authorised by a resolution of the Directors, shall be entitled to destroy:
 - (a) at any time after the expiration of six years from the date of registration thereof, all instruments of transfer of shares in the Company and all other documents transferring or purporting to transfer shares in the Company or representing or purporting to represent the right to be registered as the holder of shares in the Company on the faith of which entries have been made in the Register;
 - (b) at any time after the expiration of one year from the date of cancellation thereof, all registered share certificates which have been cancelled;
 - (c) at any time after the expiration of two years from the date of recording thereof, all dividend mandates and notifications of change of address; and
 - (d) at any time after the expiration of one year from the date of actual payment thereof, all paid dividend warrants and cheques.
- (3) It shall be presumed conclusively in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every share certificate so destroyed was a valid certificate duly and properly cancelled, that every other document mentioned above so destroyed was a valid and effective document in accordance with the particulars thereof recorded in the books and records of the Company and that every paid dividend warrant and cheque so destroyed was duly paid; provided always that:

- (a) the provisions aforesaid shall apply only to the destruction of documents in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
 - (b) 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 in which liability would not attach to the Company in the absence of this Article;
 - (c) references herein to the destruction of any documents include references to the disposal thereof in any manner.
- (4) The Directors may, if permitted by applicable law, authorise the destruction of documents set out in sub-paragraphs (a) to (d) of paragraph (2) above and any other documents in relation to share registration which have been microfilmed or electronically stored by the Company or by the share registrar of the Company on its behalf provided always that this paragraph shall apply only to the destruction of a document in good faith and without express notice to the Company that presentation of such document was relevant to a claim.

42. Directors' power to refuse to register transfers

- (1) The Directors may, in their absolute discretion and without assigning any reason therefor, refuse to register any transfer in respect of a share:
- (a) which is not fully paid up; or
 - (b) on which the Company has a lien.
- (2) The Directors may also refuse to register any transfer unless:
- (a) the instrument of transfer is in respect of only one class of shares;
 - (b) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;
 - (c) subject to the Statutes, the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to be transferred and such other evidence (if any) as the Directors may reasonably require to prove the title of the intending transferor or his right to transfer the shares; and
 - (d) the instrument of transfer is accompanied by payment of such fee, not exceeding the maximum amount prescribed by any Relevant Exchange from time to time if the Company is listed thereon, as the Directors may from time to time require.

43. Notice of refusal to register

If the Directors refuse to register any transfer of any share, they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferor and the transferee notice of the refusal.

44. **Fee payable**

The Company shall not charge any fee of more than the maximum fee prescribed by any Relevant Exchange from time to time in respect of the registration of a transfer or in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares or for making any entry in the Register affecting the title to any share.

45. **Power to suspend registration of transfers**

The registration of transfers of shares or of any class of shares may be suspended 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 for more than thirty days in any year.

46. **Renunciations**

Nothing contained in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

TRANSMISSION OF SHARES

47. **Transmission on death**

In the case of the death of a member, the survivors or survivor where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only person or persons recognised by the Company as having any title to his 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.

48. **Registration of personal representative, Trustee in Bankruptcy, etc.**

Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or in consequence of the making in respect of a member of an order by any court having jurisdiction (whether in Hong Kong or elsewhere) in matters concerning mental disorder, may, upon producing such evidence of his title as the Directors shall require, and subject as herein provided, elect either to be registered himself as the holder of the share or to have some person nominated by him registered as the transferee thereof.

49. **Notice of election to be registered**

If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice signed by him, stating that he so elects. All the provisions of these Articles relating to the transfer of shares shall apply to the notice as if it were an instrument of transfer executed by the person from whom the title by transmission is derived.

50. **Registration of nominee**

If the person so becoming entitled shall elect to have his nominee registered, he shall execute and deliver or send to the Company an instrument of transfer of the share to that person. All the provisions of these Articles relating to the transfer of shares shall apply to the

instrument of transfer as if the event upon which the transmission took place had not occurred and it were an instrument of transfer executed by the person from whom the title by transmission is derived.

51. Rights of unregistered personal representative, Trustee in Bankruptcy, etc.

- (1) A person so becoming entitled shall have the right to receive and give a discharge for any dividends or other moneys payable in respect of the share, but he shall have no right (save as mentioned in Article 79) to receive notice of or to attend or vote at meetings of the Company or to any of the rights (other than the right to receive and give discharges for dividends or other moneys as aforesaid) or privileges of a member in respect of the share, unless and until he shall be registered as the holder thereof.
- (2) The Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and, if after ninety days the notice has not been complied with, the board may withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

UNTRACEABLE MEMBERS

52. Sale of shares of untraceable members

- (1) The Company may sell any share of a member, or any share to which a person is entitled by transmission, by instructing a broker to sell at the best available price at the time (and if there is a Relevant Exchange at that time, on the Relevant Exchange), if:
 - (a) during a period of twelve years at least three cash dividends or other distributions have become payable in respect of the share to be sold and have been sent by the Company in accordance with Article 131;
 - (b) during that period of twelve years no cash dividend or other distribution payable in respect of the share has been claimed, no cheque, warrant, order or other payment for a dividend has been cashed, no dividend sent by means of a funds transfer system has been paid and no communication has been received by the Company from the member or the person entitled by transmission to the share;
 - (c) on or after the expiry of that period of twelve years the Company has published advertisements in at least one English language newspaper and one Chinese language newspaper circulating in Hong Kong giving notice of its intention to sell the share;
 - (d) during the period of three months following the publication of those advertisements or of the first of the advertisements if they are published on different dates, the Company has not received any communication from the member or the person entitled by transmission to the share; and
 - (e) the Company has given notice to any Relevant Exchange (and if such Exchange is the Stock Exchange, to the Commission) of its intention to sell the share.
- (2) The Company's power of sale shall extend to any further share which, on or before the date of publication of the first of any advertisement pursuant to subparagraph (1)(c) above, is issued in respect of a share to which paragraph (1) applies (or in respect of any share to which this paragraph applies) if the conditions set out in subparagraphs (1)(b) to (e) are

satisfied in relation to the further share (but as if the references to a period of twelve years were references to a period beginning on the date of allotment of the further share and ending on the date of publication of the first of the advertisements referred to above).

- (3) To give effect to any sale, the Directors may authorise some person to transfer the share to, or as directed by, the purchaser, who shall not be bound to see to the application of the purchase money; nor shall the title of the new holder to the share be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

53. Application of proceeds of sale

- (1) The Company shall account to the person entitled to the share at the date of sale for a sum equal to the net proceeds of sale and shall be deemed to be his debtor, and not a trustee for him, in respect of them.
- (2) Pending payment of the net proceeds of sale to such person, the proceeds may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company, if any) as the Directors may from time to time decide.
- (3) No interest shall be payable in respect of the net proceeds and the Company shall not be required to account for any moneys earned on the net proceeds.

54. Dividends payable on shares of untraceable members

The Company may cease to send any cheque or warrant through the post for any dividend payable on any shares in the Company which is normally paid in that manner on those shares if in respect of at least two consecutive dividends payable on those shares the cheques or warrants remain uncashed or after the first occasion when the cheques or warrants have been returned undelivered but, subject to the provisions of these Articles, shall recommence sending cheques or warrants in respect of dividends payable on those shares if the holder or person entitled by transmission to it claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.

LIMITATIONS ON SHAREHOLDINGS

55. Limitations on shareholdings

- (1) Pursuant to section 61 of the SFO, a person, either alone or with any associated person or persons, is not permitted to be entitled to exercise, or control the exercise of, 5 per cent. or more of the voting power at any general meeting of the Company except in certain limited circumstances.
- (2) For the purposes of this Article:
 - (a) “associated person” shall have the meaning ascribed to it in section 18 of the SFO;
 - (b) “minority controller” shall have the meaning ascribed to it in section 61(20) of the SFO in relation to a recognised exchange controller;
 - (c) “Permitted Person” means any person or class of persons who is permitted to be a minority controller of the Company pursuant to the SFO;

- (d) “recognised exchange controller” shall have the meaning ascribed to it in Schedule 1 of the SFO;
 - (e) “Relevant Share Capital” means securities of the Company which carry (or may, according to their terms, in certain circumstances carry) the right to vote on any resolution at any general meeting of the Company (whether or not the right is exercisable in relation to all resolutions at all general meetings);
 - (f) “Restricted Person” means any person who is a minority controller of the Company and is not a Permitted Person; and
 - (g) “Restricted Shares” means the securities to which section 1(9) of Part 6 of Schedule 3 to the SFO applies (with references to “the corporation concerned” in that section being interpreted as references to the Company).
- (3) No person shall become a minority controller of the Company except in accordance with the provisions of the SFO and other applicable law.
- (4) (a) Every person shall forthwith provide written notice to the Company if:
- (i) he/it becomes a minority controller of the Company or a company of which the Company is a subsidiary; or
 - (ii) he/it has been served with a notice (a “Commission Notice”) from the Commission pursuant to section 61(9)(b) of the SFO or section 1(2) of Part 6 of Schedule 3 to the SFO.
- (b) A notice given in relation to paragraph (a)(i) above shall include details of that person’s and his/its associated persons’ interests in the Relevant Share Capital and either the basis on which that person is permitted to be a minority controller under the SFO (a “Permitted Person Notice”) or a statement that the person is not permitted to be such a minority controller (a “Restricted Person Notice”). The Directors may forward any notices to the Commission for further investigation and enforcement.
- (c) A notice given in relation to paragraph (a)(ii) above (also, a “Restricted Person Notice”) shall include a copy of the relevant Commission Notice.
- (d) The Directors may by notice in writing (a “Disclosure Notice”) require any member, or any other person appearing to be interested or appearing to have been interested in the securities of the Company, to disclose to the Company in writing such information (supported if the Directors so require by a statutory declaration and/or by independent evidence) as the Directors shall require relating to the ownership of or interests in the securities in question as lies within the knowledge of such member or other person, including (without prejudice to the generality of the foregoing):
- (i) any information which the Company would be entitled to seek pursuant to section 329 of the SFO;
 - (ii) any information which the Directors shall deem necessary or desirable in order to determine whether any securities or rights to subscribe for, or convert into, securities of the Company are Restricted Shares; and

- (iii) any information which the Directors shall deem necessary or desirable in order to determine whether any person is or is deemed to be a Restricted Person or otherwise in relation to the application or potential application of this Article.
 - (e) A Disclosure Notice pursuant to paragraph (4)(d) of this Article may be given by the Directors at any time. One or more Disclosure Notices may be given in respect of the same securities in the Company to a member and/or any other person appearing to be, or to have been, interested in those securities.
 - (f) The Directors may forward any response in respect of a Disclosure Notice to the Commission for further investigation and enforcement. Furthermore, where the holder of any securities or rights to subscribe for, or convert into, securities in the Company, or any person appearing to be interested in such securities or rights, fails to comply within 14 days with a Disclosure Notice, the Directors may notify the Commission of such non-compliance together with such other information as the Directors deem necessary or desirable in this connection.
- (5) If the Directors shall become aware (as a result of having received a Restricted Person Notice or a Commission Notice pursuant to Section 1(10) of Part 6 of Schedule 3 to the SFO or otherwise) that any person has become a Restricted Person, the Directors may serve a written notice on all persons (other than persons referred to in paragraph (9) of this Article) who appear to the Directors to have interests in (and, if different, are the registered holders of) the Restricted Shares. Such notice shall set out the restrictions referred to in paragraph (6) of this Article.
- (6) A holder of a Restricted Share on whom a notice has been served under paragraph (5) above shall not in respect of those securities be entitled, until such time as the relevant person notifies the Company in writing (together with such confirmation from the Commission or other evidence as may be required by the Directors) that such person has ceased to be a Restricted Person, to attend or vote at any general meeting of the Company or meeting of the holders of Relevant Share Capital or of any class thereof, and the rights to attend (whether in person or by proxy), to speak and to demand and vote on a poll which but for the provisions of this paragraph would have attached to the Restricted Share shall vest in the chairman of such meeting. The manner in which the chairman exercises or refrains from exercising any such rights shall be entirely at his discretion. The chairman of any such meeting as aforesaid shall be informed by the Directors of any securities becoming or being deemed to be a Restricted Share or ceasing to be a Restricted Share.
- (7) The Directors may assume without enquiry that a person is a Permitted Person or is not a Restricted Person.
- (8) The Directors may take such action and do such things which they believe to be necessary or desirable in order to ensure that the Company (a) does not assist in or permit the contravention of any restrictions imposed on any person and/or securities by the Commission pursuant to any Commission Notice (including without limitation refusing to register any transfer of any securities), and (b) does not commit an offence under section 2 of Part 6 of Schedule 3 to the SFO or any other applicable law.
- (9) The Directors shall not be obliged to serve any notice required under this Article to be served upon any person if either his identity or his address is not known to them. The absence of service of such notice in such circumstances as aforesaid, and any accidental error in or failure to give any notice to any person upon whom notice is required to be served under this

Article, shall not prevent the implementation of or invalidate any procedure under this Article.

- (10) If any Director believes that a person is a Restricted Person he shall inform the other Directors of that fact.
- (11) The provisions of these Articles regarding the giving of notice to members shall apply to the giving to a member of any notice required by this Article. Any notice required by this Article to be given to a person who is not a member, or who is a member whose registered address is not within Hong Kong and who has not given to the Company an address within Hong Kong at which notices may be given to him, shall be deemed validly given if it is sent by mail (or airmail if the address is outside Hong Kong) in a prepaid envelope addressed to that person at the address (or if more than one, at one of the addresses), if any, at which the Directors believe him to be resident or carrying on business or to his last known address as shown on the Register. The notice shall in such a case be deemed to have been given on the day following that on which the envelope containing the same is posted. Proof that the envelope was properly addressed and put into the post as prepaid mail or prepaid airmail (as the case may be) shall be conclusive evidence that the notice was given.
- (12) Any resolution or determination of, or decision or exercise of any discretion or power by, the Directors or any Director or the chairman of any meeting under or pursuant to the provisions of this Article shall be final and conclusive; and any act or thing done, by or on behalf of, or on the authority of, the Directors or any Director pursuant to the foregoing provisions of this Article shall be conclusive and binding on all persons concerned and shall not be open to challenge, whether as to its validity or otherwise on any ground whatsoever. The Directors shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with this Article.
- (13) This Article shall apply notwithstanding any provision in these Articles to the contrary.

STOCK

56. Conversion of shares into stock

- (1) The Company may from time to time by ordinary resolution convert any fully paid up shares into stock and may reconvert any stock into fully paid up shares of any denomination. After the passing of any resolution converting all the fully paid up shares of any class in the capital of the Company into stock, any shares of that class which subsequently become fully paid up and rank pari passu in all other respects with such shares shall, by virtue of this Article and such resolution, be converted into stock transferable in the same units as the shares already converted.
- (2) The holders of stock may transfer the same or any part of it in the same manner and subject to the same regulations as the shares from which the stock arose might prior to conversion have been transferred or as near to them as circumstances admit. The Directors may from time to time fix the minimum amount of stock transferable, but the minimum shall not, without the sanction of an ordinary resolution of the Company, exceed the nominal amount of each of the shares from which the stock arose.
- (3) The holders of stock shall, according to the amount of the stock held by them, have the same rights as regards dividends, voting at general meetings of the Company and other matters as if they held the shares from which the stock arose, but no such right (except as to

participation in dividends and in assets on a reduction of capital or a winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right.

- (4) All of the provisions of these Articles which are applicable to paid up shares shall apply to stock and the words “share” and “shareholder” in these Articles shall include “stock” and “stockholder” respectively.

GENERAL MEETINGS

57. Annual General Meetings

The Company shall comply with the requirements of the Statutes regarding the holding of annual general meetings. Subject to such requirements, the Directors shall determine the date, time and place at which each annual general meeting shall be held.

58. Extraordinary General Meetings

All general meetings other than annual general meetings shall be called extraordinary general meetings.

59. Convening of Extraordinary General Meetings

- (1) The Directors may convene an extraordinary general meeting whenever they think fit.
- (2) Extraordinary general meetings may also be convened in accordance with Article 98 hereof.
- (3) Extraordinary general meetings shall also be convened by the Directors on the requisition of members pursuant to the provisions of the Statutes.

60. Class meetings

The provisions of these Articles relating to general meetings shall apply, with necessary modifications, to any separate general meeting of the holders of shares of a class held otherwise than in connection with the variation or abrogation of the rights attached to shares of the class. For this purpose, a general meeting at which no holder of a share other than an ordinary share may, in his capacity as a member, attend or vote shall also constitute a separate general meeting of the holders of the ordinary shares.

NOTICE OF GENERAL MEETINGS

61. Notice of Meetings

Subject to section 116C of the Ordinance, at least twenty-one clear days’ notice of every annual general meeting and of every extraordinary general meeting at which it is proposed to pass a special resolution, and at least fourteen clear days’ notice of every other extraordinary general meeting (in each case exclusive of the day on which the notice is served or deemed to be served and of the day for which it is given) shall be given in manner hereinafter mentioned to all members (other than those who, under the provisions of these Articles, are not entitled to receive such notices from the Company), to the Directors and to the Auditors, but the accidental omission to give such notice to, or the non-receipt of such notice by, any

member or Director or the Auditors shall not invalidate any resolution passed or proceeding had at any such meeting.

62. What notice is to specify

- (1) Every notice of meeting shall specify the place, the day and the time of the meeting and, in the case of special business, the general nature of such business. In the case of a meeting convened for passing a special resolution, the notice shall also specify the intention to propose the Resolution as a special resolution.
- (2) In the case of an annual general meeting, the notice shall also specify the meeting as such.
- (3) Every notice of meeting shall also state with reasonable prominence that a member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote thereat instead of him and that a proxy need not also be a member.
- (4) Every notice of meeting shall also state the place where instruments of proxy are to be deposited if the Directors shall have determined such place to be other than at the Office.

PROCEEDINGS AT GENERAL MEETINGS

63. Special business and business of annual general meetings

All business shall be deemed special that is transacted at an extraordinary general meeting, and all business that is transacted at an annual general meeting shall also be deemed special with the exception of:

- (a) declaring dividends;
- (b) the consideration and adoption of the accounts and balance sheet and the report of the directors and other documents required to be annexed to the accounts;
- (c) the election of Directors in place of those retiring (upon expiration of his term or otherwise);
- (d) the re-appointment of the retiring Auditors provided that they were last appointed to such office by the Company in general meeting; and
- (e) the fixing of remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.

64. Quorum

No business shall be transacted at any general meeting unless the requisite quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman for the meeting which shall not be treated as part of the business of the meeting. Two members, present in person or by proxy and entitled to vote, shall be a quorum for all purposes.

65. Adjournment if quorum not present

If within 15 minutes from the time appointed for the holding of a general meeting a quorum be not present, the meeting shall stand adjourned to the same day in the next week (or if that day be a holiday, to the next business day thereafter), at the same time and place as the original meeting, or to such other day, and at such other time and place as the chairman of the meeting may determine and the provisions of Article 69 as to notices and as to business to be transacted shall apply. If at such adjourned meeting a quorum is not present within 15 minutes from the time fixed for holding the meeting, the meeting shall be dissolved.

66. Chairman

The Chairman (if any) or, failing him, one of the Directors appointed for that purpose by the Directors or, failing such appointment, by the members present, shall preside at every general meeting, but if no Director shall be present within 15 minutes after the time fixed for holding the same or, if no one of the Directors present is willing to preside, the members present and entitled to vote shall choose one of their number to preside at the meeting.

67. Directors and other persons entitled to attend and speak

Each Director shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares in the Company. The chairman of the meeting may invite any person to attend and speak at any general meeting of the Company whom the chairman considers to be equipped by knowledge or experience of the Company's business to assist in the deliberations of the meeting.

68. Resolutions and amendments

- (1) Subject to the Statutes, a resolution may only be put to the vote at a general meeting if the chairman of the meeting in his absolute discretion decides that the resolution may properly be regarded as within the scope of the meeting.
- (2) In the case of a resolution to be proposed as a special resolution no amendment may be made, at or before the time at which the resolution is put to the vote, to the form of the resolution as set out in the notice of meeting, except to correct a patent error or as may otherwise be permitted by law.
- (3) In the case of a resolution to be proposed as an ordinary resolution no amendment may be made, at or before the time at which the resolution is put to the vote (other than an amendment to correct a patent error), unless:
 - (a) in the case of an amendment to the form of the resolution as set out in the notice of meeting, written notice of the intention to move the amendment is lodged at the Office no later than 48 hours before the time fixed for the holding of the relevant meeting; or
 - (b) in any case, the chairman of the meeting in his absolute discretion otherwise decides that the amendment or amended resolution may properly be put to the vote.

The giving of written notice under subparagraph (a) above shall not prejudice the power of the chairman of the meeting to rule the amendment out of order.

- (4) With the consent of the chairman of the meeting, a person who proposes an amendment to a resolution may withdraw it before it is put to the vote.
- (5) If the chairman of the meeting rules a resolution or an amendment to a resolution admissible or out of order (as the case may be), the proceedings of the meeting or on the resolution in question shall not be invalidated by any error in his ruling. Any ruling by the chairman of the meeting in relation to a resolution or an amendment to a resolution shall be final and conclusive.

69. Adjournment

- (1) With the consent of any meeting at which a quorum is present the chairman thereof may (and shall if so directed by the meeting) adjourn the same from time to time and from place to place.
- (2) In addition, the chairman of the meeting may at any time without the consent of the meeting adjourn the meeting (whether or not it has commenced or a quorum is present) to another time and/or place if, in his opinion, it would facilitate the conduct of the business of the meeting to do so.
- (3) Whenever a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting. Save as aforesaid, no person shall be entitled to any notice of an adjournment or of the business to be transacted at an 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.

70. Voting and demand for poll

- (1) Subject to the rules prescribed by any Relevant Exchange from time to time, at every general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or upon the declaration of the result of the show of hands) a poll be demanded by:
 - (a) the chairman of the meeting; or
 - (b) at least three members present in person or by proxy having the right to vote on the resolution; or
 - (c) a member or members present in person or by proxy representing in aggregate not less than one-tenth of the total voting rights of all the members having the right to attend and vote at the meeting; or
 - (d) a member or members present in person or by proxy holding shares conferring the right to attend and vote at the meeting on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right;

and a demand for a poll by a person as proxy for a member shall be as valid as if the demand were made by the member himself.

- (2) A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the meeting and the demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If a poll is

demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

- (3) Unless a poll be so demanded (and the demand is not withdrawn), a declaration by the chairman of the meeting that a resolution has been carried, or has been carried by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the books of proceedings of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

71. How poll to be taken

- (1) If a poll be demanded in manner aforesaid (and the demand is not withdrawn), it shall be taken at such time (either at the meeting at which the poll is demanded or within fourteen days after the said meeting) and place and in such manner as the chairman of the meeting shall direct and he may appoint scrutineers (who need not be members).
- (2) Notwithstanding paragraph (1) above, a poll demanded on the appointment of a chairman of the meeting and a poll demanded on a question of adjournment shall both be taken at the meeting immediately and without adjournment.
- (3) It shall not be necessary (unless the chairman of the meeting otherwise directs) for notice to be given of a poll whether taken at or after the meeting at which it was demanded.
- (4) On a poll, votes may be given either personally or by proxy and 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.
- (5) The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

72. Continuance of business after demand for poll

The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

73. Casting vote

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.

VOTES OF MEMBERS

74. Voting rights

Subject to any special rights or restrictions as to voting for the time being attached to any shares and to the provisions of these Articles, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote and, on a poll, every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or proxy, shall have one vote for every share of which he is the holder.

75. How votes may be given and who can act as proxy

On a poll votes may be given either personally or by proxy and 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. A proxy need not be a member of the Company and a member may appoint more than one proxy to attend on the same occasion.

76. Representation of corporations which are members of the Company at meetings

Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise any person to act as its representative at any meeting of the Company or of any class of members of the Company; and such representative 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 present at the meeting in person, including (without limitation) power to vote on a show of hands or on a poll and to demand or concur in demanding a poll.

77. Representation of a clearing house which is member of the Company at meetings

Where a member is a clearing house or its nominee, it may authorise such person or persons as it thinks fit to act as its representative (or representatives) at any general meeting or any separate meeting of any class of members provided that, if more than one person is so authorised, the authorisation must specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be entitled to exercise the same power on behalf of the clearing house (or its nominee) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee), including the right to vote individually on a show of hands.

78. Voting rights of joint holders

Where there are joint registered holders of any share, any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto, but so that, if more than one of such joint holders shall tender a vote on the same resolution, whether personally or by proxy, the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of such share.

79. Voting rights of members incapable of managing their affairs

A member in respect of whom an order has been made by any Court having jurisdiction (whether in Hong Kong or elsewhere) in matters concerning mental disorder, may vote, whether on a show of hands or on a poll, by his receiver, curator bonis, or other person in the nature of a receiver or curator bonis appointed by such Court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote as aforesaid shall have been produced at the Office or at such other place as the Directors may determine at least 48 hours before the time fixed for holding the meeting or adjourned meeting (as the case may be) at which such person proposes to vote as aforesaid and in default the right to vote shall not be exercisable.

79A. Voting restrictions under Listing Rules

Where any member is, under the Rules Governing the Listing of Securities on the Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

80. Objections to admissibility of votes

No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting or poll at which the vote objected to is or may be given or tendered, and every vote not disallowed at such meeting or poll shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

81. Execution of proxies

The instrument appointing a proxy shall be in writing signed by the appointor, or his agent duly authorised in writing, or, if such appointor be a corporation, shall either be executed under its common seal or be signed by some agent or officer duly authorised in that behalf.

The Directors may, but shall not be bound to, require evidence of the authority of any such agent or officer. The signature on such instrument need not be witnessed.

82. Proxy may demand a poll

The instrument appointing a proxy shall be deemed also to confer authority to demand or concur in demanding a poll.

83. Form of proxy

An instrument appointing a proxy shall be in any usual or common form or any other form which the Directors shall from time to time approve or accept.

84. Deposit of proxies

- (1) The instrument appointing a proxy shall be deposited at the Office (or at such other place in Hong Kong as may be specified in the notice convening the meeting or in any notice of adjournment or, in either case, any accompanying document) at least 48 hours before the time fixed for holding the meeting or, as the case may be, adjourned meeting (or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, at least 24 hours before the time appointed for the taking of the poll) at which the person named in such instrument proposes to vote and an instrument of proxy which is not so delivered shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution. When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which is last delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share. If the Company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.

- (2) In the case of an instrument signed by an attorney of a member who is not a corporation, there shall also be deposited, in manner set out in paragraph (1) above, the authority under which such instrument is signed or a notarially certified copy thereof (or if approved by the Directors, a copy certified in some other manner).
- (3) In the case of an instrument signed by an officer or agent of a corporation, the Directors may also require there to be deposited, in manner set out in paragraph (1) above, the authority under which such instrument is signed, or a notarially certified copy thereof, or such other authorities or documents as shall be specified in the notice of the relevant meeting or in the notes to any instruments of proxy issued by the Company in connection with the relevant meeting.
- (4) In the event of the documents required by the foregoing paragraphs not being so deposited, the person named in the instrument of proxy shall not be entitled to vote in respect thereof.
- (5) No instrument of proxy shall be valid except for the meeting or meetings mentioned therein and any adjournment thereof.

85. Intervening death of principal etc. not to revoke proxy

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 the authority under which the same was executed or (until entered in the Register) the transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer shall have been received at the Office (or at such other place at which the instrument of proxy was duly deposited) six hours at least before the time fixed for holding the meeting or adjourned meeting (or, in the case of a poll, before the time appointed for the taking of the poll) at which the vote is given or shall have been received by the Secretary or the chairman of the meeting on the day and at the place, but before the start, of the meeting or adjourned meeting or poll.

DIRECTORS

86. Number of Directors

Unless otherwise determined by an ordinary resolution of the members of the Company and approved by the Commission, the number of Directors shall be not less than two and not more than thirteen.

87. Directors need not be members

A Director need not be a member of the Company but shall be entitled to receive notice of and to attend and speak at all general meetings of the Company and at all separate meetings of the holders of any class of shares of the Company.

88. Remuneration of Directors and expenses

- (1) The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting and such remuneration shall be divided among them in such proportion and manner as they may agree or, failing agreement, equally.

- (2) The Directors shall also be paid out of the funds of the Company all their travelling, hotel and other expenses properly incurred by them in and about the discharge of their duties, including their expenses of travelling to and from meetings of the Directors, or committee meetings, or general meetings (subject always to the provisions of any agreement between the Company and any Director).

89. Special remuneration

The Directors may grant special remuneration to any Director 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 (if any) as a Director, and may, without prejudice to the provisions of Article 99, be made payable by a lump sum or by way of salary, commission, participation in profits or otherwise as the Directors may decide.

APPOINTMENT AND REMOVAL OF DIRECTORS

90. Appointment of Directors and Government Appointed Directors

- (1) The Company may by ordinary resolution elect any person to be a Director, but the total number of Directors so elected shall not at any time exceed six.
- (1A) Subject to any express terms to the contrary in the relevant resolution for appointing any Director under paragraph (1) above, any Director so elected by the Company shall be elected for a term of not more than approximately three years expiring at the conclusion of the annual general meeting of the Company held in the third year following the year of his appointment and for the avoidance of doubt, on expiration of his term he shall be deemed a retiring Director and eligible for re-appointment pursuant to Article 93.
- (2) No person (other than a Director retiring in accordance with these Articles) shall be appointed or re-appointed a Director at any general meeting under paragraph (1) above unless:
- (a) he is recommended by the Directors; or
 - (b) he is nominated by notice in writing by a member (other than the person to be proposed) entitled to attend and vote at the meeting, and such notice of nomination shall be given to the Secretary within the seven-day period commencing the day after the despatch of the notice of the meeting (or such other period, being a period of not less than seven days, commencing no earlier than the day after the despatch of the notice of such meeting and ending no later than seven days prior to the date appointed for such meeting, as may be determined by the Directors from time to time). The notice of nomination shall be accompanied by a notice signed by the proposed candidate indicating his willingness to be appointed or re-appointed.
- (3) Subject to the provisions of section 77 of the SFO, the Financial Secretary may at any time:
- (a) appoint any person as a Director representing the public interest; and
 - (b) remove from office any person so appointed (whether or not his term has been completed);

provided that the number of Directors from time to time appointed by the Financial Secretary shall not exceed six, and any Director so appointed shall be appointed for a term of not more than approximately three years expiring at the conclusion of the annual general meeting of the Company held in the third year following the year of his appointment and for the avoidance of doubt, on expiration of his term he shall retire but be eligible for re-appointment pursuant to paragraph (5) below.

- (4) The person appointed pursuant to Article 111 as Chief Executive shall, ex-officio, be a Director and for the avoidance of doubt, such Director's term will be deemed to be the term of his employment as Chief Executive as established in his employment contract and on expiry of his term upon termination or expiry of his employment as the Chief Executive, he shall retire and be eligible for re-appointment.
- (5)
 - (a) Any appointment of a Government Appointed Director under paragraph (3) shall be in writing and shall be accompanied, if the appointee is not already a Director, by the appointee's signed consent to such appointment and such appointment may be specified to be for a particular period;
 - (b) Any removal of a Government Appointed Director under paragraph (3) shall be in writing;
 - (c) The appointment or removal of a Government Appointed Director shall become effective when the documentation referred to in subparagraphs 5(a) and 5(b) above is received by the Company at its registered office or, if later, on the effective date of appointment or removal as specified in the documentation, at which time such person shall be a Director or cease to be a Director, as the case may be, without further formality;
 - (d) Subject to subparagraph (e) below, a Government Appointed Director shall retire from office upon the expiration of any particular period specified in his most recent appointment or reappointment pursuant to paragraph (3); and
 - (e) A person may at any time be re-appointed as a Government Appointed Director in the same manner as applies to an appointment under paragraph (3).

91. Separate resolutions for appointment of each Director

Every resolution of a general meeting for the appointment of a Director shall relate to one named person and a single resolution for the appointment of two or more persons shall be void, unless a resolution that it shall be so proposed has been first agreed to by the meeting without any vote being cast against it.

92. The Directors' power to appoint additional Directors

Without prejudice to the power of the Company in general meeting in accordance with any of the provisions of these Articles to appoint any person to be a Director, the Directors may, at any time, and from time to time, appoint any person to be a Director (other than a Government Appointed Director), either to fill a casual vacancy or by way of addition to their number, but so that the total number of Directors (other than Government Appointed Directors) shall not exceed the maximum number fixed by Article 90(1). Any Director so appointed by the Directors 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 their number), and shall then be eligible for reappointment.

93. Retirement of Directors

- (1) (repealed).
- (2) (repealed).
- (3) (repealed).
- (4) A retiring Director shall (unless he is removed from office or his office is vacated in accordance with these Articles) retain office until the close of the meeting at which he retires or (if earlier) when a resolution is passed at that meeting not to fill the vacancy or to appoint another person in his place or the resolution to re-appoint him is put to the meeting and lost.
- (5) A retiring Director shall be eligible for reappointment.
- (6) Subject to the provisions of these Articles, if the Company, at any meeting at which a Director retires in accordance with these Articles upon expiration of his term or otherwise, does not fill the office vacated by such Director, the retiring Director, if willing to act, shall be deemed to be re-appointed, unless at the meeting a resolution is passed not to fill the vacancy or to appoint another person in his place or unless the resolution to re-appoint him is put to the meeting and lost.

94. Removal of Directors

- (1) The Company may by ordinary resolution remove any Director (other than a Government Appointed Director or the Chief Executive) before his period of office has expired notwithstanding anything in these Articles or in any agreement between him and the Company.
- (2) A Director (other than a Government Appointed Director or the Chief Executive) may also be removed from office by giving him notice to that effect signed by all the other Directors.
- (3) Any removal of a Director under this Article shall be without prejudice to any claim which such director may have for damages for breach of any agreement between him and the Company.

DISQUALIFICATION OF DIRECTORS

95. Vacation of office of Director

The office of a Director shall ipso facto be vacated:

- (a) if he ceases to be a Director by virtue of any provision of the Statutes or he becomes prohibited by law from being a Director; or
- (b) if he becomes bankrupt or a receiving order is made against him or he makes any arrangement or composition with his creditors generally; or

- (c) if he is, or may be, suffering from mental disorder and an order is made by a court claiming jurisdiction in that behalf (whether in Hong Kong or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person by whatever name called to exercise powers with respect to his property or affairs; or
- (d) if he shall for more than six months have been absent without special leave of absence from the Directors from meetings of the Directors held during that period, and they pass a resolution that he has by reason of such absence vacated office; or
- (e) if he serves on the Company (and in the case of a Government Appointed Director, on the Financial Secretary as well) notice of his wish to resign, in which event he shall ipso facto vacate office on the service of such notice on the Company (and in the case of a Government Appointed Director, on the Financial Secretary as well) or such later time as is specified in such notice; or
- (f) if he is removed in the manner provided in Article 90 (in the case of a Government Appointed Director) or Article 94 (in the case of other Directors); or
- (g) in the case of the Chief Executive, he ceases to hold such office; or
- (h) in the case of a Director other than a Government Appointed Director, if he is removed by ordinary resolution of the Company in accordance with the Statutes.

POWERS OF DIRECTORS

96. General powers of Directors to manage Company's business

- (1) The business of the Company shall be managed by the Directors who may exercise all the powers of the Company to the extent that the same are not required by the Statutes or these Articles to be exercised by the Company in general meeting. Any exercise of such powers by the Directors shall be in accordance with the provisions of the Statutes and these Articles. No alteration of these Articles shall invalidate any prior act of the Directors which would have been valid if the same had not been passed or made.
- (2) 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 or by any resolution of the Company in general meeting.

97. Specific powers of Directors to make rules

Without limiting the generality of Article 96, the Directors shall have specific power to make, vary and to enforce such rules in connection with the management, operation and conduct of business of the Company and its subsidiaries as they deem desirable, provided that no such rule shall be inconsistent with or shall affect or repeal anything contained in the memorandum of association of the Company or these Articles and that any such rule shall comply with all legal and regulatory requirements imposed on or applicable to the Company.

98. **Power to act notwithstanding vacancy**

The continuing Directors or the sole continuing Director at any time may act notwithstanding any vacancy in their body; provided always that if the Directors shall at any time be reduced in number to less than the minimum number fixed by or in accordance with these Articles, it shall be lawful for him or them to act as Director(s) for the purpose of filling up vacancies in their body or convening general meetings of the Company or of the holders of any class of shares in the Company, but not for any other purpose. If there shall be no Director able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors.

99. **Pensions, etc.**

- (1) The Directors may procure the establishment and maintenance of or participate in, or contribute to any non-contributory or contributory pension or superannuating fund, scheme or arrangement or life assurance scheme or arrangement for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to, any persons who are or shall have been at any time Directors of the Company or in the employment or service of the Company or of any company which is or was a subsidiary of or associated with the Company or of the predecessors in business of the Company or any such subsidiary or associated company or the spouses, widows, widowers, families, relatives or dependants of any such persons.
- (2) The Directors may also procure the establishment and subsidy of or subscription to and support of any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid, or its members, and may make or procure payments for or towards the insurance of any such persons as aforesaid and subscriptions or guarantees for charitable or benevolent objects or for any exhibition or for any public, general or useful object.
- (3) Without prejudice to the generality of the foregoing paragraphs of this Article, the Directors may exercise any of the powers conferred by the Statutes to make provision for the benefit of any such persons as aforesaid in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any of its subsidiaries.
- (4) The Directors may procure any of the matters aforesaid to be done by the Company either alone or in conjunction with any other company.

BORROWING POWERS

100. **Power to borrow money**

Subject as hereinafter provided, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge the whole or any part of its undertaking, property and assets (both present and future) and uncalled capital and (subject, to the extent applicable, to the provisions of the Statutes) to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

DIRECTORS INTERESTS, ETC.

101. Power of Directors to hold offices of profit and to contract with Company

- (1) Subject to the Statutes, no Director or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or position in the management, administration or conduct of the business of the Company or as vendor, purchaser or otherwise, nor (subject to the interest of the Director being duly declared) shall any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- (2) A Director may hold any other office or place of profit with the Company (except that of the Auditor) in conjunction with his office of Director for such period (subject to the Statutes) and upon such terms as the Directors may decide and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the Directors may decide, either in addition to or in lieu of any remuneration under any other provision of these Articles.
- (3) Any Director may act by himself or 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 Auditors of the Company.
- (4) Any Director may continue to be or become a member or director of, or hold any other office or place of profit under, any other company in which the Company may be interested, and no such Director shall be accountable for any dividend, remuneration, superannuating payment or other benefits received by him as a member or director of, or holder of any other office or place of profit under, any such other company. The Directors may also cause any voting power conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as they think fit, including the exercise of the voting power or power of appointment in favour of the appointment of the directors or any of them as directors or officers of the other company or in favour of the payment of remuneration to the directors or officers of the other company.
- (5) A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall, if his interest in such contract or proposed contract is material, declare the nature of his interest at a meeting of the Directors at which the question of entering into the contract is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Directors after he knows that he is or has become so interested. For the purposes of this Article, a general notice given to the Directors by a Director to the effect that:
 - (a) he is a member of a specified company or firm and is to be regarded as interested in any other contract which may after the date of the notice be made with that company or firm; or
 - (b) he is to be regarded as interested in any contract which may after the date of the notice be made with a specified person who is connected with him,

shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract but no such notice shall be effective unless either it is given at a Directors' meeting or the Director takes reasonable steps to secure that it is brought up and read at the next Directors' meeting after it is given.

- (6) A Director shall not vote (or be counted in the quorum at a meeting) in respect of any resolution concerning his own appointment (including fixing or varying its terms), or the termination of 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 but, where proposals are under consideration concerning the appointment (including fixing or varying its terms), or the termination of the appointment, of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, those proposals may be divided and a separate resolution may be put in relation to each Director and in that case each of the Directors concerned (if not otherwise debarred from voting under this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution unless it concerns his own appointment or the termination of his own appointment.
- (7) A Director shall also not vote (or be counted in the quorum at a meeting) in relation to any resolution relating to any contract or arrangement or other proposal in which he has an interest which (taken together with any interest of any of his associates) is to his knowledge a material interest and, if he purports to do so, his vote shall not be counted, but this prohibition shall not apply and a Director may vote (and be counted in the quorum) in respect of any resolution concerning any one or more of the following matters:
- (a) the giving to him or any of his associates of any guarantee, indemnity or security in respect of money lent or obligations undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
 - (b) the giving to a third party of any guarantee, indemnity or security in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself or any of his associates has assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
 - (c) where the Company or any of its subsidiaries is offering securities in which offer the Director or any of his associates is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which any of them is to participate;
 - (d) any contract in which he 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 or their interest in shares or debentures or other securities of the Company;
 - (e) any contract concerning any other company (not being a company in which the Director and any of his associates in aggregate own 5 per cent. or more) in which he or any of his associates is interested directly or indirectly as an officer or shareholder;
 - (f) any contract concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, their 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 the fund or scheme relates;

- (g) any contract for the benefit of employees of the Company or of any of its subsidiaries under which the Director or any of his associates benefits in a similar manner to the employees and which does not accord to any Director or any of his associates as such any privilege or advantage not accorded to the employees to whom the contract relates; and
 - (h) any contract for the purchase or maintenance for any Director or Directors of insurance against any liability.
- (8) A company shall be deemed to be one in which a Director and any of his associates in aggregate own 5 per cent. or more if and so long as (but only if and so long as) they are (either directly or indirectly) the holder of or beneficially interested in 5 per cent. or more of any class of the equity share capital of that company (or of any third company through which the interest of the Director or that of his associate is derived) or of the voting rights available to members of that company. For the purpose of this paragraph of this Article there shall be disregarded any shares held by the Director or any of his associates as bare or custodian trustee and in which he and his associates have no beneficial interest, any shares comprised in a trust in which the interest of him and his associates is in reversion or remainder if and so long as some other person is entitled to receive the income of the trust and any shares comprised in an authorised unit trust scheme in which he or any of his associates is interested only as a unit holder.
- (9) Where a company in which a Director and any of his associates in aggregate own 5 per cent. or more is materially interested in a contract, he also shall be deemed materially interested in that contract.
- (10) If any question arises at any meeting as to the materiality of an interest of a Director (other than the chairman of the meeting) and any of his associates or as to the entitlement of any Director (other than the chairman of the meeting) to vote and the question is not resolved by his voluntarily agreeing to abstain from voting, the question shall be referred to the chairman of the meeting and his ruling in relation to the Director concerned shall be final and conclusive except in a case where the nature or extent of the interest of the Director or any of his associates concerned, so far as known to him, has not been fairly disclosed. If any question shall arise in respect of the chairman of the meeting or any of his associates and is not resolved by his voluntarily agreeing to abstain from voting, the question shall be decided by a resolution of the Directors (for which purpose the chairman shall be counted in the quorum but shall not vote on the matter) and the resolution shall be final and conclusive except in a case where the nature or extent of the interest of the chairman or any of his associates, so far as known to him, has not been fairly disclosed.
- (11) References in this Article to a contract include references to any proposed contract and to any transaction or arrangement whether or not constituting a contract.
- (12) Subject to the Statutes, the Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.

PROCEEDINGS OF DIRECTORS

102. **Board meetings, quorum and voting**

The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit and may determine the quorum necessary for the transaction of business. Unless and until otherwise determined by the Directors, four Directors shall be a quorum provided always that not less than half of such number of Directors as shall constitute a quorum from time to time shall be Government Appointed Directors. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote.

103. **Notice of meetings**

A Director may at any time, and, on the request of any Director, the Secretary shall, call a meeting of the Directors. Notice of meetings of the Directors shall be given to all Directors. Notice of a meeting of the Directors shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from Hong Kong may request the Directors that notices of meetings of the Directors shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose, but such notices need not be given any earlier than notices given to Directors not so absent and in the absence of any such request it shall not be necessary to give notice of a meeting of the Directors to any Director who is for the time being absent from Hong Kong. A Director may waive notice of any meeting either prospectively or retrospectively.

104. **Chairman or other Director to preside**

The Chairman shall, if present and willing, preside at all meetings of the Directors, but if no such Chairman be appointed, or if he be not present within five minutes after the time fixed for holding the meeting or is unwilling to act as chairman of such meeting, the Directors present shall choose one of their number to act as chairman of such meeting and the Director so chosen shall preside at such meeting accordingly.

105. **Competence of board meetings and continuing Directors to act**

- (1) A meeting of the Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions for the time being vested in or exercisable by the Directors generally.
- (2) The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in their number but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles or is below the number fixed by or in accordance with these Articles as the quorum or there is only one continuing Director, the continuing Directors or Director may act for the purpose of filling vacancies or of summoning general meetings of the Company but not for any other purpose.

106. **Power to appoint Committees**

The Directors may from time to time appoint committees (including, but without limitation, a Risk Management Committee in compliance with section 65 of the SFO) consisting of such member or members of their body and/or such other person(s) as they think fit, and may delegate any of their powers to any such committee, and from time to time revoke any such

delegation and discharge any such committee wholly or in part. Any 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 Directors. Without limiting the generality of this Article 106, any committee so formed may be authorised by the Directors to sub-delegate all or any of the powers, authorities or discretions for the time being vested in it.

107. Procedure at Committee meetings

Subject to Article 106, committees may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present and, in the case of an equality of votes, the chairman of a meeting shall have a second or casting vote.

108. Resolutions in writing and conference meetings

(1) A resolution in writing signed or approved in writing by all the Directors entitled to notice of a meeting of the Directors or by all the members of a committee for the time being shall be as valid and effectual as if it had been passed at a meeting of the Directors or, as the case may be, such committee duly called and constituted. Such resolution may be contained in one document or in several documents in like form, each signed or approved by one or more of the said Directors or the said members of the committee concerned.

(2) (a) A meeting of the Directors or of a committee may consist of a conference between Directors or members of the committee some or all of whom are in different places provided that each Director, or as the case may be, member of the committee who participates is able:

(i) to hear each of the other participating Directors or members of the committee addressing the meeting; and

(ii) if he so wishes, to address all of the other participating Directors or members of the committee simultaneously,

whether directly, by conference telephone or by any other form of communications equipment (whether or not such equipment is available when this Article is adopted) or by a combination of those methods;

(b) a quorum is deemed to be present if those conditions are satisfied in respect of at least the number of Directors or members of the committee required to form a quorum; and

(c) a meeting held in this way is deemed to take place at the place where the largest group of participating Directors or, as the case may be, members of the committee is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.

109. Validity of acts of Directors and Committee members

All acts bona fide done by any meeting of the Directors, or of a committee, or by any person acting as a Director or committee member, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and

qualified to be a Director or committee member and had continued to be a Director or committee member and had been entitled to vote.

110. **Minutes**

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 all the Directors present at each meeting of the Directors and of the names of all the members present at each meeting of any committee; and
- (c) of all resolutions and proceedings of all meetings of the Company and of any class of members, and of the Directors and of any committee

and any such minutes as aforesaid, if purporting to be signed by the chairman of the meeting at which such appointments were made or such Directors or members were present or such resolutions were passed or proceedings held (as the case may be), or by the chairman of the next succeeding meeting of the Company or Directors or committee (as the case may be), shall be sufficient evidence without any further proof of the facts therein stated.

**CHAIRMAN, CHIEF EXECUTIVE,
CHIEF OPERATING OFFICER ETC.**

111. **Appointment**

- (1) Subject to paragraphs (2) and (3) below, the Directors may from time to time appoint one or more of their number or any other person to any office or employment under the Company (including, but without limitation, that of Chairman, Chief Executive or Chief Operating Officer) for such period and on such terms as they think fit, and may also permit any person appointed to be a Director to continue in any office or employment held by him before he was so appointed. Subject to paragraphs (2) and (3) below, the Directors may also from time to time (without prejudice to any claim for damages for breach of any agreement between him or them and the Company) remove him or them from office and appoint another or others in his place or their places.
- (2) Any appointment of a person to the office of Chairman by the Directors shall be subject to (and effective only upon) the written approval of such appointment by the Chief Executive of Hong Kong. The Chairman shall be a non-executive Director and shall be appointed for an initial term coinciding with his term as a non-executive Director and may be re-appointed in accordance with the provisions of this Article for a further period or periods up to a maximum of the longer of six consecutive years or six consecutive annual general meetings (including the initial term as aforesaid but disregarding any annual general meeting held in the year 2000). For greater certainty, a person who has served as Chairman for the maximum consecutive period as aforesaid shall not be eligible for reappointment until the later of one year after he ceases to be Chairman or the next annual general meeting after he ceases to hold such office. A person may only be removed from his office as Chairman by:
 - (a) a resolution of the Directors passed by two-thirds in number of the Directors from time to time; or
 - (b) written notice from the Chief Executive of Hong Kong removing him from his office in accordance with section 69 of the SFO.

- (3) Any appointment of a person to the office of Chief Executive or Chief Operating Officer by the Directors shall be subject to (and effective only upon):
- (a) the Chairman providing his prior written recommendation to the appointment of the relevant person to the relevant office; and
 - (b) the written approval of the Commission.

A person may only be removed from his office as Chief Executive or Chief Operating Officer by:

- (i) a resolution of the Directors passed by a simple majority in number of the Directors from time to time if such removal has been recommended by the Chairman; or
- (ii) written notice from the Commission removing him from his office in accordance with section 70 of the SFO.

A person removed from office by the Commission pursuant to subparagraph 3(ii) above shall be entitled to appeal his removal to the Chief Executive in Council (having the same meaning as used in section 73 of the SFO) in accordance with the provisions of section 73 of the SFO.

112. Remuneration of Officers

The remuneration and other terms and conditions of appointment of a person (including a Director) appointed to any office or employment under the Company pursuant to the last preceding Article shall from time to time (without prejudice to the provisions of any agreement between him and the Company) be fixed by the Directors, and may (without prejudice to the provisions of Article 99) be by way of fixed salary, commission, participation in profits or otherwise and either in addition to or inclusive of his remuneration as a Director.

113. Powers and duties of Directors and persons so appointed

The Directors may, from time to time, entrust to and confer upon a Director or other person appointed to any office or employment pursuant to Article 111 such of the powers exercisable under these Articles by the Directors as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions, as they may consider expedient, and may confer such powers collaterally with, or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers. Without limiting the generality of the foregoing, any such officer or employee as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities or discretions for the time being vested in him.

LOCAL MANAGEMENT

114. Power to appoint local managers

The Directors may, from time to time, provide for the management and transaction of the affairs of the Company in or from any specified locality, whether in Hong Kong or elsewhere, in such manner as they think fit, and the provisions contained in the two next following Articles shall be without prejudice to the general powers conferred by this Article.

115. Power to appoint attorney

The Directors may, at any time, and from time to time, by power of attorney under the Seal, appoint any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as the Directors may from time to time think fit, and such appointment may (if the Directors think fit) be made in favour of any body corporate, or of the members, directors, nominees or managers of any body corporate or unincorporate, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors, and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorney as the Directors may think fit.

116. Power to sub-delegate

Any such delegate or attorney as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities or discretions for the time being vested in him.

SECRETARY

117. Appointment of Secretary

The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may (without prejudice to any claim for damages for breach of any contract between him and the Company) be removed by them.

118. Dual capacity

A provision of the Statutes or 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.

119. Assistant Secretary

The Directors may, at any time and from time to time, appoint any person to be Assistant Secretary and anything required or authorised to be done by or to the Secretary may be done by or to any Assistant Secretary so appointed; and any Assistant Secretary may (without prejudice to any claim for damages for breach of any contract between him and the Company) be removed by the Directors.

SEAL

120. Seal

- (1) The Directors shall provide for the safe custody of every seal of the Company and the Company may exercise the powers conferred by the Statutes with regard to having official seals for use in any territory outside Hong Kong, and such powers shall be vested in the Directors. Whenever in these Articles reference is made to a seal the reference shall, when and so far as may be applicable, be deemed to include any such official seals as aforesaid.

- (2) A seal shall not be affixed to any instrument, except by the general or special authority of a resolution of the Directors, or of a committee of the Directors authorised in that behalf. The Directors may from time to time make such regulations as they think fit (subject to the provisions of these Articles) determining the persons and the number of such persons who shall sign every instrument to which a seal is affixed. Until otherwise so determined, every such instrument shall be signed by any one Director and the Secretary or any two Directors or any one or more persons authorised for the purpose by the Directors, and, in favour of any purchaser or person bona fide dealing with the Company, the signatures of such persons shall be conclusive evidence of the fact that seal has been properly affixed.
- (3) Every certificate of shares, debentures, debenture stock or representing any other form of security of the Company (other than letters of allotment, receipts for securities or certificates of deposit) shall be issued under a seal or under any official seal kept by the Company pursuant to section 73A of the Ordinance.
- (4) Each certificate to which a seal shall be affixed shall bear the autographic signature of at least one Director and the Secretary or at least two Directors or any one or more other persons authorised for the purpose by the Directors, provided that the Directors may by resolution determine (either generally or in any particular case or cases) that such signatures shall be dispensed with, or shall be affixed by means of some method or system of mechanical signature.
- (5) Each certificate to which such official seal as is referred to in paragraph (3) of this Article shall be affixed need not bear any signatures.

AUTHENTICATION OF DOCUMENTS

121. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting 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 or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors 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 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.

DIVIDENDS

122. **Application of profits in payment of dividends**

Subject to the provisions of the Statutes and of these Articles and to any rights, privileges or restrictions for the time being attached to any shares in the capital of the Company having preferential or special rights in regard to dividend, the profits of the Company which it shall from time to time be determined to distribute by way of dividend shall be applied in payment of dividends upon the shares of the Company in proportion to the amounts paid up thereon

respectively otherwise than in advance of calls, provided that if any share be issued upon terms providing that it shall rank for dividend as from or after a particular date, or be entitled to dividends declared or paid after a particular date, such share shall rank for or be entitled to dividend accordingly.

123. Declaration of dividends

Subject to the provisions of the Statutes, the Company may, from time to time, by ordinary resolution, declare a dividend to be paid to the members, according to their rights and interests in the profits, and may fix the time for payment of such dividend.

124. No larger dividend than recommended by Directors

No larger dividend shall be declared than is recommended by the Directors, but the Company may by ordinary resolution declare a smaller dividend.

125. Fixed and interim dividends

- (1) Subject to the provisions of the Statutes, if and to the extent that the Directors think fit and the position of the Company in their opinion justifies such payment, the Directors may declare and pay dividends on shares carrying an entitlement to fixed dividends in accordance with the rights attached thereto and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.
- (2) Provided that the Directors act bona fide, they shall not incur any responsibility to the holders of shares conferring a preference for any damage that they may suffer by reason of the payment of a dividend on any shares not ranking *pari passu* or in priority thereto in respect of dividends.

126. Scrip dividends

- (1) In respect of any dividend proposed to be paid or declared by the Directors or by the Company in general meeting, the Directors may offer, prior to or contemporaneously with the payment or declaration of such dividend, members the right to elect to receive shares, credited as fully paid, instead of cash in respect of all (or some part) of such dividend (“scrip dividend”).
- (2) The basis of allotment shall be determined by the Directors and the Directors shall give notice to the members of their rights of election in respect of the scrip dividend and shall specify the procedure to be followed in order to make an election.
- (3) The dividend or that part of it in respect of which an election for the scrip dividend is made shall not be paid and instead shares shall be allotted in accordance with elections duly made and the Directors shall capitalise a sum equal to the aggregate nominal amount of the shares to be allotted out of such sums available for the purpose as the Directors may consider appropriate.
- (4) The shares so allotted pursuant shall rank *pari passu* in all respects with the shares then in issue save only as regards participation in the relevant dividend.

- (5) The Directors may decide that the right to elect for any scrip dividend shall not be made available to members resident in any territory where, in the opinion of the Directors, compliance with local laws or regulations would be unduly onerous.
- (6) The Directors may do all acts and things as it considers necessary or expedient to give effect to the provisions of a scrip dividend election and the issue of any shares in accordance with the provisions of this Article, and may make such provisions as it thinks fit for the case of shares becoming distributable in fractions (including provisions under which, in whole or in part, the benefit of fractional entitlements accrues to the Company rather than to the members concerned).
- (7) The Directors shall not make a scrip dividend available unless the Company has sufficient unissued shares and undistributed profits or reserves to give effect to elections which could be made to receive that scrip dividend.

127. Unclaimed dividends

All unclaimed dividends may be invested or otherwise made use of by the Directors as they shall think fit, until the same be claimed and so that the Company shall not thereby be constituted as a trustee in respect thereof and any dividend unclaimed after a period of six years from the date for payment of such dividend shall be forfeited and shall revert to the Company.

128. No interest payable on dividends etc.

No dividend or other moneys payable on or in respect of a share in the capital of the Company shall bear interest against the Company.

129. Power to satisfy dividend in specie, fractional certificates and cash adjustments

With the sanction of an ordinary resolution of the Company and upon the recommendation of the Directors any dividend may be paid and satisfied, either wholly or in part, by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, or partly in one way and partly in another or others, and where any difficulty arises in regard to the distribution, the Directors may settle the same as they think expedient, and in particular they may issue fractional certificates, 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 upon such trusts for the persons entitled to the dividend as may seem expedient to the Directors.

130. Deduction of debts due to Company

The Directors may deduct from any dividend or other moneys payable in respect of any shares held by a member, either alone or jointly with any other member, all such sums of money (if any) as may be presently due and payable by him, either alone or jointly with any other person, to the Company in relation to shares of the Company.

131. Moneys payable by cheque

Any moneys payable in respect of any share (whether by way of return of capital, dividend, interest or otherwise) may (unless otherwise directed by the member or other person entitled thereto) be paid by cheque or warrant sent through the post to the registered address of such

member or person entitled thereto, or, in the case of joint holders, to the registered address of that one whose name stands first in the Register in respect of the joint holding, and (unless otherwise directed as aforesaid) every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent, and the Company shall not be responsible for any loss in transmission, and payment of the cheque or warrant shall be a good discharge to the Company.

RESERVES

132. Power to provide for depreciation and carry profits to reserve

The Directors may, before recommending any dividend, write off such sums as they think proper for depreciation, and carry forward in the revenue accounts any profits as they think should not be divided, and may also set aside out of profits of the Company such sum or sums as they think proper as a reserve or reserves, which shall at the discretion of the Directors be applicable for meeting contingencies, for the gradual liquidation of any debt or liability of the Company, or for repairing, maintaining or adding to the property of the Company, or for such other purposes as the Directors shall, in their absolute discretion, think fit, and pending any such application may, at the discretion of the Directors, either be employed in the business of the Company, or be invested in such investments (other than shares in the Company) as the Directors may from time to time think fit.

133. Reserves

The Directors may establish such reserve accounts and may divide the Company's reserves into such special funds as they may think fit. The Directors may also carry forward any profits which they may think prudent not to divide without placing the same to reserves.

CAPITALISATION OF RESERVES, ETC.

134. Capitalisation of reserves

- (1) The Company may at any time and from time to time, upon the recommendation of the Directors, by ordinary resolution resolve that any sum not required for the payment or provision of any fixed preferential dividend and standing, at the time the ordinary resolution is passed or, if such resolution is conditional, at the time it becomes unconditional, to the credit of any reserve accounts of the Company (including Share Premium Account and Capital Redemption Reserve) or to the credit of profit and loss account (whether or not the same be available for distribution) be capitalised, and that such sum be appropriated as capital to and amongst the holders of ordinary shares in the capital of the Company in proportion to the nominal amount of the ordinary shares held by them respectively at the time the ordinary resolution is passed or, if such resolution is conditional, at the time it becomes unconditional or at such other time as may be stipulated in such resolution, and that the Directors shall in accordance with such resolution apply such sum in paying up in full or in part any unissued shares or debentures of the Company on behalf of such holders of ordinary shares in the capital of the Company, and appropriate such shares or debentures to and distribute the same credited as fully or partly paid up amongst such holders of ordinary shares in the capital of the Company in the proportions aforesaid in satisfaction of their shares and interests in the said capitalised sum, or shall apply such sum or any part thereof on behalf of such holders of ordinary shares in the capital of the Company in paying up the whole or part of any amounts which shall for the time being be unpaid in respect of any

issued shares in the Company held by them respectively, or otherwise deal with such sum as directed by such resolution; provided that:

- (a) any sum standing to the credit of any Share Premium Account or Capital Redemption Reserve may only be applied in paying up unissued shares to be allotted as fully paid up; and
 - (b) any sum not available for distribution in accordance with the Statutes may only be applied in paying up in full or in part unissued shares to be allotted as fully or partly paid up.
- (2) Where any difficulty arises in respect of any such distribution, the Directors may settle the same as they think expedient, and in particular they may make such provisions as they think proper for the case of shares or debentures becoming distributable in fractions (including, but without limitation, provisions for the issue of fractional certificates, for the sale and distribution of the proceeds of sale of shares or debentures representing such fractions, and provisions whereby the benefit of fractional entitlements accrue to the Company rather than the members concerned) and further the Directors may fix the value for distribution of any fully paid-up shares or debentures, make cash payment to any shareholders on the footing of the value so fixed in order to adjust rights, and vest any shares or debentures in trustees upon such trusts for the persons entitled to share in the distribution as may seem just and expedient to the Directors. When deemed requisite, a proper contract for the allotment and acceptance of any shares or debentures to be distributed as aforesaid shall be executed and (if necessary) filed in accordance with any applicable provisions of the Statutes, and the Directors may appoint any person to sign such contract on behalf of the persons entitled to share in the distribution, and such appointment shall be effective, and the contract may provide for the acceptance by such persons of the shares or debentures to be allotted to them respectively in satisfaction of their claims in respect of the sum so distributed, and any such contract shall be effective and binding on all such persons.

RECORD DATES

135. Fixing of record dates

- (1) Notwithstanding any other provisions of these Articles, but without prejudice to any rights attached to any shares, the Company or the Directors may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made.
- (2) In the absence of a record date being fixed, entitlement to any dividend, distribution, allotment or issue shall be determined by reference to the date on which the dividend is declared or the distribution, allotment or issue is made.

ACCOUNTS

136. Directors to keep proper accounting records

The Directors shall cause proper accounting records of the Company to be kept and the provisions of the Statutes in this regard shall be complied with.

137. Where accounting records to be kept

The accounting records shall be kept at the Office, or, subject to section 121(3) of the Ordinance, at such other place as the Directors shall think fit, and shall always be open to the inspection of the Directors.

138. Inspection of records

The Directors shall, from time to time, determine whether in any particular case, or class of cases, or generally, and at what times, and places, and under what conditions or regulations, the accounting records of the Company, or any of them, shall be open to the inspection of the members, and no member, not being a Director, shall have any right of inspecting any account, book or document of the Company, except as conferred by law or authorised by the Directors or by any ordinary resolution of the Company, nor shall any such member be entitled to require or receive any information concerning the business, trading or customers of the Company, or any trade secret of or secret process used by the Company.

139. Balance sheet, profit and loss accounts and summary financial reports

- (1) The Directors shall, from time to time, in accordance with the Statutes, cause to be prepared and to be laid before the annual general meeting of the Company such profit and loss accounts, balance sheets, group accounts (if any), reports of the Directors and of the Auditors and other documents (if any) as are required by the Statutes. Each balance sheet shall be signed on behalf of the Directors by two of their number. The Directors may also cause to be prepared any other financial documents (including without limitation any summary financial report) as they think fit.
- (2) Subject to paragraph (3) below, a copy of the relevant financial documents or the summary financial report shall, not less than 21 days before the meeting, be delivered or sent by post to the registered address of every member and debenture holder of the Company, or in the case of a joint holding to that member or debenture holder (as the case may be) whose name stands first in the appropriate Register in respect of the joint holding. No accidental non-compliance with the provisions of this Article shall invalidate the proceedings at the meeting.
- (3) Where a member or debenture holder of the Company has, in accordance with the Statutes and any rules prescribed by any Relevant Exchange from time to time, consented or is deemed to have so consented to treat the publication of the relevant financial documents and/or the summary financial report on the Company's website as discharging the Company's obligation under the Ordinance to send a copy of the relevant financial documents and/or the summary financial report, then subject to compliance with the publication and notification requirements of the Statutes and any rules prescribed by any Relevant Exchange from time to time, publication by the Company on the Company's website of the relevant financial documents and/or the summary financial report at least 21 days before the date of the meeting shall, in relation to each such member or debenture holder of the Company, be deemed to discharge the Company's obligations under paragraph (2) above.
- (4) For the purposes of this Article, "relevant financial documents" and "summary financial report" shall have the meaning ascribed to them in the Ordinance.

AUDIT

140. Provisions of Statutes regarding Auditors

- (1) The provisions of the Statutes as to the appointment, powers, rights, remuneration and duties of the Auditors shall be complied with and, subject to the provisions of the Statutes, all acts done by any person acting as an auditor of the Company shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment, or subsequently became, disqualified.
- (2) An auditor of the Company shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns him as Auditor.

NOTICES, DOCUMENTS AND OTHER INFORMATION

141. Form and manner of service and delivery

- (1) Subject to the Statutes and any rules prescribed by any Relevant Exchange from time to time and except where otherwise expressly stated, any notice, document or other information to be given to or by any person pursuant to these Articles shall be in writing. A notice calling a meeting of the Directors need not be in writing.
- (2) Any notice, document or other information in writing may, in accordance with these Articles and subject to the Statutes and any rules prescribed by any Relevant Exchange from time to time, be:
 - (a) given in hard copy form;
 - (b) given in an electronic format;
 - (c) given by electronic means; or
 - (d) made available on the Company's website.

142. Notices, documents and other information to members

- (1) Subject to the Statutes and any rules prescribed by any Relevant Exchange from time to time, a notice, document or any other information may be served on, delivered to or made available by the Company to any member:
 - (a) personally or by sending it by mail, postage prepaid (and, in any case where the registered address of a member is outside Hong Kong, by prepaid airmail), addressed to such member at his registered address or by leaving it at that address addressed to the member or by publishing it by way of advertisement in at least one English language newspaper and one Chinese language newspaper circulating in Hong Kong; or

- (b) in respect of notices, documents or other information that, under the Statutes and any rules prescribed by any Relevant Exchange from time to time, may be sent in an electronic format or by electronic means or by making it available on the Company's website, in the manner set out in paragraph (2) below.
- (2) For the purposes of paragraph (1)(b) above, the Company may deliver or make available a notice, document or any other information to any member:
- (a) in an electronic format personally or by mail in the manner set out in paragraph (1)(a) above or by electronic means to the address specified by such member to the Company for such purpose or by making it available on the Company's website provided that, in each case, such member has consented, in the manner permitted in the Statutes and any rules prescribed by any Relevant Exchange from time to time, to the Company communicating with such member in such form or manner; or
 - (b) by any other means authorised in writing by the member concerned.

For the purposes of making available notices, documents or any other information to a member on the Company's website, the Company shall notify that member that such notice, document or other information has been made available on the Company's website in the manner prescribed by the Statutes and any rules prescribed by any Relevant Exchange from time to time.

- (3) A member may revoke his agreement that notices, documents or other information may be sent or supplied to such member in an electronic format or by electronic means or made available to such member through the Company's website in accordance with paragraph (2)(a) above by sending a notice of revocation to the Company within such period and in such manner as may be specified under the Statutes and any rules prescribed by any Relevant Exchange from time to time.
- (4) Upon a member receiving from the Company a notice, document or other information in an electronic format or by electronic means or by the Company making such notice, document or information available on its website, such member may request that the Company send or supply to such member such notice, document or information in hard copy form. The Company shall, upon receiving such request from a member, in accordance with the Statutes and any rules prescribed by any Relevant Exchange from time to time, send or supply to such member such notice, document or information requested in hard copy form free of charge.
- (5) Any notice, document or other information may be served or delivered by the Company by reference to the Register as it stands at any time not more than fifteen days before the date of service or delivery. No change in the Register after that time shall invalidate that service or delivery. Where any notice, document or other information is served on or delivered to any person in respect of a share in accordance with these Articles, no person deriving any title or interest in that share shall be entitled to any further service or delivery of such notice, document or information.

143. Registered address of member

Each member shall, from time to time, notify in writing to the Company some place which shall be deemed his registered address for the purposes of the last preceding Article.

144. Notices, documents and other information to joint holders

Subject to the Statutes and any rules prescribed by any Relevant Exchange from time to time, all notices, documents or other information directed to be given to the members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register in respect of such share, and such notices, documents or information so given shall be deemed to have been given to all the holders of such share.

145. Service on Company

- (1) Any summons, notice, order or other document required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or sending it by mail, postage prepaid (and, if posted outside Hong Kong, by prepaid airmail), addressed to the Company or to such officer at the Office.
- (2) The Directors may from time to time specify the form and manner in which a notice may be given to the Company by electronic means, including one or more addresses for the receipt of communications by electronic means, and may prescribe such procedures as they think fit for verifying the authenticity or integrity of any such communication. A notice may be given to the Company by electronic means only if it is given in accordance with the requirements specified by the Directors.

146. Time of service and delivery

Subject to the Statutes and any rules prescribed by any Relevant Exchange from time to time, a notice, document or any other information served, delivered or issued by or on behalf of the Company:

- (a) if sent by mail, postage prepaid, shall be deemed to have been served or delivered on the day following that on which such notice, document or other information was put in the post. In proving such service it shall be sufficient to prove that the relevant notice, document or other information was properly addressed and put into the post as prepaid mail or prepaid airmail (as the case may be);
- (b) if left by the Company at a registered address of a member, shall be deemed to have been served or delivered on the day it was left;
- (c) if published by way of advertisement, shall be deemed to have been served or delivered on the day it was published;
- (d) if sent by electronic means, other than by making it available on the Company's website, shall be deemed to have been served or delivered 48 hours following the time that such communication was sent;
- (e) if made available by the Company on its website, shall be deemed to have been served or delivered 48 hours from the later of (i) the time that such notice, document or other information was first made available on the Company's website; and (ii) the time that a member was notified of the presence of such notice, document or other information on the Company's website; and
- (f) if sent by any other means authorised in writing by the member concerned, shall be deemed to have been served or delivered when the Company has carried out the action it has been authorised to take for that purpose.

147. **Members present at meeting deemed to have received due notice**

Any member present, either personally or by proxy, at any meeting of the Company or class of members of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

148. **Successors in title to be bound by notices, documents or other information served on or delivered to predecessors**

Every person who, by operation of law, transfer or any other means whatsoever, shall become entitled to any shares shall be bound by every notice, document or other information in respect of such shares which, prior to his name and address being entered in the Register, was duly served on or delivered to the person from whom he derives his title to such shares.

149. **Service and delivery of notice, document or other information to be sufficient notwithstanding death of member served and delivered**

Any notice, document or other information served upon or delivered to or left at the registered address of any member in pursuance of these Articles, shall, notwithstanding that such member be then deceased or bankrupt and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served or delivered in respect of any share held by such member, whether held solely or jointly with other persons, until some other person be registered instead of him as the holder or joint holder of such share, and such service or delivery shall, for all purposes of these Articles, be deemed a sufficient service or delivery of such notice, document or other information on his executors, administrators or assigns, and all persons (if any) jointly interested with him in such share.

150. **Signature on notices**

The signature on any notice, document or other information to be given by the Company may be written or printed.

WINDING UP

151. **Directors' power to present winding-up petition**

The Directors shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up.

152. **Rule for division of assets in liquidation**

If the Company shall be wound up, the surplus assets remaining after payment of all creditors shall be divided among the members in proportion to the capital which at the commencement of the winding up is paid up, or ought to have been paid up, on the shares held by them respectively and, if such surplus assets shall be insufficient to repay the whole of the paid-up capital, they shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. But this Article is to be subject to the rights attached to any shares which may be issued on special terms or conditions.

153. **Powers to distribute in specie**

If the Company shall be wound up the liquidator (whether voluntary or official) may, with the sanction of a special resolution of the Company, divide among the members in specie any part of the assets of the Company, or vest any part of the assets of the Company in trustees upon such trusts for the benefit of the members or any of them as the resolution shall provide. Any such resolution may provide for and sanction a distribution of any specific assets amongst different classes of members otherwise than in accordance with their existing rights.

154. **Members abroad to give address for service**

In the event of a winding up of the Company every member of the Company who is not for the time being in Hong Kong shall be bound, within 14 days after the passing of an effective resolution to wind up the Company voluntarily, or within the like period after the making of an order for the winding up of the Company, to serve notice on the Company appointing some person resident in Hong Kong upon whom all summonses, notices, processes, orders and judgements 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 shall be deemed to be a 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 any leading Hong Kong daily newspaper, or by a letter sent by registered or recorded delivery post and addressed to such member at his registered address, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

INDEMNITY

155. **Indemnity of Directors and officers**

Subject to the provisions of the Statutes, every Director, Secretary or other officer of the Company and every member of a committee appointed under Article 106 shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto.

AMENDMENT

156. The provisions of these Articles may not be amended without the prior approval of the Commission.

TRANSITIONAL PROVISIONS

157. (repealed).

* * * * *

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS

For and on behalf of
FINANCIAL SECRETARY INCORPORATED

Signed: Yue Chung Yee

Authorised Signatory – Yue Chung Yee
Financial Secretary's Office
Government Secretariat
Central Government Offices
12th Floor
West Wing
Lower Albert Road
Hong Kong

Body Corporate

Signed: Rafael Hui

RAFAEL HUI
Flat 19A
135 Tai Hang Road
Hong Kong

Civil servant

DATED : 5th July, 1999.

WITNESS to the above signatures:

Signed: Michael S.L. Liu

Michael S.L. Liu- Solicitor
9th Floor, Three Exchange Square
Central, Hong Kong

(Solicitor's chop)