

MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
THE HONG KONG AND CHINA GAS
COMPANY LIMITED
(香港中華煤氣有限公司)

Registered in England on 3rd June, 1862
Registration transferred to Hong Kong
on 14th October, 1982

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INDEX

Headings

	Page
CERTIFICATE OF INCORPORATION ON TRANSFER OF REGISTRATION	1
MEMORANDUM OF ASSOCIATION	2
ARTICLES OF ASSOCIATION	6
INTERPRETATION	
1. Table A	6
2. Definitions	6
3. Form of resolution	7
REGISTERED OFFICE	
4. Situation of registered office	7
SHARE CAPITAL	
5. Authorised share capital	7
6. Share rights	7
7. Redeemable shares	8
8. Purchase of own shares	8
9. Variation of rights	8
10. Pari passu issues	8
11. Unissued shares	8
12. Commission and brokerage	8
13. Trusts not recognised	8
CERTIFICATES	
14. Issue of share certificates	9
15. Replacement of share certificates	9
16. Execution of share certificates	9
LIEN	
17. Lien on shares	9
18. Enforcing lien by sale	9
19. Application of proceeds of sale	10
CALLS ON SHARES	
20. Calls	10
21. Payment on calls	10
22. Liability of joint holders	10
23. Interest on calls	10
24. Deemed calls	10
25. Differentiation as to calls	10
26. Payment of calls in advance	10
FORFEITURE OF SHARES	
27. Notice if call or instalment not paid	10
28. Form of notice	11
29. Power to forfeit shares	11
30. Notice of forfeiture	11
31. Disposal of forfeited shares	11
32. Liability of former holder	11
33. Proceeds and purchasers	11

TRANSFER OF SHARES	
34.	Power to transfer shares 11
35.	Execution of transfer 11
36.	Power to decline to register transfer of partly paid shares 12
37.	Other powers to decline to register transfer 12
38.	Notice of refusal to transferee 12
39.	No fees 12
40.	Closure of register 12
41.	Untraced shareholders 12
TRANSMISSION OF SHARES	
42.	Transmission on death 13
43.	Entry of transmission in register 14
44.	Election of person entitled by transmission 14
45.	Rights of person entitled by transmission 14
STOCK	
46.	Conversion into stock 14
47.	Power to transfer stock 14
48.	Rights of holders of stock 14
49.	Interpretation 14
ALTERATIONS OF CAPITAL	
50.	Increase, consolidation, sub-division and cancellation 15
51.	Fractions 15
52.	Reduction of capital 15
GENERAL MEETINGS	
53.	Annual general meeting 15
54.	Extraordinary general meetings 15
55.	Separate general meetings 15
NOTICE OF GENERAL MEETINGS	
56.	Length of notice 16
57.	Statement regarding proxies 16
58.	Omission or non-receipt to give notice 16
59.	Postponement of general meeting 16
PROCEEDINGS AT GENERAL MEETINGS	
60.	Special business 16
61.	Quorum 17
62.	Adjournment through want of quorum 17
63.	Attendance by directors 17
64.	Chairman of general meeting 17
65.	Power to adjourn 17
66.	Notice of adjournment 18
AMENDMENTS	
67.	Amendments to resolutions 18
68.	Amendments ruled out of order 18

VOTING

69. Number of votes 18
70. Demand for poll 18
71. Result of poll 19
72. Time for poll 19
73. Withdrawal of poll 19
74. Votes on poll 19
75. More than one vote on poll 19
76. Casting vote 19
77. Joint holders 19
78. Votes of incapable Members 19
79. No votes if amounts unpaid 19
79A. Situation where no votes shall be counted 19
80. Objections 19
81. Multiple voting rights 20

PROXIES

82. Execution of proxies 20
83. Proxy not a Member 20
84. Deposit of proxy forms 20
85. Validity 20
86. Form 20
87. Cancellation of proxy’s authority 21

DIRECTORS

88. Number 21
89. Shareholding qualification 21
90. Appointment of directors by company 21
91. Appointment of directors by Board 21
92. Removal 21
93. Eligibility 21
94. Vacation of office 22

ROTATION OF DIRECTORS

95. Number of directors other than executive directors to retire 22
96. Number of executive directors to retire 22
97. Identity of directors to retire 22
98. Reappointment 22
99. Filling rotation vacancies 23

EXECUTIVE DIRECTORS

100. Managing directors 23
101. Remuneration 23

ALTERNATE DIRECTORS

102. Alternate directors 23

REMUNERATION AND EXPENSES OF DIRECTORS

103. Directors’ fees 24
104. Directors’ expenses 24

DIRECTORS’ INTERESTS

105. Directors’ interests 24

POWERS AND DUTIES OF THE BOARD	
106. Management of business by the Board	27
107. Power to borrow and mortgage	27
108. Local boards and agencies	27
109. Power to appoint attorneys	27
110. Delegation	28
111. Official seals	28
112. Overseas registers	28
113. Signing of cheques and other instruments	28
114. Minutes	28
115. Pensions and gratuities	28
PROCEEDINGS OF THE BOARD	
116. Meetings of Board	29
117. Notice	29
118. Quorum	29
119. Continuing directors	29
120. Chairman	29
121. Competence of meeting	29
122. Committee of the Board	29
123. Proceedings of committee	29
124. Participation in meetings by telephone	30
125. Written resolutions	30
126. Validity of acts of Board or committee	30
SECRETARY	
127. Appointment and removal	30
128. Secretary and director one person	30
THE SEAL	
129. Custody and use of seal	30
DIVIDENDS AND OTHER PAYMENTS	
130. Declaration of dividends	30
131. Apportionment of dividends	30
132. Interim dividends	31
133. Deductions from dividends	31
134. No interest	31
135. Election for cash or shares	31
136. Payment of dividends	33
137. Unclaimed dividends	33
138. Distribution in shares	33
RESERVES	
139. Reserves	34
CAPITALISATION OF PROFITS	
140. Power to capitalise reserves and funds	34
141. Settlement of difficulties in distribution	34
RECORD DATES	
142. Record dates	34

ACCOUNTING RECORDS

143. Records to be kept34
144. Location and inspection34
145. Distribution of accounts35

AUDIT

146. Auditors35

SERVICE OF NOTICES AND OTHER DOCUMENTS

147. Methods of service35
148. Service on joint holders36
149. Record date of service36
150. Deemed service36

DESTRUCTION OF DOCUMENTS

151. Presumption where documents destroyed37

WINDING UP

152. Distribution of assets otherwise than in cash38

SECRECY

153. Secrecy38

INDEMNITY

154. Indemnity38

[COAT OF ARMS]
CERTIFICATE OF INCORPORATION
ON
TRANSFER OF REGISTRATION

WHEREAS on 3rd June, 1862 The Hong Kong and China Gas Company plc (hereinafter called “the Company”) was incorporated in England under the Joint Stock Companies Act 1856 under the name of The Hong Kong and China Gas Company Limited;

AND WHEREAS by The Hong Kong and China Gas Company (Transfer of Incorporation) Ordinance 1982 and The Hong Kong and China Gas Company plc Act 1982 of the United Kingdom provision has been made for the Company to transfer its corporate registration from England to Hong Kong and to become a company incorporated under the Companies Ordinance;

AND WHEREAS provision has been made in The Hong Kong and China Gas Company (Transfer of Incorporation) Ordinance 1982 for the name of the Company to be The Hong Kong and China Gas Company Limited upon the transfer of its corporate registration from England to Hong Kong;

AND WHEREAS the company has delivered to me the documents specified in section 3(2) of The Hong Kong and China Gas Company (Transfer of Incorporation) Ordinance 1982;

NOW THEREFORE I HEREBY CERTIFY that the Company in this day incorporated in Hong Kong under the Companies Ordinance under the name of

“THE HONG KONG AND CHINA GAS COMPANY LIMITED
(香港中華煤氣有限公司)”

and that the Company is Limited.

Given under my hand this Fourteenth day of October One Thousand Nine Hundred and Eighty-two.

Noel M. Gleeson
Registrar of Companies
Hong Kong

MEMORANDUM OF ASSOCIATION
OF
THE HONG KONG AND CHINA GAS COMPANY LIMITED
(香港中華煤氣有限公司)

1. The name of the Company is “The Hong Kong and China Gas Company Limited (香港中華煤氣有限公司)”.
2. The registered office of the Company will be situate in Hong Kong.
3. The objects for which the Company is established are:–
 - (A) To make, manufacture, purchase, supply and sell gas in Hong Kong and in China, and to carry on the business of a gas company in all its branches and departments in such places or any part of them, and to make, manufacture, supply and sell materials and by-products which may result from the manufacture of gas.
 - (B) To erect and construct gasworks, gasholders, plant, machinery and apparatus and to lay all necessary mains and services, and other pipes in the places aforesaid, or any of them, or any parts thereof.
 - (C) To manager, demise and let, or agree to demise and let, to accept surrenders of, to mortgage, sell and absolutely dispose of, to surrender to the Crown, to grant rights of way over or otherwise to deal with, all or any part or parts of the Company’s land and hereditaments, messuages and tenements, or any estate or interest therein respectively.
 - (D) To acquire and assume for any estate or interest and to take options over, any property, real or personal, and rights of any kind and the whole or any part of the undertaking, assets and liabilities of any person.
 - (E) To manufacture, process, import, export, deal in and store any goods and other things and to carry on the business of manufacturers, processors, importers, exporters, and storers of and dealers in any goods and other things.
 - (F) To acquire and exploit lands, mines and mineral rights and to acquire, explore for and exploit any natural resources and to carry on any business involving the ownership or possession of land or other immovable property or buildings or structures thereon and to construct, erect, install, pull down, rebuild, enlarge, alter and maintain buildings, plant and machinery and to carry on business as builders, contractors and engineers.
 - (G) To provide services of all descriptions and to carry on business as advisers, consultants, brokers and agents of any kind.

- (H) To invest money of the Company in any investments and to hold, sell or otherwise deal with such investments.
- (I) To acquire and carry on any business carried on by a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company.
- (J) To render advisory, investigatory, supervisory, managerial, technical, cultural, artistic, entertainment, educational, business, investment, consultancy and other facilities or services of every kind and description and to carry on any business involving any such provision.
- (K) To hold in trust as trustees or nominees of any person, company, corporation, or any charitable or other institution in any part of the world and whether incorporated or not and to manage, deal with and turn to account, any real and personal property of any kind, and in particular, shares, personal property, stocks, debentures, debenture stock, notes, securities, options, policies, book debts, claims and choses-in-action, lands, buildings, hereditaments, business concerns and undertakings, mortgages, charges, annuities, patents, licences, and any interest in any real or personal property, and any claims against such property or against any person, firm or corporation.
- (L) To lend money and grant or provide credit and financial accommodation to any person.
- (M) To enter into any arrangements with any government or authority or person and to obtain from any such government or authority or person any legislation, orders, rights, privileges, franchises and concessions and to carry out, exercise and comply with the same.
- (N) To borrow and raise money and accept money on deposit (but not carry on the business of banking as defined under the Banking Ordinance) and to secure or discharge any debt or obligation in any manner and in particular (without prejudice to the generality of the foregoing) by mortgages of or charges upon all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by the creation and issue of securities.
- (O) To enter into any guarantee, contract of indemnity or suretyship (other than fire, life and marine insurance) and in particular (without prejudice to the generality of the foregoing) to guarantee, support or secure, with or without consideration, whether by personal obligation or mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by both such methods or in any other manner, the performance of any obligations or commitments of, and the repayment or payment of the principal amounts of and any premiums, interest, dividends and other moneys payable on or in respect of any securities or liabilities of, any person, including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company.
- (P) To amalgamate or enter into partnership or any profit-sharing arrangement with, and to co-operate or participate in any way with, and assist or subsidise any person.
- (Q) To accept, draw, make, create, issue, execute, discount, endorse, negotiate and deal in bills of exchange, promissory notes, and other instruments and securities, whether negotiable or otherwise.
- (R) To apply for and take out, purchase or otherwise acquire any trade and service marks and names, designs, patents, patent rights, inventions and secret processes and to carry on the business of an inventor, designer or research organisation.
- (S) To sell, exchange, mortgage, charge, let on rent, share of profit, royalty or otherwise, grant licences, easements, options, servitudes and other rights over, and in any other manner deal with, or dispose of, all or any part of the undertaking, property and assets (present and future) of the Company for any consideration and in particular (without prejudice to the generality of the foregoing) for any securities.

- (T) To issue and allot securities of the Company for cash or in payment or part payment for any real or personal property purchased or otherwise acquired by the Company or any services rendered to the Company or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose.
- (U) To give any remuneration or other compensation or reward for services rendered or to be rendered in placing or procuring subscriptions of, or otherwise assisting in the issue of, any securities of the Company or in or about the transfer of registration of the Company or the conduct or course of its business, and to establish or promote, or concur or participate in establishing or promoting, any company, fund or trust and to subscribe for, underwrite, purchase or otherwise acquire securities of any company, fund or trust and to carry on the business of company, fund, trust and business promoters or managers and of underwriters or dealers in securities and to act as director of and as secretary, manager, registrar or transfer agent for any other company and to act as trustees of any kind and to undertake and execute any trust.
- (V) To pay all the costs, charges and expenses preliminary and incidental to the transfer of the registration of the Company to, and the incorporation of the Company in, Hong Kong and to procure the registration or incorporation of the Company in or under the laws of any place outside Hong Kong.
- (W) To grant pensions, annuities or other allowances, including allowances on death, to any directors, officers or employees or former directors, officers or employees of the Company or any company which at any time is or was a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company or any predecessor in business of any of them, and to the relations, connections or dependants of any such persons, and to other persons whose service or services have directly or indirectly been of benefit to the Company or who the Company considers have any moral claim on the Company or to their relations, connections or dependants, and to establish or support any associations, institutions, clubs, schools, building and housing schemes, funds and trusts, and to make payments towards insurances or other arrangements likely to benefit any such persons or otherwise advance the interests of the Company or of its Members, and to subscribe, guarantee or pay money for any purpose likely, directly or indirectly, to further the interests of the Company or of its Members or for any national, charitable, benevolent, educational, social, public, general or useful object.
- (X) To cease carrying on or wind up any business or activity of the Company, and to cancel any registration of and to wind up or procure the dissolution of the Company in any state or territory.
- (Y) To distribute any of the property of the Company among its creditors and Members in specie or kind.
- (Z) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.
- (AA) To carry on any other business or activity and do anything of any nature which in the opinion of the Company is or may be capable of being conveniently carried on or done in connection with the above, or likely directly or indirectly to enhance the value of or render more profitable all or any part of the Company's undertaking, property or assets or otherwise to advance the interests of the Company or of its Members.
- (BB) To do all such other things as in the opinion of the Company are or may be incidental or conducive to the attainment of the above objects of any of them.

And it is hereby declared that "company" in this clause, except where used in reference to the Company, shall include any partnership or other body of persons, whether incorporated or not incorporated,

and whether formed, incorporated, domiciled or resident in Hong Kong or elsewhere, “person” shall include any company as well as any other legal or natural person, “securities” shall include any fully, partly or nil paid share, stock, unit, debenture, debenture or loan stock, deposit receipt, bill, note, warrant, coupon, right to subscribe or convert, or similar right or obligation, “and” and “or” shall mean “and/or” where the context so permits, “other” and “otherwise” shall not be construed ejusdem generis where a wider construction is possible, and the objects specified in the different paragraphs of this clause shall not, except where the context expressly so required, be in any way limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company.

4. The liability of the Members of the Company is limited.

*5. The share capital of the Company is HK\$1,250,000,000 divided into 5,000,000,000 shares of HK\$0.25 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.

* *By an ordinary resolution passed on 29th April, 1999, the authorised share capital of the Company was increased from HK\$1,250,000,000 to HK\$2,500,000,000 by the creation of an additional 5,000,000,000 shares of HK\$0.25 each.*

ARTICLES OF ASSOCIATION
OF
THE HONG KONG AND CHINA GAS COMPANY LIMITED
(香港中華煤氣有限公司)

INTERPRETATION

1. No regulations set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as the regulations or Articles of the Company. Table A

2. In these Articles unless the context otherwise requires:– Definitions

“these Articles” means the articles of association as altered from time to time by special resolution and the expression “this Article” shall be construed accordingly;

“Board” means the board of directors from time to time of the Company or the directors present at a meeting of the directors at which a quorum is present;

“clear days” in relation to the period of a notice means that period excluding the day when the notice is served or deemed to be served and the day for which it is given or on which it is to take effect;

“Companies Ordinance” means the Companies Ordinance (Chapter 32) as from time to time amended, replaced or re-enacted and every other statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies insofar as the same apply to the Company;

“executive director” means a managing director, joint managing director or assistant managing director of the Company or a director who is the holder of any other employment or executive office with the Company;

“the holder” in relation to any shares means the Member whose name is entered in the register as the holder of those shares;

“Member” means a member of the Company;

“office” means the registered office of the Company;

“paid up” means paid up or credited as paid up;

“register” means the register of Members of the Company;

“seal” means any common or official seal that the Company may be permitted to have under the Companies Ordinance;

“secretary” means the secretary, or (if there are joint secretaries) any one of the joint secretaries, of the Company and includes an assistant or deputy secretary and any person appointed by the Board to perform any of the duties of the secretary;

“The Stock Exchange” means The Stock Exchange of Hong Kong Limited;

references to a document being executed include references to its being executed under hand or under seal or by any other method;

references to doing something by electronic means include transmitting it by means of a telecommunications system (within the meaning of the Telecommunications Ordinance (Chapter 106)) or by other means but while in an electronic form or by publishing it on a computer network;

references to writing include references to any method of representing or reproducing words in a legible and non-transitory form; and

any words or expressions to which a particular meaning is given by the Companies Ordinance in force at the date when these Articles or any part of these Articles are adopted shall bear the same meaning in these Articles or such part (as the case may be) save that the word “company” shall include any body corporate.

Headings and notes are included only for convenience and shall not affect meaning.

Form of resolution

3. (A) Subject to the Companies Ordinance, where for any purpose an ordinary resolution of the Company is required, a special or extraordinary resolution shall also be effective and where an extraordinary resolution is required a special resolution shall also be effective.
- (B) A resolution in writing executed by or on behalf of each Member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting properly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more of the Members.

REGISTERED OFFICE

Situation of registered office

4. The office shall be at such place in Hong Kong as the Board shall from time to time appoint.

SHARE CAPITAL

Authorised share capital

- *5. The authorised share capital of the Company at the date of adoption of this Article is HK\$1,250,000,000 divided into 5,000,000,000 shares of HK\$0.25 each.

Share rights

6. Subject to the Companies Ordinance and to any rights conferred on the holders of any shares or class of shares, any share in the Company may be issued with or have attached to it such rights and restrictions as the Company may 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 Board may decide.

* *By an ordinary resolution passed on 29th April, 1999, the authorised share capital of the Company was increased from HK\$1,250,000,000 to HK\$2,500,000,000 by the creation of an additional 5,000,000,000 shares of HK\$0.25 each.*

7. Subject to the Companies Ordinance and Rules Governing the Listing of Securities on the Stock Exchange regarding redeemable shares and to any rights conferred on the holders of any other shares, any share may be issued which is to be redeemed, or is to be liable to be redeemed at the option of the Company or the holder, on such terms and in such manner as may be provided by these Articles. Redeemable shares
8. The Company may exercise any powers conferred on the Company or permitted by or not prohibited by or not inconsistent with the Companies Ordinance or any other applicable ordinance, law, code or regulation from time to time acquire all or any of its 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 Board 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 but provided always that any such acquisition shall only be made in accordance with any relevant rules, codes or regulations issued by The Stock Exchange, the Securities & Futures Commission of Hong Kong or any other relevant regulatory authorities from time to time. Purchase of own shares
9. Subject to the Companies Ordinance, all or any of the rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be varied with the consent in writing of the holders of not less than 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 such shares. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one or more persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every share of the class held by him, that any holder of shares of the class present in person or by proxy may demand a poll and that at an adjourned meeting of the holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum and for the purposes of this Article one holder present in person or by proxy may constitute a meeting. Variation of rights
10. The rights conferred upon the holders of any shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with them. Pari passu issues
11. Subject to the provisions of the Companies Ordinance and these Articles, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms as the Board may determine. Unissued shares
12. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Companies Ordinance. Commission and brokerage
13. Except as ordered by a court of competent jurisdiction or as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice of it) any interest in any share other than an absolute right to the whole of the share in the registered holder. Trusts not recognised

CERTIFICATES

Issue of share certificates

14. Every person except a stock exchange nominee 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 10 business days after allotment or lodgement of a transfer to him of those shares (or within such other period as the terms of issue shall provide) one certificate for all those shares of any one 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 the Stock Exchange. In the case of a share held jointly by several persons, delivery of a certificate to one of the several joint holders shall be sufficient delivery to all. A Member (except such a nominee) who transfers some but not all of the shares comprised in a certificate shall be entitled to a certificate for the balance without charge.

Replacement of share certificates

15. If a share certificate, or any certificate in respect of any other securities issued by the Company, is defaced, lost or destroyed it may be replaced upon payment of such sum (if any) not exceeding the maximum amount prescribed by the Stock Exchange from time to time but on such terms (if any) as to evidence and indemnity and to payment of any exceptional out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement, after delivery of the old certificate to the Company.

Execution of share certificates

16. All forms of certificate for share capital of the Company shall, and, except to the extent that the terms and conditions for the time being relating to them otherwise provide, all forms of certificate for loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall be issued under seal or in such other manner as the Board having regard to the terms of issue and any listing requirements may authorise, and shall specify the number and class of the shares to which it relates and the amount or respective amounts paid up on the shares. The Board may either generally or in any particular case by resolution determine that the securities seal or any signatures or any of them may be affixed to any such certificates by some mechanical means or can be printed on them or that such certificates need not be signed by any person.

LIEN

Lien on shares

17. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable to the Company (whether presently or not) in respect of that share. The Company's lien on a share shall extend to every amount payable in respect of it. The Board may at any time either generally or in any particular case waive any lien that has arisen, or declare any share to be wholly or in part exempt from the provisions of this Article.

Enforcing lien by sale

18. The Company may sell, in such manner as the Board may think fit, any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after a notice in writing or by electronic means has been served on the holder of the shares, demanding payment and stating that if the notice is not complied with the shares may be sold. For giving effect to the sale the Board may authorise some person to execute an instrument of transfer of the shares sold to or in accordance with the instructions of the purchaser. The transferee shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in reference to the sale.

19. The net proceeds, after payment of the costs, of the sale by the Company of any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as it is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale and upon surrender, if required by the Company, for cancellation of the certificate for the shares sold) be paid to the person who was the holder immediately before the sale.

Application of proceeds of sale

CALLS ON SHARES

20. Subject to the terms of issue, the Board may from time to time make calls upon the Members in respect of the moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not payable on a date fixed by or in accordance with the terms of issue, and each Member shall (subject to the Company serving upon him 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. A call may be revoked or postponed as the Board may determine.

Calls

21. A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

Payment on calls

22. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.

Liability of joint holders

23. If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount from the day it is due and payable to the time of actual payment at such rate, not exceeding 25 per cent. per annum, as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.

Interest on calls

24. Any amount which becomes payable in respect of a share on allotment or on any date fixed by or in accordance with the terms of issue, whether in respect of the nominal amount of the share or by way of premium, or as an instalment of a call, shall be deemed to be a call and, if it is not paid, all the relevant provisions of these Articles shall apply as if the sum had become due and payable by virtue of a call.

Deemed calls

25. Subject to the terms of the issue, the Board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

Differentiation as to calls

26. The Board may, if it thinks fit, receive from any Member willing to advance them all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until they would, but for the advance, become presently payable) pay interest at such rate, not exceeding (unless the Company by ordinary resolution shall otherwise direct) 25 per cent. per annum, as the Board may determine.

Payment of calls in advance

FORFEITURE OF SHARES

27. If any call or instalment of a call remains on any share after the day appointed for payment, the Board may at any time serve a notice on the holder requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

Notice if call or instalment not paid

Form of notice	28. The notice shall name a further day (not being less than fourteen clear days from the date of the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that in the event of non-payment on or before the day and at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited and, in such case, references in these Articles to forfeiture shall include surrender.
Power to forfeit shares	29. If the notice is not complied with, any share in respect of which such notice was given may, at any time before payment of all calls or instalments and interest due in respect of it has been made, be forfeited by a resolution of the Board to that effect and the forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
Notice of forfeiture	30. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share but no forfeiture shall be invalidated by any omission or neglect to give the notice.
Disposal of forfeited shares	31. A forfeited share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder or to any other person upon such terms and in such manner as the Board shall think fit. The Board may for the purposes of the disposal authorise some person to execute an instrument of transfer to the designated transferee. The Company may receive the consideration (if any) given for the share on its disposal and if the share is in registered form may register the transferee as the holder of the share. At any time before a sale, re-allotment or disposal the forfeiture may be cancelled on such terms as the Board may think fit.
Liability of former holder	32. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares and shall surrender to the Company for cancellation the certificate for the forfeited shares but shall remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest thereon at the rate of 25 per cent. per annum (or such lower rate as the Board may determine) from the date of forfeiture until payment, and the Company may enforce payment without being under any obligation to make any allowance for the value of the shares forfeited or for any consideration received on their disposal.
Proceeds and purchasers	33. A statutory declaration in writing that the declarant is a director or the secretary of the Company and that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. The declaration shall (subject to the execution of an instrument of transfer if necessary) constitute good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal.
TRANSFER OF SHARES	
Power to transfer shares	34. Subject to such of the restrictions of these Articles as may be applicable, any Member may transfer all or any of his shares by an instrument of transfer in any form or in any other form which the Board may approve.
Execution of transfer	35. The instrument of transfer of a share shall be executed by or on behalf of the transferor and the transferee, and the transferor shall be deemed to remain the holder of the same until the name of the transferee is entered in the register in respect of it. All instruments of transfer, when registered, may be retained by the Company.

36.	The Board may, in its absolute discretion and without assigning any reason for so doing, decline to register any transfer of any share which is not a fully paid share.	Power to decline to register transfer of partly paid shares
37.	The Board may also decline to register any transfer unless:	Other powers to decline to register transfer
	(a) the instrument of transfer, duly stamped, is lodged with the Company accompanied by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;	
	(b) such fee, not exceeding the maximum amount prescribed by the Stock Exchange from time to time, as the Board may from time to time require is paid to the Company in respect of it;	
	(c) the instrument of transfer is in respect of only one class of share; and	
	(d) in the case of a transfer of joint holders, the number of joint holders to whom the share is to be transferred does not exceed four.	
38.	If the Board declines to register a transfer it shall, within two months after the date on which the instrument of transfer was lodged, send to the transferee notice of the refusal.	Notice of refusal to transferee
39.	Subject as otherwise provided by these Articles, no fee shall be charged by the Company for registering any probate, letters of administration, certificate of death or marriage, power of attorney, distress or stop notice, order of court or other instrument relating to or affecting the title to any share, or otherwise making any entry in the register relating to any share.	No fees
40.	The Board may close the register at such times and for such periods as it may from time to time determine provided that the register shall not in any year be closed for more than thirty days (Sundays and public holidays excepted).	Closure of register
41.	(A) The Company may sell any shares in the Company on behalf of the holder of, or person entitled by transmission to, the shares by instructing a Member of The Stock Exchange to sell them at best price if:	Untraced shareholders
	(i) the shares have been in issue throughout the qualifying period and at least three cash dividends have become payable on the shares during the qualifying period;	
	(ii) no cash dividend payable on the shares has either been claimed by presentation to the paying bank of the relative cheque or warrant or been satisfied by the transfer of funds to a bank account designated by the holder of, or person entitled by transmission to, the shares at any time during the relevant period;	
	(iii) the Company has caused an advertisement to be published in at least one English language newspaper and one Chinese language newspaper circulating in Hong Kong, giving notice of its intention to sell the shares and a period of three months has elapsed from the date of publication of the advertisement or of the last of the advertisements to be published if they are published on different dates; and	
	(iv) the Company has given notice to The Stock Exchange of its intention to make the sale.	

For the purpose of this paragraph of this Article:

“the qualifying period” means the period of twelve years immediately preceding the date of publication of the advertisements referred to in sub-paragraph (iii) above or of the first of the two advertisements to be published if they are published on different dates; and

“the relevant period” means the period beginning at the commencement of the qualifying period and ending on the date when all the requirements of sub-paragraphs (i) to (iv) above have been satisfied.

If, after the publication of the advertisements referred to in sub-paragraph (iii) above but before the Company has become entitled to sell the shares pursuant to this paragraph of this Article, the requirements of sub-paragraph (ii) above cease to be satisfied, the Company may nevertheless sell those shares after the requirements of sub-paragraphs (i) to (iv) above have been satisfied afresh in relation to them.

If during any relevant period further shares have been issued in right of those held at the beginning of that relevant period or of any previously so issued during that relevant period and all the requirements of sub-paragraphs (ii) to (iv) above have been satisfied in regard to the further shares, the Company may also sell the further shares.

To give effect to any sale of shares pursuant to this paragraph of this Articles the Board may authorise some person to transfer the shares in question and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares. The purchaser shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of sale shall belong to the Company and, upon their receipt, the Company shall become indebted to the former holder of, or person entitled by transmission to, the shares for an amount equal to the net proceeds. No trust shall be created in respect of the debt and no interest shall be payable in respect of it and the Company shall not be required to account for any moneys earned from the net proceeds which may be employed in the business of the Company or as it thinks fit.

(B) 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.

TRANSMISSION OF SHARES

42. If a Member dies, the survivor or survivors, where he was a joint holder, and his personal representatives, where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his shares; but nothing contained in these Articles shall release the estate of a deceased holder from any liability in respect of any share held by him solely or jointly with other persons.

Transmission on
death

<p>43. Where the entitlement of a person to a share in consequence of the death or bankruptcy of a Member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the Board, the Board shall within two months after proof cause the entitlement of that person to be noted in the register.</p>	<p>Entry of transmission in register</p>
<p>44. Any person entitled by transmission to a share may, subject as provided elsewhere in these Articles, elect either to become the holder of the share or to have some person nominated by him registered as the holder. If he elects to be registered himself, he shall give notice in writing to the Company to that effect. If he elects to have another person registered, he shall execute an instrument of transfer of the share in favour of that person. All the limitations, restrictions and provisions of these Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if the death or bankruptcy of the Member or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was an instrument of transfer executed by the Member.</p>	<p>Election of person entitled by transmission</p>
<p>45. Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share shall cease, but the person entitled by transmission to the share may give a discharge for any dividends or other moneys payable in respect of it and shall have the same rights in respect of the share as he would have had if he were the holder of it save that, until he becomes the holder, he shall not be entitled in respect of the share to attend or vote at general meetings of the Company or at any separate general meeting of the holders of any class of shares in the Company. The Board may at any time give notice requiring the person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the Board may withhold payment of all dividends and other moneys payable in respect of the share until the requirement of the notice have been complied with.</p>	<p>Rights of person entitled by transmission</p>
<p>STOCK</p>	
<p>46. 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.</p>	<p>Conversion into stock</p>
<p>47. 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 Board 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.</p>	<p>Power to transfer stock</p>
<p>48. 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.</p>	<p>Rights of holders of stock</p>
<p>49. 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” in these Articles shall include “stock” and “stockholder” respectively.</p>	<p>Interpretation</p>

ALTERATIONS OF CAPITAL

Increase, consolidation, sub-division and cancellation

50. The Company may from time to time by ordinary resolution:
- (a) increase its capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (c) subject to the provisions of the Companies Ordinance, sub-divide its shares or any of them into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others;
 - (d) 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 capital by the amount of the shares so cancelled.

Fractions

51. Whenever as a result of a consolidation of shares any Members would become entitled to fractions of a share, the Board may deal with the fractions as it thinks expedient and in particular may arrange for the sale of the share representing fractions to any person and the distribution of the net proceeds of sale in due proportion among those Members and the Board may authorise some person to transfer or deliver the shares to or in accordance with the directions of, the purchaser. The person to whom any shares are transferred or delivered shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

Reduction of capital

52. Subject to the provisions of the Companies Ordinance, the Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner.

GENERAL MEETINGS

Annual general meeting

53. The Board shall convene and the Company shall hold general meetings as annual general meeting in accordance with the requirements of the Companies Ordinance at such times and places in Hong Kong as the Board shall appoint. Any general meeting of the Company other than an annual general meeting shall be called an extraordinary general meeting.

Extraordinary general meetings

54. The Board may, whenever it thinks fit, convene an extraordinary general meeting.

Separate general meetings

55. 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

56. An annual general meeting and an extraordinary general meeting convened for the passing of a special resolution shall be convened by not less than twenty-one clear days' notice given in accordance with Article 147, subject to the requirements of the Companies Ordinance. All other extraordinary general meetings shall be convened by not less than fourteen clear days' notice given in accordance with Article 147, subject to the requirements of the Companies Ordinance. The notice shall specify the place, day and time of meeting and the general nature of the business to be transacted. Notice of every general meeting shall be given to all Members other than any who, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the auditors for the time being of the Company.

Length of notice

Notwithstanding that a meeting of the Company is convened by shorter notice than that specified in this Article, it shall be deemed to have been duly convened if it is so agreed:

- (a) in the case of an annual general meeting, by all the Members entitled to attend and vote at the meeting; and
- (b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

57. In every notice convening a general meeting there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him and that a proxy need not be a Member.

Statement regarding proxies

58. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send an instrument of proxy to, or the non-receipt of either or both by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting.

Omission or non-receipt to give notice

59. If the Board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time or place specified in the notice calling the general meeting, it may postpone the general meeting to another date, time and place. When a meeting is so postponed, notice of the date, time and place of the postponed meeting shall be given in accordance with Article 147, subject to the requirements of the Companies Ordinance. Notice of the business to be transacted at such postponed meeting shall not be required.

Postponement of general meeting

PROCEEDINGS AT GENERAL MEETINGS

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

Special business

- (a) the declaration and sanctioning of 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 appointment of directors in place of those retiring (by rotation or otherwise);

- (d) the appointment of Auditors; and
- (e) the fixing of, or the determining of the method of fixing, the remuneration of the directors and of the Auditors.

Quorum 61. No business shall be transacted at any general meeting unless a 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 which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, three Members present in person or by proxy and entitled to vote shall be a quorum for all purposes. A corporation being a Member shall be deemed for the purpose of these Articles to be present in person if represented by proxy or in accordance with the provisions of the Companies Ordinance.

Adjournment through want of quorum 62. If within thirty minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to such other day (not being less than fourteen nor more than twenty-eight days thereafter) and at such other time or place as may have been specified for the purpose in the notice convening the meeting. Where no such arrangements have been so specified, the meeting shall stand adjourned to such other day (not being less than fourteen nor more than twenty-eight days later) and at such other time or place as the chairman of the meeting may decide, and, in this case, the Company shall give not less than seven clear days' notice of the adjourned meeting in accordance with Article 147, subject to the requirements of the Companies Ordinance. At any adjourned meeting one Member present in person or by proxy (whatever the number of shares held by him) shall be a quorum and any notice of an adjourned meeting shall state that one Member present in person or by proxy (whatever the number of shares held by him) may constitute a meeting.

Attendance by Directors 63. 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 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.

Chairman of general meeting 64. The chairman (if any) of the Board or, in his absence, the deputy chairman (if any) shall preside as chairman at every general meeting. If there is no chairman or deputy chairman or if at any meeting neither the chairman nor any deputy chairman is present within fifteen minutes after the time appointed for holding the meeting, or if neither the chairman nor the deputy chairman is willing to act as chairman, the directors present shall choose one of their number to act, or if one director only is present he shall preside as chairman if willing to act. If no director is present, or if each of the directors present declines to take the chair, the persons present and entitled to vote shall appoint one of their number to be chairman.

Power to adjourn 65. The chairman may at any time without the consent of the meeting adjourn any meeting (whether or not it has commenced or a quorum is present) either sine die or to another time or place where it appears to him that (a) the Members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting (b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business or (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted. In addition, the chairman may at any time with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting either sine die or to another time or place. When a meeting is adjourned sine die the time and place for the adjourned meeting shall be fixed by the Board. No business shall be transacted at any adjourned meeting except business which might properly have been transacted at the meeting had the adjournment not taken place.

66. When a meeting is adjourned for three months or more, or sine die, notice of the adjourned meeting shall be given as in the case of an original meeting. Except where these Articles otherwise require, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

Notice of adjournment

AMENDMENTS

67. In the case of a resolution duly proposed as a special or extraordinary resolution no amendment to it (other than an amendment to correct a patent error) may be considered or voted upon and in the case of a resolution duly proposed as an ordinary resolution no amendment to it (other than an amendment to correct a patent error) may be considered or voted upon unless either at least forty-eight hours prior to the time appointed for holding the meeting or adjourned meeting at which such ordinary resolution is to be proposed notice in writing of the terms of the amendment and intention to move the same has been lodged at the office or the chairman in his absolute discretion decides that it may be considered or voted upon.

Amendments to resolutions

68. If an amendment shall be proposed to any resolution under consideration but shall be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

Amendments ruled out of order

VOTING

69. Subject to the provisions of these Articles and any special terms as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every Member who is present in person at a general meeting of the Company shall have one vote and on a poll every Member who is present in person or by proxy shall have one vote for every share of which he is the holder.

Number of votes

70. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand of a poll) a poll is properly demanded. Subject to the Companies Ordinance and the rules prescribed by the Stock Exchange from time to time, a poll may be demanded by:

Demand for poll

- (a) the chairman of the meeting; or
- (b) at least three Members present in person or by proxy and entitled to vote; or
- (c) any Member or Members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Members having the right to attend and vote at the meeting; or
- (d) any Member or Members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is so demand and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

Result of poll	71. If a poll is properly demanded it shall be taken in such manner as the chairman shall direct and he may appoint scrutineers who need not be Members. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
Time for poll	72. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or on such date (being not later than three months after the date of the demand) and at such time and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.
Withdrawal of poll	73. 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 the poll was demanded and it may be withdrawn with the consent of the chairman at any time before the close of the meeting or the taking of the poll, whichever is the earlier, and in that event shall not invalidate the result of a show of hands declared before the demand was made.
Votes on poll	74. On a poll votes may be given either personally or by proxy. A Member may appoint not more than two proxies to attend on the same occasion.
More than one vote on poll	75. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.
Casting vote	76. In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to an additional or casting vote.
Joint holders	77. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.
Votes of incapable Members	78. A Member who is a patient for any purpose of any ordinance relating to mental health or in respect of whom an order has been made by any competent court or official having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by any person authorised in such circumstances to do so on his behalf and that person may vote on a poll by proxy, provided that evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote has been delivered at the office (or at such other place as may be specified in accordance with these Articles for the delivery of instruments appointing a proxy) not later than the last time at which an instrument of proxy should have been delivered in order to be valid for use at that meeting or on the holding of that poll.
No votes if amounts unpaid	79. No Member shall, unless the Board otherwise determines, be entitled to vote at any general meeting or at any separate general meeting of the holders of any class of shares in the Company unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
Situation where no votes shall be counted	79A. 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.
Objections	80. If:– (a) any objection shall be raised to the qualification of any voter; or

- (b) any votes have been counted which ought not to have been counted or which might have been rejected; or
- (c) any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

81. Where a Member is a recognised clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), 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 shareholders 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 recognised clearing house as that clearing house (or its nominees) could exercise if it were an individual shareholder of the Company.

Multiple voting rights

PROXIES

82. An instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign it.

Execution of proxies

83. A proxy need not be a Member.

Proxy not a Member

84. The instrument appointing a proxy and (if required by the Board) any authority under which it is executed, or a copy of the authority certified notarially or in some other manner approved by the Board, may be delivered to the office (or to such other place in Hong Kong as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any accompanying document) not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four hours before the time appointed for the taking of the poll and an instrument of proxy which is not so delivered shall not be treated as valid. 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.

Deposit of proxy forms

85. 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.

Validity

86. Instruments of proxy shall be in any common form or in such other form as the Board may approve and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or Join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

Form

Cancellation of proxy's authority 87. A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice in writing of such determination shall have been received by the Company at the office or such other place in Hong Kong as was specified for the delivery of instruments of proxy in the notice convening the meeting or other accompanying document not later than the last time at which an instrument of proxy should have been delivered in order to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll demanded.

DIRECTORS

Number 88. Unless and until otherwise determined by ordinary resolution of the Company, the directors (disregarding alternate directors) shall be not less than three in number and there shall be no maximum number of directors.

Shareholding qualification 89. No shareholding qualification for directors shall be required.

Appointment of directors by company 90. Subject to the provisions of these Articles, the Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing Board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles.

Appointment of directors by Board 91. Without prejudice to the power of the Company in general meeting in pursuance of any of the provisions of these Articles to appoint any person to be a director, the Board may appoint any person who is willing to be a director, either to fill a vacancy or as an addition to the existing Board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles. Any director so appointed by the Board shall hold office only until the next following annual general meeting but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at that meeting.

Removal 92. The Company may by ordinary resolution remove any director before the expiration of his period of office and may (subject to these Articles) by ordinary resolution appoint another person who is willing to act to be a director in his place. Any person so appointed shall be treated, for the purpose of determining the time at which he or any other director is to retire as if he had become a director on the day on which the person in whose place he is appointed was last appointed or reappointed a director.

Eligibility 93. No person other than a director retiring at the meeting (whether by rotation or otherwise) shall be appointed or reappointed a director at any general meeting unless:

- (a) he is recommended by the Board, or
- (b) not earlier than the day after the despatch of the notice of the meeting and not later than seven days prior to the day appointed for the meeting, there has been given to the secretary notice in writing by some Member (not being the person to be proposed) qualified to attend and vote at the meeting of his intention to propose that person for appointment or reappointment and also notice in writing signed by the person to be proposed of his willingness to be appointed or reappointed.

94. Without prejudice to the provisions for retirement by rotation or otherwise contained in these Articles, the office of a director shall be vacated if: Vacation of office

- (a) he resigns his office by notice in writing delivered to the office or tendered at a meeting of the Board;
- (b) he is or has been suffering from mental ill health or becomes a patient for any purpose of any ordinance relating to mental health and the Board resolves that his office be vacated;
- (c) he is absent without the permission of the Board from meetings of the Board (whether or not an alternate director appointed by him attends) for twelve consecutive months and the Board resolves that his office is vacated;
- (d) he becomes bankrupt or compounds with his creditors generally;
- (e) he is prohibited by law from being a director;
- (f) by notice in writing delivered to the office or tendered at a meeting of the Board his resignation is requested by all of the other directors and all of the other directors are not less than three in number;
- (g) he ceases to be a director by virtue of the Companies Ordinance or is removed from office pursuant to these Articles.

If the office of director is vacated for any reason, he shall cease to be a Member of any committee or sub-committee of the Board.

ROTATION OF DIRECTORS

95. At each annual general meeting, one-third of the directors other than the executive directors (or if this number is not a whole number, rounded up to the nearest whole number) shall retire from office. A director other than an executive director retiring at a meeting shall retain office until the close of the meeting. Number of directors other than executive directors to retire

96. At each annual general meeting, one-third of the executive directors (or if this number is not a whole number, rounded up to the nearest whole number) shall retire from office. An executive director retiring at a meeting shall retain office until the close of the meeting. Number of executive directors to retire

97. Subject to the provisions of the Companies Ordinance and of these Articles, the directors to retire by rotation on each occasion shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. The directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at start of business on the date of the notice convening the annual general meeting and no director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the directors after that time on the date of the notice but before the close of the meeting. Identity of directors to retire

98. A retiring director shall be eligible for reappointment. Reappointment

Filling rotation
vacancies

99. Subject to the provisions of these Articles, the Company at the meeting at which a director retires by rotation may fill the vacated office and in default the retiring director shall, if willing to continue to act, be deemed to have been reappointed, unless at such meeting it is expressly resolved not to fill the vacated office or unless a resolution for the reappointment of that director has been put to the meeting and lost.

EXECUTIVE DIRECTORS

Managing directors

100. The Board or any committee authorised by the Board may from time to time appoint one or more directors to hold any employment or executive office with the Company (including that of a managing director) for such period and upon such terms as the Board or any committee authorised by the Board may in its discretion determine and may revoke or terminate any appointment so made. Any revocation or termination of the appointment shall be without prejudice to any claim for damages that the director may have against the Company or the Company may have against the director for any breach of any contract of service between him and the Company which may be involved in such revocation or termination.

Remuneration

101. An executive director shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may determine and either in addition to or in lieu of his remuneration as a director.

ALTERNATE DIRECTORS

Alternate directors

102. (A) Each director may appoint any person to be his alternate and may at his discretion remove an alternate director so appointed. If the alternate director is not already a director, the appointment, unless previously approved by the Board, shall have effect only upon and subject to it being so approved. Any appointment or removal of an alternate director shall be effected by notice in writing executed by the appointor and delivered to the office or tendered at a meeting of the Board. An alternate director shall, if his appointor so requests, be entitled to receive notice of all meetings of the Board or of committees of the Board of which his appointor is a Member. He shall also be entitled to attend and vote as a director at any such meeting at which the director appointing him is not personally present and at the meeting to exercise and discharge all the functions, powers and duties and duties of his appointor as a director and for the purposes of the proceedings at the meeting the provisions of these Articles shall apply as if he were a director.
- (B) Every person acting as an alternate director shall (except as regards power to appoint an alternate and remuneration) be subject in all respects to the provisions of these Articles relating to directors shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the director appointing him. An alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any fee in his capacity as an alternate director.
- (C) Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate in addition to his own vote if he is also a director. The signature of an alternate director to any resolution in writing of the Board or a committee of the Board shall, unless the notice of his appointment provides to the contrary, be as effective as execution by his appointor.

- (D) An alternate director shall automatically cease to be an alternate director if his appointor ceases for any reason to be a director except that, if at any meeting any director retires by rotation or otherwise but is reappointed or deemed to be reappointed at the same meeting, any appointment made by him pursuant to this Article which was in force immediately before his retirement shall remain in force as though he had not retired.

REMUNERATION AND EXPENSES OF DIRECTORS

103. Unless otherwise determined by ordinary resolution of the Company, each of the directors (including the chairman) shall be entitled to be paid by the Company such fee or fees for each year during any part of which he holds office as such, as may be proposed by the Board and determined by the Members at an annual general meeting of the Company, except that any director (including the chairman) holding office for less than the whole of any year shall be entitled to a part of the relevant such sum in proportion to the time during such year for which he holds office. Directors' fees

104. Each director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board or committees of the Board or general meeting or any other meeting which as a director he is entitled to attend and shall be paid all other costs and expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a director. Any director who goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board or any committee authorised by the Board go beyond the ordinary duties of a director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may determine in addition to any remuneration provided for by or pursuant to any other Article. Directors' expenses

DIRECTORS' INTERESTS

105. (A) A director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period and upon such terms as the Board may determine and may be paid such extra remuneration for it (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article. Directors' interests
- (B) A director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director.
- (C) A director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested or as regards which it has any power of appointment, and shall not be liable to account to the Company or the Members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in the other company. The Board 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 it thinks 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.

- (D) A director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment or the settlement or variation of the 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.
- (E) Where proposals are under consideration concerning the appointment or the settlement or variation of the 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, a separate resolution may be put in relation to each director and in such case each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution unless it concerns his own appointment or the settlement or variation of the terms or the termination of his own appointment.
- (F) Subject to paragraph (G) of this Article, no director or proposed or intending director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any contract in which any director is in any way interested be liable to be avoided, nor shall any director who is interested be liable to account to the Company or the Members for any remuneration, profit or other benefit realised by the contract by reason of the director holding that office or of the fiduciary relationship established by it.
- (G) A director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board in respect of any contract in which he has an interest which (taken together with any interest of any of his associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange)) is to his knowledge a material interest and, if he shall do so, his vote shall not be counted, but his prohibition shall not apply to any resolution where that material interest arise only from one or more of the following matters:
- (i) 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 for the benefit of the Company or any of its subsidiaries;
 - (ii) 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 under a guarantee or indemnity or by the giving of security;
 - (iii) 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;
 - (iv) any contract in which he or any of his associates is interested by virtue of his or their interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;
 - (v) any contract concerning any other company (not being a company in which the director and any of his associates in aggregate own five per cent. or more) in which he or any of his associates is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;

- (vi) 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;
 - (vii) any contract for the benefit of employees of the Company or of any of its subsidiaries under which he 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
 - (viii) any contract for the purchase or maintenance for any director or directors of insurance against any liability.
- (H) A company shall be deemed to be one in which a director and any of his associates in aggregate own five per cent. or more if and so long as (but only if and so long as) they are (either directly or indirectly) the holders of or beneficially interested in five 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 associates 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.
- (I) Where a company in which a director and any of his associates in aggregate own five per cent. or more is materially interested in a contract, he also shall be deemed materially interested in that contract.
- (J) If any question shall arise at any meeting of the Board as to the materiality of the interest of a director (other than the chairman of the meeting) or as to the entitlement of any director (other than the chairman of the meeting) to vote or be counted in the quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, the question shall be referred to the chairman of the meeting and his ruling in relation to the director concerned shall be conclusive except in a case where the nature or extent of his interest (so far as it is known to him) has not been fairly disclosed to the Board. If any question shall arise in respect of the chairman of the meeting, the question shall be decided by a resolution of the Board (for which purpose the chairman shall be counted in the quorum but shall not vote on the matter) and the resolution shall be conclusive except in a case where the nature or extent of the interest of the chairman (so far as it is known to him) has not been fairly disclosed to the Board.
- (K) Subject to the Companies Ordinance, a director who to his knowledge is in any way, whether directly or indirectly, interested in a contract with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested.

For the purposes of this Article, a general notice to the Board given 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 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 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; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the director takes reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.

- (L) 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.
- (M) Subject to the provisions of the Companies Ordinance, 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.

POWERS AND DUTIES OF THE BOARD

Management of
business by the
Board

106. Subject to the provisions of the Companies Ordinance, the memorandum of association of the Company and these Articles and to any discretions given by the Company in general meeting by special resolution, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company whether relating to the management of the business of the Company or not. No alteration of the memorandum of association or these Articles and no special resolution shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that resolution had not been passed. The powers given by this Article shall not be limited by any power given to the Board by any other Article.

Power to borrow and
mortgage

107. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and 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.

Local boards and
agencies

108. The Board may establish local boards or agencies for managing any of the affairs of the Company, either in Hong Kong or elsewhere, and may appoint any persons to be Members of such local boards, or any managers or agents, and may fix their remuneration. The Board may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board, with power to sub-delegate, and may authorise the Members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby.

Power to appoint
attorneys

109. The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and

discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

110. The Board may entrust to and confer upon any director any of its powers, authorities and discretions (with power to sub-delegate) upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, authorities and discretions and may from time to time revoke or vary all of them but no person dealing in good faith and without notice of such revocation or variation shall be affected by it. The power to delegate contained in this Article shall be effective in relation to the powers, authorities and discretions of the Board generally and shall not be limited by the fact that in certain Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the Board or by a committee authorised by the Board. Delegation
111. The Company may exercise all the powers conferred by the Companies Ordinance with regard to having official seals and those powers shall be vested in the Board. Official seals
112. Subject to the provisions of the Companies Ordinance, the Company may keep an overseas or local or other register in any place and the Board may make and vary such regulations as it may think fit respecting the keeping of the register. Overseas registers
113. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time determine. Signing of cheques and other instruments
114. The Board shall cause minutes or records to be made in books provided for the purpose:— Minutes
- (a) of all appointments of officers made by the Board;
 - (b) of the names of the directors present at each meeting of the Board and at each meeting of each committee of the Board; and
 - (c) of all resolutions and proceedings at all meetings of the Company and of the Board and of any committee of the Board.
115. The Board or any committee authorised by the Board may exercise all the powers of the Company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any director or former director or the relations, connections or dependants of any director or former director provided that no benefits (except such as may be provided for by any other Article) may be granted to or in respect of a director or former director who has not been employed by, or held an executive office or place of profit under, the Company or any body corporate which is or has been its subsidiary or any predecessor in business of the company or any such body corporate without the approval of an ordinary resolution of the Company. No director or former director shall be accountable to the Company or the Members for any benefit provided pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company. Pension and gratuities

PROCEEDINGS OF THE BOARD

- Meetings of Board 116. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit but so that no meeting of the Board may take place outside Hong Kong. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have an additional or casting vote. A director may at any time, and the secretary on the requisition of a director shall forthwith, summon a meeting of the Board.
- Notice 117. Notice of a meeting of the Board shall be deemed to be properly 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 Board that notices of meetings of the Board 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 in the absence of any such request it shall not be necessary to give notice of a meeting of the Board 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.
- Quorum 118. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two. Subject to the provisions of these Articles, any director who ceases to be a director at a meeting of the Board may continue to be present and to act as a director and be counted in the quorum until the termination of the meeting of the Board if no other director objects and if otherwise a quorum of directors would not be present.
- Continuing directors 119. 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.
- Chairman 120. The Board may appoint a director to be the chairman or the deputy chairman of the Board and may at any time remove him from that office. Unless he is unwilling to do so, the chairman or failing him the deputy chairman shall act as chairman at every meeting of the Board. But if no chairman or deputy chairman is present within five minutes after the time appointed for holding the meeting and willing to act, the directors present may choose one of their number to be chairman of the meeting.
- Competence of meeting 121. A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.
- Committee of the Board 122. The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to any committee, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit. Any committee so formed may exercise its powers to sub-delegate by sub-delegating to any person or persons (whether or not a member or members of the Board or of the committee).
- Proceedings of committee 123. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.

124. All or any of the members of the Board or any committee of the Board may participate in a meeting of the Board or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is. Participation in meetings by telephone
125. A resolution in writing executed by all the directors for the time being in Hong Kong (provided that their number is not less than three) or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee properly called and constituted. The resolution may be contained in one document or in several documents in like form each executed by one or more of the directors or members of the committee concerned. Written resolutions
126. All acts done by the Board or by any committee or by any person acting as a director or member of a committee shall, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any member of the Board or committee or person so acting or that they or any of them were disqualified or had vacated office, be as valid as if every such member or person had been properly appointed and was qualified and had continued to be a director or member of the committee. Validity of acts of Board or committee

SECRETARY

127. Subject to the provisions of the Companies Ordinance, one or more secretaries may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any secretary so appointed may be removed by the Board. Appointment and removal
128. Any provision of the Companies Ordinance 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. Secretary and director one person

THE SEAL

129. The Board shall provide for the custody of every seal of the Company. The seal shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, any instrument to which the seal is affixed shall be signed by at least one director and the secretary or by at least two directors or some other person appointed in that behalf by the Board or a competent committee of the Board and any instrument to which an official seal is applied need not, unless the Board for the time being otherwise decides or the law otherwise requires, be signed by any person. Custody and use of seal

DIVIDENDS AND OTHER PAYMENTS

130. Subject to the provisions of the Companies Ordinance, the Company may by ordinary resolution from time to time declare dividends in accordance with the respective rights of the Members, but no dividend shall exceed the amount recommended by the Board. Declaration of dividends
131. Except in so far as the rights attaching to, or the terms of the issue of, any share otherwise provided:—
- (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share; and Apportionment of dividends

- (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

Interim dividend 132. Subject to the provisions of the Companies Ordinance, the Board may pay such interim dividends as appear to the Board to be justified by the financial position of the Company and may also pay any dividend payable at a fixed rate at intervals settled by the Board, whenever the financial position of the Company, in the opinion of the Board, justifies its payment. If the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer in consequence of the payment of an interim dividend on any shares having non-preferred or deferred rights.

Deductions from dividends 133. The Board may deduct from any dividend or other moneys payable to a Member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.

No interest 134. No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

Election for cash or shares 135. (A) In respect of any dividend proposed to be paid or declared by the Board or by the Company in general meeting, the Board may propose and announce prior to or contemporaneously with the payment or declaration of such dividend:

- (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up provided that Members entitled to the dividend will be entitled to elect to receive such dividend (or part of it) in cash in lieu of such allotment. In such case, the following provisions shall apply:
 - (a) the basis of any such allotment shall be determined by the Board;
 - (b) the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing or by electronic means to the holders of the shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
 - (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded;
 - (d) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect of which the cash election has not been duly exercised ("the non-elected shares") and in lieu and in satisfaction of it shares shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of any of the Company's reserve accounts (including any share premium account or capital

redemption reserve fund) or profit and loss account or amounts otherwise available for distribution as the Board may determine such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or

- (ii) that Members entitled to such dividend be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:
 - (a) the basis of any such allotment shall be determined by the Board;
 - (b) the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing or by electronic means to the holders of the shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which the latest date and time by which duly completed forms of election must be lodged in order to be effective;
 - (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded;
 - (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect of which the share election has been duly exercised ("the elected shares") and in lieu and in satisfaction of it shares shall be allotted credited as fully paid up to the holder of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of any of the Company's reserve accounts (including any share premium account and capital redemption reserve fund) or profit and loss account or amounts otherwise available for distribution as the Board may determine such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.
- (B) The shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank *pari passu* in all respects with the shares then in issue save only as regards participation:
- (i) in the relevant dividend (or the right to receive or to elect to receive an allotment of shares in lieu of it as aforesaid); or
 - (ii) in any other distribution, bonus or right paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of its proposal to apply the provisions of sub-paragraph (i) or (ii) of paragraph (A) of this Article in relation

to the relevant dividend or contemporaneously with its announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (A) of this Article shall rank for participation in such distribution, bonus or rights.

- (C) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Article with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Board may authorise any person to enter into, on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental to it and any agreement made pursuant to such authority shall be effective and binding on all concerned.

Payment of dividends

136. Any dividend or other sum payable by the Company in respect of a share may be paid by cheque, warrant or similar financial instrument sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the register in respect of the shares at his address as appearing in the register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every cheque, warrant or similar financial instrument, shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque, warrant or similar financial instrument by the bank on which it is drawn shall constitute a good discharge to the Company. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means and to or through such person as the holder or joint holders may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by them. Where a person is entitled by transmission to a share, any dividend or other sum payable by the Company in respect of the share may be paid as if he were a holder of the share and his address noted in the register were his registered address.

Unclaimed dividends

137. Any dividend unclaimed after a period of six years from the date when it became due for payment shall be forfeited and shall revert to the Company and the payment by the Board of any unclaimed dividend, interest or other sum payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect of it.

Distribution in shares

138. Any general meeting declaring a dividend may, upon the recommendation of the Board, by ordinary resolution, direct that it shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, and where any difficulty arises in regard to the distribution the Board may settle it as it thinks expedient, and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may ignore fractions altogether and may fix the value for distribution purposes of any assets to be distributed and may determine that cash shall be paid to any Members upon the footing of the value so fixed in order to secure equality of distribution and may vest any assets to be distributed in trustees, as may seem expedient to the Board.

RESERVES

139. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute.

Reserves

CAPITALISATION OF PROFITS

140. The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund including the profit and loss account whether or not the same is available for distribution and accordingly that the amount to be capitalised be set free for distribution among the Members or any class of Members who would be entitled to it if it were distributed by way of dividend and in the same proportions, on the footing that it is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by those Members respectively or in paying up in full of unissued shares, debentures or other obligations of the Company to be allotted and distributed credited as fully paid among those Members, or partly in one way and partly in the other, but so that, for the purposes of this Article, a share premium account and a capital redemption reserve fund, and any reserve or fund representing unrealised profits may be applied only in the paying up in full of unissued shares of the Company.

Power to capitalise reserves and funds

141. Where any difficulty arises in regard to any distribution of any capitalised reserve or fund the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may authorise any person to enter into an agreement with the Company on behalf of the persons entitled to participate in the distribution providing for the allotment to them respectively of any shares, debentures or other obligations of the Company to which they are entitled on the capitalisation and the agreement shall be binding on those persons.

Settlement of difficulties in distribution

RECORD DATES

142. Notwithstanding any other provision of these Articles the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which the dividend, distribution, allotment or issue is declared, paid or made.

Record dates

ACCOUNTING RECORDS

143. The Board shall cause to be kept accounting records sufficient to show and explain the Company's transactions and such as to disclose with reasonable accuracy at any time the financial position of the Company at that time in accordance with the Companies Ordinance.

Records to be kept

144. The accounting records shall be kept at the office or, subject to the Companies Ordinance, at such other place or places as the Board may think fit and shall always be open to inspection by the officers of the Company. No Member in his capacity as such (other than an officer of the Company) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board or by ordinary resolutions of the Company.

Location and inspection

Distribution of
accounts

145. (A) Subject to paragraph (B) of this Article, a copy of either (i) the relevant financial documents or (ii) the summary financial report shall, at least 21 days before the date of the general meeting, be sent to every Member in accordance with Article 147, subject to the requirements of the Companies Ordinance.
- (B) Where a Member has, in accordance with the Companies Ordinance, consented to treat the publication of the relevant financial documents and/or the summary financial report on the Company's computer network as discharging the Company's obligation under the Companies 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 Companies Ordinance, publication by the Company on the Company's computer network of the relevant financial documents and/or the summary financial report at least 21 days before the date of the general meeting shall, in relation to each such Member, be deemed to discharge the Company's obligations under paragraph (A) of this Article.
- (C) For the purposes of this Article, "relevant financial documents" and "summary financial report" shall have the meaning ascribed to them in the Companies Ordinance.

AUDIT

Auditors

146. Auditors shall be appointed and their duties regulated in accordance with the Companies Ordinance.

SERVICE OF NOTICES AND OTHER DOCUMENTS

Methods of service

147. Any notice or document (including a share certificate and any "corporate communication" as defined in the Rules Governing the Listing of Securities on the Stock Exchange) may be served or delivered by the Company or by the Board on or to any Member in the following manner:

- (a) in hard copy form either (i) personally or (ii) by hand to, or by sending it through the post (airmail, if sent to an address outside Hong Kong) in a prepaid envelope or wrapper addressed to, the Member's address as shown in the register; or
- (b) in electronic form:
- (i) personally; or
- (ii) by hand to, or by sending it through the post (airmail, if sent to an address outside Hong Kong) in a prepaid envelope or wrapper addressed to, the Member's address as shown in the register; or
- (iii) by sending or transmitting it through electronic means to such Member at any electronic number or electronic address or computer network or website supplied by the Member to the Company for the giving of notice or document from the Company to him,

provided that the Company must first have received from the relevant Member his written agreement, generally or specifically, that the notice or document may be sent or supplied to him in electronic form and no notice of revocation

has been received by the Company from the Member in accordance with the Companies Ordinance, and all other relevant requirements of the Companies Ordinance have been complied with; or

- (c) by posting it on the Company's website, provided that the Company must first have received from the relevant Member either (i) the Member's written agreement, generally or specifically, or (ii) the Member's deemed agreement in the manner prescribed in the Companies Ordinance, to have made available to him such notice or document on the Company's website and no notice of revocation has been received by the Company from the Member in accordance with the Companies Ordinance, and all other relevant requirements of the Companies Ordinance have been complied with; or
- (d) by advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper being in each case a newspaper circulating generally in Hong Kong.

148. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. Service on joint holders

149. Any such notice or other document may be served or delivered by the Company by reference to the register as it stands at any time not more than 15 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 or other document 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 that notice or document. Record date of service

150. Any notice or document: Deemed service

- (a) if served or delivered in person or by hand, shall be deemed to have been served or delivered at the time of personal service or delivery, and in proving such service or delivery, a certificate in writing signed by the secretary or other person appointed by the Board that the notice or document was so served or delivered shall be conclusive evidence thereof;
- (b) if served or delivered by post, shall be deemed to have been served or delivered on the next working day following that on which the envelope or wrapper containing the same is put into a post office situated within Hong Kong, and in proving such service or delivery, it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office, and a certificate in writing signed by the secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so addressed and put into such post office shall be conclusive evidence thereof;
- (c) if sent or transmitted by electronic means, shall be deemed to have been served or delivered at the expiration of 48 hours after it was transmitted from the server of the Company or its agent;

- (d) if posted on the Company's website, shall be deemed to have been served and delivered at the expiration of 48 hours after the later of (i) the time when the Member receives notification of posting in such form as to contain the information prescribed by the Companies Ordinance and (ii) the time when the notice or document is first made available on the Company's website. In calculating a period of hours mentioned in paragraphs (c) and (d) of this Article 150, any part of a day that is not a business day (as such term is defined in Section 168BAA of the Companies Ordinance) is to be disregarded; and
- (e) if served by advertisement in newspapers, shall be deemed to have been served on the day on which such notice or document is first published in the newspaper.

DESTRUCTION OF DOCUMENTS

Presumption where documents destroyed

151. If the Company destroys:
- (a) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
 - (b) any instruction concerning the payment of dividends or other moneys in respect of any share or any notification of change of name or address at any time after the expiry of two years from the date the instruction or notification was recorded by the Company;
 - (c) any instrument of transfer of shares which has been registered at any time after the expiry of twelve years from the date of registration; and
 - (d) any other document on the basis of which any entry in the register is made at any time after the expiry of twelve years from the date an entry in the register was first made in respect of it;

and the Company destroys the document in good faith and without express notice that its preservation was relevant to a claim, it shall be presumed irrebuttably in favour of the Company that every share certificate so destroyed was a valid certificate and was properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument and was properly registered and that every other document destroyed was a valid and effective document and that any particulars of it which are recorded in the books or records of the Company were correctly recorded. Nothing contained in this Article shall be construed as imposing upon the Company any liability by reason only of the destruction of any document of the kind mentioned above before the relevant period mentioned in this Article has elapsed or of the fact that any other condition precedent to its destruction mentioned above has not been fulfilled. References in this Article to the destruction of any document include references to its disposal in any manner.

WINDING UP

152. If the Company commences liquidation, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Ordinance, Distribution of assets otherwise than in cash
- (a) divide among the Members in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and for that purpose, set such value as he deems fair upon any property to be divided and determine how the division shall be carried out as between the Members or different classes of Members, or
 - (b) vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit

but no Member shall be compelled to accept any shares or other assets upon which there is any liability.

SECRECY

153. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interests of the Company to communicate to the public. Secrecy

INDEMNITY

154. Subject to the provisions of the Companies Ordinance, the Company may indemnify any director or other officer against any liability and may purchase and maintain for any director or other officer or auditor insurance against any liability. Subject to those provisions, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every director or other officer of the Company shall be indemnified, and if the Board so determines an auditor may be indemnified, out of the assets of the Company against any liability incurred by him as a director or other officer of the Company, or as auditor, in defending any proceedings (whether civil or criminal) in which judgment is given in his favour or he is acquitted or in connection with any application under the Companies Ordinance in which relief is granted to him by the court. Indemnity