

MEMORANDUM

and

ARTICLES OF ASSOCIATION

of

CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED
華潤電力控股有限公司

(as at 26th May, 2006)

Incorporated the 27th day of August, 2001

No. 768021
編號 _____

[COPY]

COMPANIES ORDINANCE
(CHAPTER 32)

香 港 法 例 第 32 章

公 司 條 例

CERTIFICATE OF INCORPORATION

公 司 註 冊 證 書

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I hereby certify that

本 人 謹 此 證 明

CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED
華潤電力控股有限公司

is this day incorporated in Hong Kong under the Companies Ordinance, and
於 本 日 在 香 港 依 據 公 司 條 例 註 冊 成 為
that this company is limited.
有 限 公 司。

Issued by the undersigned on 27 August 2001.

本 證 書 於 二 〇 〇 一 年 八 月 二 十 七 日 簽 發 。

(Sd.) R. Cheung
MISS R. CHEUNG
.....
for Registrar of Companies
Hong Kong
香港公司註冊處處長
(公司註冊主任 張潔心代行)

THE COMPANIES ORDINANCE (CHAPTER 32)

Company Limited by Shares

MEMORANDUM OF ASSOCIATION

OF

CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED
華潤電力控股有限公司

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- First The name of the Company is “**CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED 華潤電力控股有限公司**”.
- Second The registered office of the Company will be situated in Hong Kong.
- Third The liability of the Members is limited.
- Fourth The authorised capital of the Company is HK\$10,000,000,000 divided into 10,000,000,000 shares of HK\$1.00 each.

The Company shall have the power to increase or reduce the authorised capital of the Company and to create and to issue all or any part of its share capital (whether original, increased or reduced) either in Hong Kong dollars or in any other currency or partly in one currency and partly in another and with any preferential, deferred, qualified or special rights, privileges, conditions or restrictions attached thereto. The Company shall have power to divide the shares in the capital for the time being into several classes and to attach thereto respectively preferential, deferred, qualified or special rights, privileges, conditions or restrictions as may be determined by or in accordance with the articles of association of the Company. Subject to the provisions of the Companies Ordinance (Chapter 32), the rights and privileges attached to any of the shares of the Company may be modified, varied, abrogated or dealt with in accordance with the provisions for the time being of the Company’s articles of association.

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

Names, Addresses and Descriptions of Subscribers	Number of Shares Taken by each Subscriber
<p style="text-align: center;">For and on behalf of Primus Nominees Limited</p> <p style="text-align: center;">(Sd.) David C.S. Fan, Director 8/F, Far East Finance Centre 16 Harcourt Road Hong Kong Corporation</p> <p style="text-align: center;">For and on behalf of Secondus Nominees Limited</p> <p style="text-align: center;">(Sd.) David C.S. Fan, Director 8/F., Far East Finance Centre 16 Harcourt Road Hong Kong Corporation</p>	<p style="text-align: center; vertical-align: top;">1</p> <p style="text-align: center; vertical-align: top;">1</p>
<p style="text-align: center;">Total Number of Shares Taken</p>	<p style="text-align: center;">2</p>

Dated this 20th day of August, 2001.

WITNESS to the above signatures:-

(Sd.) Louisa C.M. Lee
8/F., Far East Finance Centre
16 Harcourt Road
Hong Kong
Company Secretary

THE COMPANIES ORDINANCE (CHAPTER 32)

Company Limited by Shares

ARTICLES OF ASSOCIATION

OF

CHINA RESOURCES POWER HOLDINGS COMPANY LIMITED

華潤電力控股有限公司

Preliminary

1. In these Articles, unless the subject or context otherwise requires:-

“Articles”	means the articles of association of the Company in their present form and all supplementary, amended or substituted articles for the time being in force
“Associate”	has the meaning as ascribed to it under the Listing Rules
“auditors”	means the persons for the time being performing the duties of that office
“Board” or “Directors”	means the board of directors of the Company or the directors present at a meeting of directors of the Company at which a quorum is present
“Company”	means China Resources Power Holdings Company Limited 華潤電力控股有限公司
“capital”	means the share capital from time to time of the Company

“clearing house”	means a recognised clearing house within the meaning of Schedule 1 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or a clearing house recognised by the laws of jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction
“dividend”	means scrip dividends, distribution in specie or in kind, capital distributions and capitalisation issues, if not inconsistent with the subject or context
“HK\$” or “dollars”	means Hong Kong dollar, the lawful currency of Hong Kong
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Member”	means a duly registered holder from time to time of the shares in the capital of the Company
“month”	means a calendar month
“newspaper”	means a newspaper published daily and circulating generally in Hong Kong and prescribed in the list of newspaper issued and published in the gazette for the purposes of section 71A of the Ordinance by the secretary for administrative service and information
“Ordinance”	means the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and any amendments thereto or re-enactment thereof for the time being in force and includes every other ordinance incorporated therewith or substituted therefor and in the case of any such substitution the references in these Articles to the provisions of the Ordinance shall be read as references to the provisions substituted therefore in the new Ordinance
“Secretary”	means the person or corporation for the time being performing the duties of that office
“Statutes”	means the Ordinance and every other ordinances, rules and regulations of Hong Kong for the time being in force applying to or affecting the Company, its memorandum of association and/or Articles
“seal”	means the common seal from time to time of the Company and includes, unless the context otherwise requires, any official seal that the Company may have as permitted by these Articles and the Ordinance

“share(s)”	means share(s) in the capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited, where the shares of the Company are or will be primarily listed or quoted

Words importing the singular number shall include the plural number and vice versa.

Words importing the masculine gender shall include both gender and the neuter.

Words importing persons shall include companies, associations and bodies of persons whether corporate or not.

Expressions referring to writing shall be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form, including transmission by cable or telex.

Save as defined in this Article, words or expressions contained in these Articles shall bear the same meaning as in the Ordinance or any statutory modification thereof in force at the date at which these Articles become binding on the Company.

Reference to any Article by number are references to the particular article of these Articles.

2. The regulations contained in Table A in the First Schedule to the Ordinance shall not apply to the Company.
3. The business of the Company may be commenced as soon after the incorporation of the Company as the Directors shall think fit and notwithstanding that part only of the shares may have been allotted.

Share Capital and Variation of Rights

4. The authorised share capital of the Company at the date on which these Articles come into effect shall be HK\$10,000,000,000 divided into 10,000,000,000 shares of HK\$1.00 each.
5. The Board may issue warrants, conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as the Board may determine from time to time.
6. The Company may exercise any powers conferred or permitted by the Ordinance or Statutes from time to time to acquire its own shares or warrants (including redeemable shares) or to give, directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, financial assistance for the purpose of or in connection with a purchase made or to be made by any

person of any shares or warrants in the Company and should the Company acquire its own shares or warrants, 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 the shares or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class or shares provided always that any such acquisition or financial assistance shall only be given or made in accordance with the Listing Rules or any other relevant rules or regulations issued by the Securities and Futures Commission from time to time.

7. Subject to the provisions of sections 49 to 49S of the Ordinance and without prejudice to any special rights previously conferred on the holders of existing shares (as the case may be), the Company may issue shares with such preferred, deferred, or other special rights or privileges, or such restrictions, whether in regard to dividend, voting, return of share capital or otherwise, as the Company may from time to time determine. Any preference share may, at a determinable date or at the option of the Company or the holder if so authorised by the Articles, be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine. Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.
8. If at any time the share capital is divided into different classes of shares, the rights attached to any class may, subject to the provisions of the Ordinance, be modified, varied, abrogated or otherwise dealt with the sanction of a special resolution of the holders of the fully paid up shares of that class at a separate general meeting. To every such separate general meeting, all the provisions of these Articles relating to general meetings of the Company shall, *mutatis mutandis*, apply, but so that:
 - (a) the necessary quorum (other than at an adjourned meeting) shall be 2 persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, 2 holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum;
 - (b) every holder of shares of that class shall be entitled on a poll to one vote for every such fully paid up share held by him; and
 - (c) any holder of shares of the class present in person or by proxy may demand a poll.
9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

Shares

10. Subject to the provisions of the Ordinance, these Articles, any direction that may be given by the Company in general meeting and, where applicable, the Listing Rules and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, 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 deal with or dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine, but so that no shares of any class shall be issued at a discount except in accordance with the provisions of the Ordinance. Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such offer, option or shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of Members for any purpose whatsoever.
11. The Company may exercise the powers of paying commissions conferred by section 46 of the Ordinance, provided that the rate or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section and the rate of the commission shall not exceed the rate as allowed by the Ordinance. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
12. Except 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 be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
13. The joint holders of any share shall be jointly and severally liable for all liability in respect of such share but any of them may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such share. The first-named upon the register shall, however, as regards voting, proxy, service of notices and delivery of certificates and dividend warrants, be deemed to be the sole owner of such share.

Register of Members and Share Certificates

14. (a) The Directors shall cause to be kept a register of the Members and there shall be entered therein the particulars required under the Ordinance.
- (b) Subject to the provisions of the Ordinance, if the Directors consider it necessary or appropriate, the Company may establish and maintain a

branch register of Members at such location outside Hong Kong as the Directors think fit.

15. Every person whose name is entered as a Member in the register of Members shall be entitled without payment to receive within 10 days after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or several certificates each for 1 or more of his shares upon payment of \$5 for every certificate after the first or such less sum as the Directors shall from time to time determine. Every certificate for shares or warrants or debentures or representing any other form of securities of the Company shall be issued under the seal, or under the official seal kept by the Company under section 73A of the Ordinance, and shall specify the shares to which it relates. Provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than 1 certificate, and delivery of a certificate for a share to 1 of several joint holders shall be sufficient delivery to all such holders.
16. If a share certificate is defaced, lost or destroyed, it may be replaced on payment of a fee not exceeding the amount as prescribed by the Stock Exchange from time to time and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company of investigating evidence as the Directors think fit provided always that where share warrants have been issued, no new share warrant shall be issued to replace one that has been lost, unless the Company is satisfied beyond reasonable doubt that the original has been destroyed.
17. Every share certificate hereafter issued shall specify the number and class of shares in respect of which it is issued and the amount paid thereon, and may otherwise be in such form as the Board may from time to time prescribe.

Purchase of Own Shares and Financial Assistance

18. Subject to the provisions of the Ordinance, the Company may purchase its own shares (including any redeemable shares), may make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares, and may give financial assistance directly or indirectly for the purpose of the acquisition by any person of shares in the Company or for the purpose of reducing or discharging any liability incurred (by that or any other person) for that purpose.

Lien

19. The Company shall have a first and paramount lien upon every share (not being a fully paid up share) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for his or his estate's debts, liabilities and engagements, solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfilment or discharge thereof shall have actually arrived or not; and such lien shall extend to all dividends from time to time declared in respect of such shares. The lien conferred above shall attach to fully paid up shares and to all shares registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be

one of two or more joint holders. 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 exempt wholly or partially from the provisions of this Article.

20. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists, so far as the same is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.
21. The net proceeds of the sale after the payment of the costs of such sale shall be applied in payment of such part of the payment on satisfaction of the debt or liability or engagement in respect of which the lien exists, so far as the same is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares so transferred and he 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.

Calls on Shares

22. The Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times and each Member shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed in whole or in part as the Board may determine.
23. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
24. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. The non-receipt of a notice of any call by, or the accidental omission to give notice of a call to, any of the Members shall not invalidate the call.
25. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding 10 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.

26. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
27. The Board may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.
28. The Board may, if they think fit, receive from any Member willing to advance the same, all or any part of the moneys uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the moneys so advanced the Company may (until the same would, but for such advance, become payable) pay interest at such rate (if any) not exceeding (unless the company in general meeting shall otherwise direct) 10 per cent per annum as the Board may decide. Such payment in advance shall not entitle the holder of such share or shares to receive any dividend or privileges as a member in respect of the share or shares or the due portion of the shares upon which payment has been advanced by such holder of share or shares before it is called up.
29. No person shall exercise any rights of a Member until his name shall have been entered in the register and he shall have paid all calls and other moneys for the time being due and payable on any share held by him.
30. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register as the holder or one of the holders of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member sued, in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Transfer of Shares

31. The right of Members to transfer their fully-paid shares shall not be restricted by any rights of pre-emption (except when permitted by the Stock Exchange).
32. The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee and the transferor shall be deemed to remain a holder of the share until the name of transferee is entered in the register of Members in respect thereof.
33. Subject to such of the restrictions of these Articles as may be applicable, any shares may be transferred by an instrument of transfer in the usual or common form or any other form prescribed by the Stock Exchange or in any other form which the Directors may approve and may be under hand, or if the transferor or transferee is a clearing house or its nominee(s), by hand or by

machine imprinted signature or by such other manner of execution as the Board may approve from time to time. All instruments of transfer must be lodged at the registered office of the Company or at such other places as the Board may appoint for such purpose. All instruments of transfer which are registered shall be retained by the Company.

34. The Board may, in its absolute discretion and without assigning any reason therefor, decline to register any transfer of any share (not being a fully paid up share) to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of any share to more than four (4) joint holders or a transfer of any share (not being a fully paid up share) on which the Company has a lien.
35. The Board may also decline to recognize any instrument of transfer unless:-
 - (a) a fee of such maximum sum as the Stock Exchange may determine to be payable or such lesser sum as the Directors may from time to time require is paid to the Company in respect thereof;
 - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
 - (c) the instrument of transfer is in respect of only one class of share;
 - (d) the shares concerned are free of any lien in favour of the Company; and
 - (e) if applicable, the instrument of transfer is duly and properly stamped.
36. No transfer shall be knowingly made to an infant or to a person who is mentally incapacitated or under other legal disability.
37. If the Board refuses to register a transfer they shall within 10 days after the date on which the transfer was lodged with the Company send to the transferor and transferee notice of the refusal.
38. Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued without charge, subject to any fee as prescribed under Article 35(a), to the transferee in respect of the shares transferred to him, and if any of the shares included in the certificate so given up shall be retained by the transferor a new certificate in respect thereof shall be issued to him without charge. The Company shall also retain the transfer.
39. The registration of transfers of shares or of any class of shares may, after notice has been given by advertisement in an appointed newspaper and, where applicable, any other newspapers in accordance with the requirements of the Stock Exchange to that effect, be suspended or the register closed for not more than 30 days in any year or, with the approval of the Company in

general meeting in accordance with section 99(2)(a) of the Ordinance, 60 days in any year.

40. The Company shall be entitled to charge a fee not exceeding HK\$5 on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, or other instrument.

Transmission of Shares

41. In case of the death of a Member the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
42. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Board shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy, as the case may be.
43. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by that Member.
44. A person becoming entitled to a share by reason of the death or bankruptcy of a Member shall be entitled to the same dividends to which he would be entitled if he were the registered holder of the share provided always that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within 90 days the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.
45. Any person to whom the right to any shares in the Company has been transmitted by operation of law shall, if the Board refuses to register the transfer, be entitled to call on the Directors to furnish within 28 days a statement of the reasons for the refusal.

Forfeiture of Shares

46. If a Member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
47. The notice shall name a further day (not earlier than the expiration of 14 days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.
48. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share and not actually paid in full before the forfeiture. The Board may accept the surrender of any shares liable to be forfeited hereunder and in such cases references in these Articles to forfeiture shall include surrender.
49. A forfeited share shall be deemed to be the property of the Company, and may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
50. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of these Articles any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share by way of premium, shall notwithstanding that time has not yet arrived be deemed to be payable at the time of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.
51. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

52. Notwithstanding any such forfeiture as aforesaid the Board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, permit the shares forfeited to be bought back upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit.
53. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.
54. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Untraceable Members

55. (a) Without prejudice to the rights of the Company under paragraph (b) of this Article and Article 147, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.
- (b) The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a Member who is untraceable, but no such sale shall be made unless:
 - (i) all cheques or warrants in respect of dividends of the shares in question, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Articles of the Company have remained uncashed and unclaimed;
 - (ii) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the Member who is the holder of such shares or for a person entitled to such shares by death, bankruptcy or operation of law; and
 - (iii) the Company, if so required by the Listing Rules, has given notice to, and caused to place advertisement in newspaper in accordance with the requirements of, the Stock Exchange to be made of its intention to sell such shares in the manner required by the Stock Exchange, and a period of 3 months or such shorter period as may be allowed by the Stock Exchange has elapsed since the date of such advertisement.

For the purpose of the foregoing, the “relevant period” means the period commencing 12 years before the date of publication of the advertisement

referred to in paragraph (iii) of this Article and ending at the expiry of the period referred to in that paragraph.

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

Conversion of Shares into Stock

56. The Company may by ordinary resolution convert any fully paid-up shares into stock and reconvert any stock into fully paid-up shares of any denomination.
57. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as and subject to which the shares from which the stock arose might prior to conversion have been transferred, or as near thereto as circumstances admit; and the Board may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
58. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
59. Such of the Articles of the Company as are applicable to fully paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

Alteration of Capital

60. The Company may from time to time by ordinary resolution:

- (a) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
- (b) consolidate and divide all or any of its capital into shares of larger or smaller amount than its existing shares;
- (c) change the currency denomination of its share capital;
- (d) without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, divide any shares in the Company with or may subsequently have attached to it such preferred, deferred, qualified or other special rights, privileges, conditions or restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time determine, provided always that where the Company issues shares which do not carry voting rights, the words "non-voting" shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words "restricted voting" or "limited voting";
- (e) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association of the Company and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over other shares or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares, subject, nevertheless, to the Ordinance;
- (f) make provision for the issue and allotment of shares which do not carry any voting rights; and
- (g) 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.

61. The Board may settle as it considers expedient any difficulty which arises in relation to any consolidation and division under the last preceding Articles and in particular but without prejudice to the generality of the foregoing may issue certificates in respect of fractions of shares or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale (after deduction of the expenses of such sale) in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the share representing fractions to their purchaser or resolve that such net proceeds be paid to the Company for the Company's benefit. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

62. The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorised, and consent required, by law.

Allotment of Shares

63. The Board shall not exercise any power conferred on them to allot shares in the Company without the prior approval of the Company in general meeting where such approval is required by section 57B of the Ordinance.
64. Subject to Article 63 the Board shall have full power to issue shares to such persons and upon such terms (provided that no shares shall be issued at a discount at a par value) as they may think fit.

General Meetings

65. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it; and not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next (unless a longer period would not infringe the Ordinance and the Listing Rules). The annual general meeting shall be held at such time and place in Hong Kong or elsewhere as the Directors shall appoint.
66. In default of a general meeting being held in accordance with the provisions of Article 65, a general meeting shall be held in the month next following the expiry of the time limit set above and may be convened by any two Members in the same manner as nearly as possible as that in which meetings are to be convened by the Directors.
67. All general meetings other than annual general meetings shall be called extraordinary general meetings.
68. The Board may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by section 113 of the Ordinance.

Notice of General Meetings

69. An annual general meeting and a meeting called for the passing of a special resolution shall be called by 21 days' notice in writing at the least, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by 14 days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under the Articles, entitled to receive such notices from the Company.

A meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed:-

- (a) in the case of a meeting called as the annual general meeting by all the Members entitled to attend and vote thereat; and
 - (b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.
70. The accidental omission to give notice of a meeting to, or (in cases where instruments of proxy are sent out with the notice) to send such instrument of proxy, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

Proceedings at General Meetings

71. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the Directors and auditors, the election of Directors in the place of those retiring and the appointment of, and the fixing of the remuneration of, the auditors.
72. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business and continues to be present until the conclusion of the meeting; save as herein otherwise provided, 2 Members present in person or by proxy shall be a quorum.
73. If within 15 minutes from the time appointed for the meeting a quorum is not present, the meeting if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within 15 minutes from the time appointed for the meeting, the Members present shall be a quorum.
74. The chairman, if any, of the Board shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if he shall not be present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act or is absent from Hong Kong or such other place in which the meeting is to be held or has given notice to the Company of his intention not to attend the meeting, the Directors present shall elect another Director to be chairman of the meeting.
75. If at any meeting no Director is willing to act as chairman or if no Director is present within 15 minutes after the time appointed for holding the meeting, the Members present shall choose one of their members to be chairman of the meeting.

76. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
77. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:-
- (a) by the chairman; or
 - (b) by at least five Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
 - (c) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Member.

The demand for a poll may be withdrawn in accordance with Article 82.

78. Unless a poll be so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
79. Except as provided in Article 82, if a poll is duly demanded it shall be taken in such manner as the chairman directs, and the results of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
80. In the case of an equality of votes whether on a show of hands or on a poll the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
81. 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 at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

82. The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded, and, with the consent of the chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is earlier.

Votes of Members

83. Subject to any special rights, privileges or restrictions for the time being attached to any class or classes of shares, at any general meeting on a show of hands every Member who (being an individual) is present in person or (being a corporation) (save and except for a clearing house (or its nominee(s)) pursuant to Article 94(b)) is present by a representative duly authorised under Section 115 of the Ordinance shall have one vote, and on a poll every member present in person or by proxy or by duly authorised representative shall have one vote for every fully paid up share of which he is the holder and have for every partly paid share of which he is the holder the fraction of one vote equal to the proportion which the nominal amount due and paid up thereon bears to the nominal value of the share, but no amount paid or credited as paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share. On a poll a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
84. In the case of joint holders 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 of Members.
85. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may, on a poll, vote by proxy.
86. No person other than a Member duly registered and who has paid everything for the time being due from him and payable to the Company in respect of his shares shall be entitled to be present or to vote on any question either personally or by proxy at any general meeting or upon a poll or be reckoned in a quorum (save as proxy for another member) at any general meeting and no Member shall be entitled to be present or to vote (save as proxy for another member) at any general meeting in respect of any share that he has acquired by transfer unless a transfer of the share in respect of which he claims has been registered by the Company.
87. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be deemed valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

88. On a poll votes may be given either personally or by proxy. A proxy needs not be a Member of the Company. A member may appoint more than one proxy to attend on the same occasion. Notwithstanding anything contained in these Articles, where a Member of the Company is a clearing house (or its nominee(s)), a proxy or proxies appointed by such member shall be entitled to separate votes on a show of hands.
89. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof, it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
90. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or an office copy or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place within Hong Kong as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time 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, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
91. An instrument appointing a proxy shall be in such form as the Directors may from time to time approve, provided that this shall not preclude the use of the two-way form.
92. The instrument appointing a 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.
93. A vote given in accordance with the terms of an instrument of proxy or power of attorney or by the duly authorised representative of a corporation shall be valid notwithstanding the previous death or mental incapacity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, mental incapacity, revocation or transfer as aforesaid shall have been received by the Company at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.
94. (a) Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person as it

thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company.

- (b) If a clearing house (or its nominee(s)) is a member of the Company, it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any general meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation or proxy form shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised under the provisions of these Articles shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) which he represents as that clearing house (or its nominee(s)) could exercise as if such person were an individual member of the Company including the right to vote individually on a show of hands.
- (c) Any reference in these Articles to a duly authorised representative of a member of the Company being a corporation or a duly authorised representative of a clearing house (or its nominee(s)) shall mean a representative authorised under the provisions of these Articles.
- (d) Where any Member is, under the Listing Rules, 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.

Written Resolutions

- 95. Notwithstanding the provisions contained in section 116B of the Ordinance, a resolution in writing signed by or on behalf of all the Members of the Company or of any class thereof (as the case may be) shall be as valid and effective as if it had been passed as an ordinary or special resolution (as the case may be) at an extraordinary meeting of the Company or of the relevant class of Members (as the case may be) duly called and constituted. Such a resolution may consist of one or more documents in like form signed by one or more Members and shall not be invalidated by failure of the secretary to certify the wording of the same prior to signature. A message sent by a Member by cable, telex, facsimile or other remote electronic information delivery system shall be deemed to be a document signed by him for the purposes of this Article.
- 96. Notwithstanding any provisions contained in these Articles, a resolution in writing shall not be passed for the purpose of removing a Director before the expiration of his term of office under Article 100.

Directors

97. The number of Directors shall not be less than two. The Company may from time to time by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall never be less than 2. There shall be no maximum number of Directors unless otherwise determined from time to time by the Members in general meeting.
98. The Board shall have the power from time to time and at any time to appoint any person as a director either to fill a casual vacancy or as an addition to the Board. Any director so appointed by the Board shall hold office until the next general meeting of the Company (in case of filling a casual vacancy on the Board) or until next annual general meeting of the Company (in case of an addition to the Board) and shall then be eligible for re-election pursuant to the provisions of these articles.
99. A Director may resign from his office at any time by giving written notice to the Company. Such resignation shall take effect whenever it is expressed to do so (provided that it may not operate retrospectively) or upon its earlier acceptance.
100. Unless contrary to any provision of any laws or the Ordinance, the Members may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove a Director (including a managing or other executive director) at any time before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the notice of any such meeting convened for the purposes of removing a Director shall contain a statement of the intention so to do and be served on such Director forthwith or 14 days before the meeting (whichever is earlier) and at such meeting such Director shall be entitled to be heard on the motion for his removal.
101. (a) The Directors shall be paid out of the funds of the Company remuneration for their services at such rate as shall from time to time be decided by the Company in general meeting.
- (b) All sums paid to the Directors by way of remuneration shall be divided amongst the Directors as they shall mutually agree or in default of such agreement equally between them.
- (c) The Directors shall also be entitled to be paid their travelling and hotel and other expenses incurred in or about the performance of his duties as a Director, including his expenses of attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or otherwise incurred while engaged in the business of the Company.
102. The shareholding qualification for Directors may be fixed by the Company in general meeting, and unless and until so fixed no qualification shall be required. If invited by the Company, a Director who is not a Member shall nevertheless be entitled to attend and speak at general meetings of the Company.

103. 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 as shareholder or otherwise, and, subject to the Ordinance, no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of, or from his interest in, such other company unless the Company otherwise direct.

Borrowing Powers

104. The Board may exercise all the powers of the Company to borrow money for the purposes of the Company, without limit and upon such terms as they may think fit, and to mortgage or charge its undertaking, property (both present and future) and uncalled capital, or any part thereof, and to issue bonds, debentures, debenture stock, and, subject to section 57B of the Ordinance, convertible debentures and convertible debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
105. Debentures, debenture stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
106. Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.
107. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board may, by instrument under the seal, authorise the person in whose favour such mortgage or security is executed, or any other person in trust for him, to make calls on the Members in respect of such uncalled capital, and the provisions hereinbefore contained with regard to calls shall, mutatis mutandis, apply to calls made under such authority, and such authority may be made exercisable either conditionally or unconditionally, and either presently or contingently, and either to the exclusion of the Directors' powers or otherwise, and shall be assignable if expressed so to be.
108. Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled, by notice to the shareholders or otherwise, to obtain priority over such prior charge.
109. If the Directors or any of them, or any other persons, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

Powers and Duties of Directors

110. Subject to any exercise by the Board of the powers conferred by Articles 113, 131 and 133, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not, by the Ordinance or by Statutes or by these Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to any of these Articles, to the provisions of the Ordinance and Statutes and to such regulations, being not inconsistent with the aforesaid Articles or provisions, as may be prescribed by the Company in general meeting; but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
111. (a) The Directors may from time to time and at any time by power of attorney appoint any company, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the Directors 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 Directors under these Articles) and for such period and subject to such conditions as they may think fit.
- (b) Any such appointment may (if the Directors think fit) be made in favour of any company or of members, directors, nominees or managers of any company or firm, or in favour of any fluctuating body of persons whether nominated directly or indirectly by the Directors.
- (c) Any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
112. The Company may exercise the powers conferred by section 35 of the Ordinance with regard to having an official seal for use abroad, and such powers shall be vested in the Directors who may impose such restrictions on the use thereof as they think fit. Wherever in these Articles reference is made to the seal, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.
113. The Board may entrust to and confer upon a managing director, joint managing director, deputy managing director, an executive director or any Director any of the powers exercisable by it 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, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.
114. The Company may exercise the powers conferred upon the Company by sections 103, 104 and 106 of the Ordinance with regard to the keeping of a branch register, and the Directors may (subject to the provisions of those sections) make and vary such regulations as they may think fit in respect of the keeping of any such register.

115. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.
116. The Directors shall cause minutes to be made in books provided for the purpose:-
- (a) of all appointments of officers made by the Directors;
 - (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and
 - (c) of all resolutions and proceedings at all meetings of the Company, of the Directors and of committees of Directors.
117. (a) The Board on behalf of the Company may establish or concur or join with other companies (being subsidiaries of the Company, or is allied or associated with the Company or with any such subsidiary company, or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid) in establishing and making contributions out of the Company's moneys to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit under the Company or any such other company as aforesaid of its subsidiary companies) and ex-employees of the Company and their dependants or any class or classes of such persons.
- (b) The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as mentioned in the last preceding paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to any employee either before and in anticipation of or upon or at any time after his actual retirement.

Directors' Interest

118. (a) A Director who to his knowledge is, or has any Associate who is, in any way, whether directly or indirectly, materially interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his or his Associate's interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration if he knows his or his Associate's interest then exists, or in any other case at the first meeting of the Board after he knows that he or his Associate is or has become so interested. For this purpose, a general notice to the Board by a Director to the effect that:

- (i) he or his Associate is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or
- (ii) he or his Associate is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him,

shall be deemed to be a sufficient declaration of interest in relation to any such contract or arrangement provided that no such notice shall be effective unless it is given before the date on which the question of entering into a contract is first considered at a meeting of the Board.

- (b) Save as otherwise provided by these Articles, a Director shall not vote on any resolution of the Board nor be counted in the quorum in respect of any contract or arrangement in which he or any of his Associate is to his knowledge materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to:-
 - (i) any contract, arrangement or proposal for giving the Director or his Associate any security or indemnity in respect of money lent by any one of them to or obligations undertaken by any one of them for the benefit of the Company or any of its subsidiaries;
 - (ii) any contract, arrangement or proposal for the giving by the Company of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director himself or his Associate has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (iii) any contract, arrangement or proposal in relation to an offer or invitation of shares or debentures or other securities of or by the Company, or any other company which the Company may promote or be interested in, for subscription or purchase where the Director or his Associate is or is to be interested as a participant in the underwriting or sub-underwriting of the offer or invitation;
 - (iv) any contract, arrangement or proposal in relation to or concerning any other company in which the Director or his Associate is interested only as an officer of that other company;
 - (v) any contract, arrangement or proposal in relation to or concerning any other company in which the Director or his Associate is interested in as a holder of shares or other securities of that company provided that the aggregate beneficial interest of such Director and his Associate in such shares or securities is less than five per cent. of such issued shares or securities or of the voting rights of the entire class of

such company (or of any third company through which his or his Associate's interest is derived);

- (vi) any arrangement or proposal concerning the adoption, modification or operation of any share option scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or its subsidiaries under which the Director or his Associate may benefit; and
 - (vii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director or his Associate as such any privilege or advantage not accorded to the employees to which such scheme or fund relates.
- (c) A company shall be deemed to be a company in which a Director together with any of his Associates own five per cent. or more if and so long as (but only if and so long as) he together with any of his Associates are (either directly or indirectly) the holders of or beneficially interested in five per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company. For the purpose of this paragraph there shall be disregarded any shares held by a Director or his Associate as bare or custodian trustee and in which he or his Associate has no beneficial interest, any shares comprised in a trust in which the Director's or his Associate's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his Associate is interested only as a unit holder.
- (d) Where a company in which a Director together with any of his Associates hold five per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.
- (e) In so far as it is required by the Listing Rules, a Director shall not vote (nor be counted in the quorum) on any resolution of the shareholders in respect of any contract or arrangement or proposal in which he or his Associate is to his knowledge materially interested provided that this prohibition (aa) shall not apply to any of the matters specified as (i) to (vii) inclusive in Article 118(b) above; and (bb) is also subject to any waiver which may be granted by the Stock Exchange.
- (f) The Company may by ordinary resolution ratify any transaction not duly authorised by reason of a contravention of these Articles provided that no Director who is materially interested in such transaction, together with any of his Associates, shall vote upon such ordinary

resolution in respect of any shares in the Company in which they are interested.

- (g) If any question arises at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or his Associate, or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director or his Associate concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid arises in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman or his Associate as known to such chairman has not been fairly disclosed to the Board.
- (h) Subject to the Ordinance, a Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.
- (i) Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to Company.

Disqualification of Directors

119. (a) The office of Director shall be vacated if the Director:-
- (i) ceases to be a Director by virtue of section 155 of the Ordinance; or
 - (ii) becomes bankrupt or suspends payment or makes any arrangement or composition with his creditors generally; or
 - (iii) becomes mentally incapacitated; or

- (iv) resigns his office by notice in writing to the Company given in accordance with section 157D (3)(a) of the Ordinance; or
 - (v) shall for more than 6 months have been absent without permission of the Directors from meetings of the Directors held during that period (and his alternate Director (if any) shall not during such period have attended in his stead) and the Board passes a resolution that he has by reason of such absence vacated his office; or
 - (vi) is removed by an ordinary resolution passed pursuant to Article 100.
- (b) Subject to the provisions of the Ordinance, no Director shall be required to vacate office or be ineligible for re-election or re-appointment as a Director, by reason only of his having attained any particular age.

Retirement and re-election of Directors

120. Notwithstanding any other provisions in these articles, at each annual general meeting of the Company, one-third of the directors of the Company for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every director of the Company shall be subject to retirement by rotation at least once every three (3) years. The director to retire in every year shall be those who have been longest in office since their last re-election or appointment but as between persons who become directors of the Company on the same day, those to retire shall (unless otherwise agree between themselves) be determined by lot. A retiring director shall be eligible for re-election.
121. No person other than a Director retiring at the meeting shall, unless recommended by the Directors, be eligible for election to the office of Director at any general meeting unless not less than 7 clear days (the "Minimum 7-day Period") but not more than 14 clear days before the date appointed for the meeting there shall have been left at the registered office of the Company notice in writing, signed by a Member other than the person to be proposed duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected. The Minimum 7-day Period shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than 7 clear days before the date of such meeting.

Proceedings of Directors

122. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit. Meetings of the Directors may be held in Hong Kong or in any other part of the world as may be convenient for the majority. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the chairman shall

have a second or casting vote. A Director may (and the secretary on the requisition of a Director shall) at any time summon a meeting of the Directors.

123. The quorum necessary for the transaction of the business of the Board may be fixed by the Directors and unless so fixed shall be two. An alternate Director shall be counted in a quorum in the case of the absence of a Director for whom he is the alternate provided that he shall not be counted more than once for the purpose of determining whether or not a quorum is present.
124. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company, but for no other purpose.
125. The Directors may elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within 5 minutes after the time appointed for holding the same, the Directors present may choose one of their members to be chairman of the meeting.
126. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.
127. A committee may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within 5 minutes after the time appointed for holding the same, the members present may choose one of their member to be chairman of the meeting.
128. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman shall have a second or casting vote.
129. All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
130. A resolution in writing signed by all the Directors (or their respective alternate Directors as the case may be) for the time being entitled to receive notice of a meeting of Directors or of a committee of Directors shall be as valid and effective as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors (or

alternate Directors as the case may be). A resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity. A message sent by a Director by cable, telex, facsimile or other remote electronic information delivery system shall be deemed to be a document signed by him for the purposes of this Article.

Managing Director, etc.

131. The Board may from time to time and at any time to appoint one or more of their body to the office of Managing Director, Joint Managing Director, Deputy Managing Directors or other executive Director and/or such other office in the management of the business of the Company as it may decide for such period and on such terms as they think fit and subject to the terms of any arrangement entered into in any particular case, may revoke such appointment. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director. A Director appointed to an office under this Article shall be subject to the same provision as to rotation, resignation and removal as the other Directors, and he shall (subject to the provisions of any contract between him and the Company) ipso facto cease to hold the office of Directors for any cause.
132. Managing director, joint managing director, deputy managing director or other executive director and/or such other office in the management of the business of the Company appointed under Article 131 shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, either in addition to or in lieu of his remuneration as a Director.

Alternate Directors

133. (a) A Director may at any time appoint any other person (whether a Director or Member (not being a body corporate within the meaning of the Ordinance) of the Company or not) to act as alternate Director at any meeting of the board at which the Director is not present, and may at any time revoke any such appointment. If such person is not another Director, such appointment, unless previously approved by the Board, shall have the effect only upon and subject to being so approved.
- (b) An alternate Director so appointed shall not be entitled as such to receive any remuneration from the Company, but shall otherwise be subject to the provisions hereof with regard to Directors.
- (c) An alternate Director shall be entitled to receive notices of all meetings of the Board and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions, rights, powers and duties of the Director by whom he was appointed in his capacity as a Director but not in his capacity as a manager or working Director.

- (d) An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director provided that if a Director retires and is re-elected by the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired.
- (e) Where a Director who has been appointed to be an alternate Director is present at a meeting of the Board in the absence of his appointor such alternate Director shall have one vote in addition to his vote as Director.
- (f) Every appointment and revocation of appointment of an alternate Director shall be made by instrument in writing under the hand of the Director making or revoking such appointment and such instrument shall only take effect on the service thereof at the registered office of the Company or upon the Secretary.
- (g) The remuneration of any such alternate Director shall be payable out of the remuneration payable to the Director appointing him and shall consist of such portion of the last-mentioned remuneration as shall be agreed between the alternate Director and the Director appointing him.

Secretary

- 134. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.
- 135. A provision of the 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 the place of, the Secretary.

The Seal

- 136. (a) The Directors shall provide for the safe custody of the seal, which shall not be affixed to any instrument except by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf and in the presence of one Director or of the Secretary or such other person or persons as the Directors or the committee of Directors may appoint for that purpose; and such Director, the Secretary or other person or persons shall sign every instrument to which the seal is so affixed in his or their presence.
- (b) The Company may have an official seal for use for sealing certificates for shares or other securities issued by the Company as permitted by Section 73A of the Ordinance (and no signature of any Director, officer or other person and no mechanical reproduction thereof shall be required on any such certificates or other document and any such certificates or other document to which such official seal is affixed shall be valid and deemed to have been sealed and executed with the

authority of the Board notwithstanding the absence of any such signature or mechanical reproduction as aforesaid).

Dividends and Reserves

137. The Company in general meeting may declare dividends in any currency, but no dividend shall exceed the amount recommended by the Directors.
138. The Board may from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company.
139. No dividend shall be paid otherwise than out of profits.
140. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may from time to time think fit, and so that it shall not be necessary to keep any investments constituting the reserve or reserve separate or distinct from any other investments of the Company. The Board may also, without placing the same to reserve, carry forward any profits which they may think prudent not to divide.
141. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
142. (a) The Board may deduct from any dividend payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise in relation to the shares of the Company.

(b) The Board may retain any dividends or other moneys payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
143. Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets of any kind of the Company and in particular of paid-up shares, debentures, debenture stock or warrants to subscribed securities of any other company to which the Members are entitled, or in any one or more of such ways, and the Board shall give effect to such resolution; and where any difficulty arises in regard to such distribution, the Board may settle the same as they think

expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed or that fractions of less than one dollar may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees as may seem expedient to the Board. Where requisite, a proper contract or written particulars thereof shall be filed in accordance with section 45 of the Ordinance; and in the case of a written contract the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

144. Any dividend, bonus, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of Members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at his or their risk and payment of the cheque and warrant by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one of 2 or more joint holders may give effectual receipts for any dividends, bonuses, interest or other moneys payable in respect of the shares held by them as joint holders.
145. No dividend shall bear interest against the Company.
146. All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividends or bonuses after a period of six years from the date of declaration shall be forfeited and shall revert to the Company. The payment by the Company of any unclaimed dividend or other sum payable on or in respect of a share in to a separate account shall not constitute the Company a trustee in respect thereof.
147. (a) Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on any class of the share capital of the Company, the Board may further resolve either:
 - (1) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof if the Board so determines) in cash in lieu of such allotment. In such case, the following provisions shall apply:
 - (i) the basis of any such allotment shall be determined by the Board;

- (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' notice to the holders of the relevant 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;
 - (iii) 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; and
 - (iv) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised (the "**non-elected shares**") and in satisfaction thereof shares of the relevant class 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 the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account other than the Subscription Rights Reserve) (as defined in Article 156) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or
- (2) that the shareholders entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:
- (i) the basis of any such allotment shall be determined by the Board;
 - (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' notice to the holders of the relevant 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;

- (iii) 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; and
 - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised (the “**elected shares**”) and in lieu thereof shares of the relevant class shall be allotted credited as fully paid up to the holders 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 the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account other than the Subscription Rights Reserve (as defined in Article 156) or conversion rights reserve or capital redemption reserve fund (if there be any such reserves)) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the elected shares on such basis.
- (b) (1) The shares allotted pursuant to the provisions of paragraph (a) of this Article shall rank *pari passu* in all respects with shares of the same class (if any) then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub-paragraph (1) or (2) of paragraph (a) of this Article in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the 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.
- (2) 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 thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.

- (c) The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (a) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.
- (d) The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (a) of this Article shall not be made available or made to any shareholders with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of such rights of election or the allotment of shares would or might, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.
- (e) Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Article shall mutatis mutandis apply to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the Members.

Accounts

148. The Directors shall cause proper books of account to be kept with respect to:-
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
 - (b) all sales and purchases of goods by the Company;
 - (c) the assets and liabilities of the Company; and
 - (d) all other matters required by the Ordinance and Statutes.

149. The books of account shall be kept at the registered office of the Company, or, subject to section 121(3) of the Ordinance, at such other place or places as the Board thinks fit, and shall always be open to the inspection by the Directors.
150. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Board or by the Company in general meeting.
151. The Board shall from time to time, in accordance with sections 122, 124 and 129D and other applicable provisions of the Ordinance, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in those sections.

Distribution of relevant financial documents and summary financial reports

152. (a) Subject to paragraph (b) below, the Company will, in accordance with legislation, deliver or send to each Member a printed copy of the relevant financial documents or the summary financial report (each as defined in the Ordinance) at least 21 days before the date of the general meeting of the Company.
- (b) Where a Member (a “**Consenting Member**”) has, in accordance with legislation and the Listing Rules, consented to treat the publication of the relevant financial documents and/or the summary financial report (each as defined in the Ordinance) on the Company’s computer network as discharging the Company’s obligation under the Ordinance to send a copy of the relevant financial documents and/or the summary financial report (each as defined in the Ordinance), then publication by the Company, in accordance with legislation, on the Company’s computer network of the relevant financial documents and the summary financial report (each as defined in the Ordinance) at least 21 days before the date of the general meeting of the Company shall, in relation to each Consenting Member, be deemed to discharge the Company’s obligations under paragraph (a) above.

Capitalisation of Reserves

153. The Company in general meeting may upon the recommendation of the Board resolve to capitalise any part of any money, investments or other assets for the time being standing to the credit of any of the Company’s reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares, debentures or debenture stock held by such Members respectively or paying up in full (either

at par or at such premium as the resolution may provide) unissued shares or debentures or debenture stock of the Company to be allotted and distributed credited as fully paid-up to and amongst such Members in the proportions aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution provided that a share premium account and a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be allotted to Members of the Company as fully-paid bonus shares.

154. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully-paid shares, debentures or debenture stock, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Board to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares, debentures or debenture stock becoming distributable in fractions, and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares, debentures or debenture stock to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.
155. The Board may by notice specify that members entitled to an allotment or distribution of shares or debentures pursuant to any capitalisation sanctioned under these Articles may elect that all or a specified number (of such shares) or value (of such debentures, being an integral multiple of the face amount of one of the relevant debentures) thereof shall be allotted or distributed to such person or persons as that member shall specify by notice in writing to the Company. Any such notice may (in the discretion of the Board) be treated as void unless received at the place specified in the notice given by the Board before the resolution effecting such capitalisation is passed.

Subscription Rights Reserve

156. (a) If, so long as any of the rights attached to any warrants or similar rights (together "**warrants**") issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions of the conditions of the warrants, would reduce the subscription price to below the par value of a share then the following provisions shall apply:
- (1) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Article) maintain in accordance with the provisions of this Article a reserve (the "**Subscription Rights Reserve**") the amount of which shall at no time be less than the sum which for the time

being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to subparagraph (3) of this paragraph (a) on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Rights Reserve in paying up such additional shares in full as and when the same are allotted;

- (2) the Subscription Rights Reserve will not be used for any purpose other than that specified above until all other reserves of the Company (other than share premium account and capital redemption reserve fund) have been used and will then only be used to make good losses of the Company if and so far as is required by law;
- (3) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrant holder credited as fully paid such additional nominal amount of shares as is equal to the difference between:
 - (i) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and
 - (ii) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par;

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

- (4) if upon the exercise of the subscription rights represented by any warrant the amount standing to the credit of the Subscription Rights Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such difference as aforesaid to which the exercising warrant holder is

entitled, the Board shall apply any profits or reserves then or thereafter becoming available (including to the extent permitted by law, share premium account and capital redemption reserve fund) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until such time no dividend or other distributions shall be paid or made on the shares. Pending such payment up and allotment the exercising warrant holder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Board may think fit and adequate particulars thereof shall be made known to each relevant exercising warrant holder upon the issue of such certificate.

- (b) Shares allotted pursuant to the provisions of this Article shall rank *pari passu* in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned.
- (c) Notwithstanding anything contained in paragraph (a) of this Article no fraction of a share shall be allotted on exercise of the subscription rights.
- (d) The provisions of this Article as to the establishment and maintenance of the Subscription Rights Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating, the provisions for the benefit of any warrant holder or class of warrant holders under this Article without the sanction of a special resolution of such warrant holders or class of warrant holders.
- (e) A certificate or report by the auditors as to whether or not the Subscription Rights Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Rights Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to an exercising warrant holder credited as fully paid and as to any other matter concerning the Subscription Rights Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and shareholders.

Audit

157. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Ordinance.

158. Subject as otherwise provided by the Ordinance, the remuneration of the auditors shall be fixed by the Company in general meeting provided always that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board.
159. Every statement of accounts audited by the Company's auditors and presented by the Directors at a general meeting shall after approval at such meeting be conclusive except as regards any error discovered therein within three months of the approval thereof. Whenever any such error is discovered within that period, it shall forthwith be corrected, and the statement of account amended in respect of the error shall be conclusive.

Notices

160. Every Member and Director shall register with the Company an address either in Hong Kong or elsewhere to which notices can be sent; and if any Member or Directors shall fail so to do, notice may be given to such Member or Director by sending the same in any of the manners hereinafter mentioned to his last known place of business or residence or, if there be none, a notice posted up in the registered office of the Company shall be deemed to be duly served at the expiration of 24 hours after it is so posted.
161. A notice may be given by personal service, prepaid letter (airmail in the case of a registered address outside Hong Kong), cable, telex or facsimile transmission message or by other remote electronic information delivery system or by advertisement such advertisement shall be published in the newspaper in accordance with the requirements of the Stock Exchange.
162. (a) A notice personally delivered to a registered address shall be deemed to have been served at the time of delivery.
- (b) A notice sent by post to a registered address shall be deemed to have been served on the day following its posting.
- (c) A notice sent by cable, telex or facsimile transmission message by other remote electronic information delivery system shall be deemed to have been served on the day following the despatch of the cable or telex message.
- (d) A notice served in any other manner contemplated by these Articles, shall be deemed to have been served at the time of the relevant despatch, transmission or publication; and in proving such service a certificate in writing signed by the secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof.
- (e) In the case of a notice sent by prepaid letter, in proving service thereof it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed and stamped and was deposited in a post box or at the post office.

163. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the register of Members in respect of the share.
164. Any person who by operation of law, transfer or other means whatsoever shall become entitled to any shares shall be bound by every notice in respect of such shares which, before his name and address has been entered on the register of Members, shall be duly given to the person from whom he derives his title to such share.
165. Any notice or document delivered or sent by post to the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member be then deceased and whether or not the Company has notice of his decease, be deemed to have been duly served (in respect of any registered shares, whether held solely or jointly with other persons) on such Members until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his executors or administrators and all persons (if any) jointly interested with him in any such share.
166. Notice of every general meeting shall be given in any manner hereinbefore authorised to:-
- (a) every Member except those Members who have not supplied to the Company an address for the giving of notices to them; and
 - (b) the auditor for the time being of the Company.

No other person shall be entitled to receive notices of general meetings.

Winding Up

167. If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court), the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Ordinance, divide amongst the Members in specie or the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, 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 so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.
168. On any sale of the undertaking of the Company the Board or the liquidator on a winding up may, if authorised by a special resolution, accept fully or partly paid-up shares, debentures or securities of any other company, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Board (if the profits of the company permit), or the liquidator (on a winding up), may distribute such shares or securities or any

other property of the Company amongst the Members without realisation, or vest the same in trustees for them, and any special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property otherwise than in accordance with the strict legal rights of the Members or contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve; and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised and waive all rights in relation thereto, save only, in case the Company is proposed to be or is in the course of being wound up, such statutory rights (if any) under section 237 of the Ordinance as are incapable of being varied or excluded by these Articles.

169. The Directors, Secretary and other officers and every auditor for the time being of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and everyone of them, and everyone of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.
170. Each Member agrees to waive any claim or right of action he might have, whether individually or by or in the right of the Company, against any Director on account of any action taken by such Director, or the failure of such Director to take any action in the performance of his duties with or for the Company; provided that such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director.
171. In case any of the shares to be divided as aforesaid consist of shares which involve a liability to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after the passing of the special resolution, by notice in writing direct the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall if practicable act accordingly.

Documents

172. (a) Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Board or any committee of the Board and any books, records, documents and accounts, relating to the business of

the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and, where any books, records, documents and accounts are elsewhere other than at the registered office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Board or any committee of the Board which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

- (b) (1) Subject to the provisions of the Ordinance, these Articles and any other applicable laws and Statutes, the Company shall be entitled to destroy the following documents at the following times:
- (i) registered instruments of transfer: at any time after the expiration of seven years from the date of registration thereof;
 - (ii) allotment letters: at any time after the expiration of seven years from the date of issue thereof;
 - (iii) copies of powers of attorney, grants of probate and letters of administration: at any time after the expiration of two years after the account to which the relevant power of attorney, grant of probate or letters of administration related has been closed;
 - (iv) dividend mandates and notifications of change of address: at any time after the expiration of two years from the date of recording thereof: and
 - (v) cancelled share certificates: at any time after the expiration of one year from the date of the cancellation thereof.
- (2) It shall conclusively be presumed in favour of the Company:
- (i) that every entry in the register purporting to be made on the basis of any such documents so destroyed was duly and properly made; and
 - (ii) that every such document so destroyed was valid and effective and had been duly and properly registered, cancelled, or recorded in the books or records of the Company, as the case may be.
- (3) (i) The provisions aforesaid shall apply only to the destruction of a document in good faith and without

notice of any claim (regardless of the parties thereto) to which the document might be relevant;

- (ii) Nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Articles;
- (iii) References herein to the destruction of any document include references to the disposal thereof in any manner.

Indemnity

173. Every Director, managing Director, joint managing director, deputy managing director, other executive director, agent, auditor, Secretary and such other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in relation to the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 358 of the Ordinance in which relief is granted to him by the court and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by any provision of the Ordinance.

Names, Addresses and Descriptions of Subscribers

For and on behalf of
Primus Nominees Limited

(Sd.) David C.S. Fan, Director
8/F., Far East Finance Centre
16 Harcourt Road
Hong Kong
Corporation

For and on behalf of
Secondus Nominees Limited

(Sd.) David C.S. Fan, Director
8/F., Far East Finance Centre
16 Harcourt Road
Hong Kong
Corporation

Dated this 20th day of August 2001.
WITNESS to the above signatures:-

(Sd.) Louisa C.M. Lee
8/F., Far East Finance
Centre
16 Harcourt Road
Hong Kong
Company Secretary