

THE COMPANIES ORDINANCE, (CHAPTER 622)

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Public Company Limited by Shares

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**ARTICLES OF ASSOCIATION**

(Adopted by a special resolution passed on 5 June 2017)

**OF**

**FAR EAST HOLDINGS INTERNATIONAL LIMITED**  
**遠東控股國際有限公司**

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(Name Changed on 27 February 2007, 12 May 2000,  
23 September 1988, 11 August 1987 and 3 September 1982)

**Preliminary**

1. (A) The name of the Company is “FAR EAST HOLDINGS INTERNATIONAL LIMITED 遠東控股國際有限公司”.
- (B) The registered office of the Company shall be in the Hong Kong Special Administrative Region of the People’s Republic of China.
- (C) The liability of the members of the Company is limited and limited to the extent of any amount unpaid on the shares held by them respectively.
- (D) No regulations set out in any ordinance or any notice made under any ordinance concerning companies shall apply as regulations or articles of the Company and Schedule 1 (Model Articles for Public Companies Limited by Shares) to the Companies (Model Articles) Notice (Chapter 622H of the Laws of Hong Kong) shall not apply to the Company.

2. In these Articles unless there be something in the subject or context inconsistent therewith:—

“Articles” means these Articles of Association as originally adopted or as from time to time altered by special resolution.

“associate” has the meaning ascribed to it under the Listing Rules.

“associated company” means any company that is the Company’s subsidiary or holding company or a subsidiary of the Company’s holding company.

“Board” means the Board of Directors of the Company or the Directors present at a meeting of the Directors at which a quorum is present.

“business day” has the meaning ascribed thereto in the Listing Rules.

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

“clearing house” means a recognized clearing house as defined in Schedule I to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended from time to time.

“close associate” has the meaning ascribed to it under the Listing Rules.

“Company” means “FAR EAST HOLDINGS INTERNATIONAL LIMITED 遠東控股國際有限公司”.

“Dividend” includes bonus.

“Electronic Communication” means a communication sent by electronic transmission in any form through any medium, in each case, as may be selected by the Company.

“Gazette” means the Government of the Hong Kong Special Administration Region Gazette.

“holder” in respect of a share means the person whose name appears in the Register of members as the holder thereof.

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“in writing” and “written” include printing, lithography, and other modes of representing or reproducing words in a visible form whether or not transitory or, to the extent permitted by and in accordance with the Ordinance, Listing Rules and other applicable laws, rules and regulations, any visible substitute for writing (including an electronic communication), or modes of representing or reproducing words partly in one visible form and partly in another visible form.

“Listing Rules” means the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time.

“month” means calendar month.

“Office” means the registered office for the time being of the Company.

“Ordinance” means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) or any statutory modification or re-enactment for the time being in force.

“paid-up” in respect of a share means paid-up or credited as paid-up to the full amount of the subscription price of the relevant share.

“Register” means the register of members of the Company or, as the context may require, the register of holders of other securities of the Company maintained by or on the instructions of the Company.

“Registrar” the share registrar from time to time of the Company.

“Seal” means the Common Seal of the Company includes where relevant a Securities Seal and any official seal for use abroad.

“Secretary” includes any person, firm or company appointed for the time being by the Directors to perform the duties of Secretary.

“Securities Seal” means an official seal kept by the Company by virtue of section 126 of the Ordinance.

“Statutes” means the Ordinance and every other ordinance from time to time in force concerning companies in so far as the same apply to the Company.

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

Words and expressions which have a special meaning assigned to them in the Ordinance shall have the same meanings in these Articles unless inconsistent with the subject or context.

Words importing the gender or the neuter only include both genders and the neuter.

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

Words importing persons include corporations.

3. No part of the funds of the Company shall directly or indirectly be employed in the purchase of or in loans upon the security of the Company’s shares, but nothing in these Articles shall prohibit transactions permitted under the Ordinance.

4. The Company may pay a commission or brokerage to any person in consideration of his subscribing or agreeing to subscribe or procure subscribers, whether absolutely or conditionally, for any shares in the Company, or procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in the Company at any rate not exceeding ten per centum of the price at which the said shares are issued.

### **Shares and Certificates**

5. Subject to the Statutes the Company may buy back or otherwise acquire its shares, including any redeemable shares. Subject as aforesaid, such powers shall be exercisable by the Board upon such terms and subject to such conditions as they think fit. For the purpose of this Article “shares” shall mean shares of all classes and securities which carry a right to subscribe or purchase, or are otherwise convertible into, shares of the Company
6. Without prejudice to any special rights previously conferred on the holders of existing shares in the Company, any share in the Company may be issued with such preferred, deferred, or other special rights, or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise, as the Company may from time to time by special resolution determine.
7. Any preference share may, with the sanction of a special resolution, be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.
8. The shares shall be under the control of the Directors, who may allot and dispose of or grant options over the same to such persons, on such terms, and in such manner as they think fit subject to the Statutes and the Listing Rules. The Board may, subject to the Statutes and the Listing Rules issue warrants (other than share warrants to bearer) to subscribe for any class of shares or securities of the Company on such terms as the Board may from time to time determine.
9. The Directors may make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls.
10. Save to the extent required by law or by a court of competent jurisdiction the Company shall be entitled to treat the person whose name appears upon the Register in respect of any share as the absolute owner thereof, and shall not be under any obligation to recognise any trust or equity or equitable claims to or partial interest in such share whether or not it shall have express or other notice thereof.
11. (i) Every person whose name is entered as a member in the Register shall be entitled to receive within such time as may from time to time be prescribed by the Stock Exchange (or within such other period as the conditions of issue shall provide) upon payment of a fee (not exceeding the maximum fee prescribed or permitted by the Stock Exchange from time to time), one certificate for all his shares of any particular class, or if he shall so request, for every certificate after the first, as the Directors shall from time to time determine, such number of certificates for shares in Stock Exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that in the event of a

member transferring part of the shares represented by a certificate in his name a new certificate in respect of the balance thereof shall be issued in his name and, in the case of a share or shares held jointly by several persons, the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders.

- (ii) Every share certificate shall be executed in accordance with section 127(3) of the Ordinance (which for this purpose may include affixing of any Securities Seal) and shall specify the number and class of shares and, if applicable, the distinctive numbers thereof, to which the certificate relates, and the amount paid-up thereon and may otherwise be in such form as the Board may from time to time determine. If at any time the share capital of the Company is divided into different classes of shares, every share certificate issued at that time shall comply with section 179 of the Ordinance, and no certificate shall be issued in respect of more than one class of shares.
  - (iii) The Company shall provide standard and bulk securities registration services and a certificate replacement service as prescribed in the provisions regarding Trading and Settlement in the Listing Rules, in each case at such fees payable to the Company for such registration and/or replacement services as the Board shall determine not exceeding the maximum fees prescribed from time to time in the Listing Rules.
  - (iv) If at any time all the issued shares of the Company, or all the issued shares of a particular class, are fully paid-up and rank pari passu for all purposes, none of those shares shall thereafter (subject to a resolution of the Board to the contrary) have a distinguishing number so long as it remains fully paid-up and ranks pari passu for all purposes with all the shares of the same class for the time being issued and fully paid-up.
12. Fully-paid shares shall be free from any restriction on the right of transfer (except when permitted by the Listing Rules) and shall also be free from all liens in favour of the Company.
13. Subject to the Ordinance if any certificate be defaced, worn out, lost, or destroyed, the Directors may at their discretion and subject to such terms as they may think fit issue a new or duplicate certificate on payment of a fee not exceeding the maximum fee prescribed or permitted from time to time by the Stock Exchange, and the person requiring the new certificate shall surrender the defaced or worn-out certificate or give such evidence of the loss or destruction of the certificate and such indemnity to the Company as the Directors think fit.

#### **Joint Holders of shares**

14. Where two or more persons are registered as the holders of any shares they shall be deemed to hold the same as joint tenants with benefit of survivorship, subject to the provisions following:-

- (a) The Company shall not be bound to register more than four persons as the holders of any share.
- (b) The joint holders of any share shall be liable, severally as well as jointly, in respect of all payments which ought to be made in respect of such share.
- (c) On the death of any one of such joint holders the survivor or survivors shall be the only person or persons recognized by the Company as having any title to such share; but the Directors may require such evidence of death as they may deem fit.
- (d) Any one of such joint holders may give effectual receipts for any Dividend return of capital payable to such joint holders.
- (e) Only the person whose name stands first in the Register as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share, or to receive notices from the Company, or to attend or vote at general meetings of the Company, and any notice given to such person shall be deemed notice to all joint holders; but any one of such joint holders may be appointed the proxy of the person entitled to vote on behalf of such joint holders, and as such proxy to attend, speak and vote at general meetings of the Company.

#### **Calls on shares**

- 15. The Directors may from time to time make calls upon the members in respect of all moneys unpaid on their shares, provided that no call be made payable with one month after the date when the last instalment of the last preceding call shall have been made payable; and each member shall, subject to receiving fourteen days' notice at least, specifying the time and place for payment, pay the amount called on his shares to the persons and at the times and places appointed by the Directors. A call may be made payable by instalments.
- 16. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed.
- 17. If the call payable in respect of any share or any instalment of a call be not paid before or on the day appointed for payment thereof, the holder for the time being of such share shall be liable to pay interest on the same at such rate, not exceeding ten per centum per annum, as the Directors shall determine, from the day appointed for the payment of such call or instalment to the time of actual payment; but the Directors may, if they shall think fit, waive the payment of such interest or any part thereof.
- 18. If by the terms of the issue of any shares, or otherwise, any amount is made payable at any fixed time or by instalments at any fixed times, every such amount or instalment shall be payable as if it were a call duly made by the Directors, of which due notice had been given; and all the provisions with respect to the payment of calls and interest thereon, or to the forfeiture of shares for non-payment of calls, shall apply to every such amount or instalment and shares in respect of which it is payable.

19. The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him; and upon all or any of the moneys so paid in advance the Directors may (until the same would but for such advance presently payable) pay interest at such rate (not exceeding without the sanction of the Company in general meeting, eight per centum per annum) as may be agreed upon between the member paying the moneys in advance and the Directors but the member is not entitled to participate in respect thereof in a Dividend subsequently declared.
20. The instrument of transfer of any shares in the Company shall be in writing, and shall be executed by or on behalf of the transferor and transferee, and duly attested and the transferor shall be deemed to remain the holder of such share until the name of the Transferee is entered in the Register in respect thereof. Shares in the Company shall be transferred in any usual or common form of which the Directors shall approve. For the purpose of this Article, the Directors may, on such conditions as they think fit, accept the machine imprinted signature of the transferor and/or the transferee as the valid signature of the transferor and/or the transferee.
- 21.(A) The Directors may decline to register any transfer of any share:-
  - (i) if it is not a fully paid-up share;
  - (ii) whether the share is fully-paid or not, if it is in favour of more than four persons jointly;
  - (iii) if the instrument of transfer is not lodged at the Office or another place that the Directors have appointed;
  - (iv) if the instrument of transfer is not accompanied by the certificate for the share to which it relates, or other evidence the Directors reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;
  - (v) if the transfer is in respect of more than one class of shares; or
  - (vi) unless a fee (if the Board so determines) not exceeding the maximum fees prescribed or permitted from time to time by the Stock Exchange is paid to the Company in respect thereof.
- (B) If the Directors refuse to register the transfer of a share for any reason including but not limited to those specified above:-
  - (i) the transferor or transferee may request a statement of the reasons for the refusal;
  - (ii) the instrument of transfer shall be returned to the transferor or transferee who lodged it (unless the Directors suspect that the proposed transfer may be fraudulent) together with a notice of refusal within 2 months after the date on which the instrument of transfer was lodged with the company; and

(iii) if a request is made under paragraph (B)(i), the Directors shall, within 28 days after receiving the request:-

- (a) send the transferor or transferee who made the request a statement of the reasons for the refusal; or
- (b) register the transfer.

unless

- 22. On the death of any member (not being one of several joint holders of a share) the legal personal representatives of such deceased member shall be the only persons recognized by the Company as having any title to such share subject always to Article 23.
- 23. Any person becoming entitled to a share by reason of the death or bankruptcy of a member may upon such evidence being produced as may from time to time be required by the Directors, elect either to be registered himself as the holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall have the same right to refuse or suspend registration as they would have had in the case of a transfer of the share by the deceased or bankrupt person before the death or bankruptcy.
- 24. The Directors may suspend the registration of transfers of shares:-
  - (a) for any period or periods not exceeding 30 days in each year; or
  - (b) if the period of 30 days for closing the register of members is extended in respect of that year under section 632 of the Ordinance, for not more than that extended period.

#### **Forfeiture of shares**

- 25. If any member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter during such time as any part of the call or instalment remains unpaid serve a notice on him requiring him to pay so much of the call or instalment as is unpaid, together with interest accrued and any expenses incurred by reason of such non-payment.
- 26. The notice shall name a further day (not being earlier than the expiration of fourteen days from the date of the notice) on or before which such call or instalment and all interest accrued and expenses incurred by reason of such non-payment are to be paid, and it shall also name the place where payment is to be made, such place being either the Office, or some other place at which calls of the Company are usually made payable. The notice shall also state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which such call or instalment is payable will be liable to forfeiture.



27. If the requisitions of any such notice as aforesaid be not complied with, any share in respect of which such notice has been given may, at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect, and any such forfeiture shall extend to all Dividends declared in respect of the share so forfeited but not actually paid before such forfeiture.
28. Any shares so forfeited shall be deemed to be the property of the Company, and may be sold or otherwise disposed of in such manner, either subject to or discharged from all calls made or instalments due prior to the forfeiture, as the Directors think fit but the Directors may, at any time before such shares are sold or otherwise disposed of annul the forfeiture upon such terms as they may approve. For the purpose of giving effect to any such sale or other disposition the Directors may authorize some person to transfer the shares so sold or otherwise disposed of to the purchaser thereof or other person becoming entitled thereto.
29. Any 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 the forfeiture were presently payable by him to the Company in respect of the shares, together with interest thereon at such rate, not exceeding ten per centum per annum, as the Directors shall appoint down to the day of payment, but his liability shall cease if and when the Company receives payment in full in respect of such shares. The Directors may, if they shall think fit, remit the payment of such interest or any part thereof.
30. When any shares have been forfeited an entry shall forthwith be made in the Register recording the forfeiture and the date thereof, and as soon as the shares so forfeited have been sold or otherwise disposed of an entry shall also be made of the manner and date of the sale or disposal thereof.

#### **Lien on partly paid shares**

31. (A) The Company shall have a first and paramount lien upon each share that is not fully paid held by any member of the Company (whether alone or jointly with other persons) and upon all Dividends which may be declared in respect of such share for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share and for all moneys presently payable by the person or the person's estate to the Company.
- (B) The Directors may at any time declare a share to be wholly or in part exempt from this Article.
- (C) Subject to this Article, the Company may sell a share in a manner the Directors think fit if:-
  - (i) a notice enforcing a lien ("lien enforcement notice") has been issued in respect of that share; and
  - (ii) the person to whom the notice was issued has failed to comply with it.

- (D) A lien enforcement notice:-
- (i) may only be issued in respect of a share on which the Company has a lien, in respect of which a sum is presently payable;
  - (ii) shall specify the share concerned;
  - (iii) shall require payment of the sum within 14 days of the notice;
  - (iv) shall be issued to the holder of the share or to the person entitled to it by reason of the holder's death, bankruptcy or otherwise; and
  - (v) shall state the Company's intention to sell the share if the notice is not complied with.
- (E) To give effect to the sale of shares under this Article, the Directors may authorise any person to transfer the shares to the purchaser, and the purchaser shall be registered as the holder of those shares. The purchaser shall not be bound to see to the application of the purchase money, and the purchaser's title to the shares shall not be affected by any irregularity in or invalidity of the process leading to the sale. The net proceeds of the sale (after payment of the costs of sale and any other costs of enforcing the lien) shall be applied:-
- (i) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice;
  - (ii) second, to the person entitled to the shares at the date of the sale.
- (F) Paragraph (E)(ii) applies:-
- (i) only after the certificate for the shares sold has been surrendered to the Company for cancellation or a suitable indemnity has been given for any lost certificate; and
  - (ii) subject to a lien equivalent to the Company's lien on the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice.
- (G) A statutory declaration by a Director or the Company secretary that the declarant is a Director or the Company secretary and that a share has been sold to satisfy the Company's lien on a specified date:-
- (i) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
  - (ii) subject to compliance with any other formalities of transfer required by these Articles or by law, shall constitute good title to the share.

### **Alteration of share capital**

32. The Company may by special resolution reduce its capital in any manner allowed by law and may from time to time alter its capital in any one or more of the ways set out in the Ordinance. Subject to the provisions of Article 33, any new shares shall be issued upon such terms and conditions and with such rights, priorities, or privileges as the resolution effecting the increase of capital shall prescribe.
33. Subject to any directions to the contrary that may be given by the resolution effecting the increase of capital, any capital raised by the creation of new shares shall be considered as part of the original capital, and shall be subject to the same provisions with reference to the payment of calls and the forfeiture of shares on non-payment of calls, transfer and transmission of shares, lien or otherwise, as if it had been part of the original capital.

### **Modification of Rights**

34. (A) If at any time the capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, at any time, either while the Company is a going concern or during or in contemplation of a winding-up, subject to the provisions of the Ordinance, be modified, abrogated, or varied with the consent in writing of the holders of 75 per cent. of the issued shares of the class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class.
- (B) To every such separate general meeting the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that at every such separate general meeting (other than an adjourned meeting) the quorum shall be two persons at least holding or representing by proxy 33 per cent. of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present one person holding shares of that class or his proxy shall be a quorum), and that any holder of shares of the class present in person or by proxy may demand a poll.
- (C) The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

### **Borrowing Powers**

35. The Directors may raise or borrow for the purpose of the Company's business such sum or sums of money as they think fit. The Directors may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company, present and future, including its uncalled or unissued capital, or by the issue, at such price as they may think fit, of bonds, or debentures, either charged upon the whole or any part of the property and assets of the Company or not so charged, or in such other way as the Directors may think expedient.

36. Any bonds, debentures, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Directors, who may issue them upon such terms and conditions and in such manner and for such considerations as they shall consider to be for the benefit of the Company.
37. The Company may, upon the issue of any bonds, debentures, debenture stock, or other securities, confer on the creditors of the Company holding the same, or on any trustees or other persons acting on their behalf, a voice in the management of the Company, whether by giving to them the right of attending and voting at general meeting, or by empowering them to appoint one or more persons to be the Directors of the Company, or otherwise as may be agreed.
38. If any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.
39. A Register of the holders of the debentures of the Company shall be kept at the Office, and shall be open to inspection by the registered holders of such debentures and by any member, subject to such restrictions as the Company in general meeting may from time to time impose. The Directors may close such Register for such period or periods as they may think fit, not exceeding in the aggregate thirty days in each year.

#### **General meetings**

40. The Company shall in each year hold a general meeting as its annual general meeting, in addition to any other meetings in that year. The annual general meeting shall be held at such time and place as may be determined by the Directors in accordance with the Ordinance.
41. The Directors may, whenever they think fit, and they shall, upon a requisition made in writing by members in accordance with the Ordinance, convene a general meeting.
42. In the case of a general meeting called in pursuance of a requisition, unless such meeting shall have been called by the Directors, no business other than that stated in the requisition as the objects of the meeting shall be transacted.

#### **Notice of general meetings**

43. Subject to the provisions of section 564 of the Ordinance relating to special resolutions, at least twenty-one clear days notice of any annual general meeting and at least 14 clear days' notice shall be given of every other general meeting specifying (where applicable) that the meeting is an annual general meeting the place, the day, and the hour of meeting, and the general nature of the business, shall be given to the members in manner hereinafter mentioned, or in such other manner (if any) as may be prescribed by the Company in general meeting; but the accidental omission to give notice to any member of such notice, shall not invalidate the proceedings at any general meeting.

44. Notwithstanding the provisions of the last preceding Article, with the written consent of all the members entitled to receive notice of some particular general meeting, that general meeting may be convened by fewer days' notice, and in such manner as those members may think fit.

### **Proceedings at general meetings**

45. 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 such quorum shall consist of not less than two members personally present or present by proxy.
46. If within half an hour from the time appointed for a general meeting a quorum be 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; and if at such adjourned meeting a quorum be not present within half an hour from the time appointed for the meeting it shall be adjourned sine die.
47. The Chairman of the Board of Directors shall preside as Chairman at every general meeting of the Company. If there be no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman, the members present shall choose one of the Directors present to be Chairman; or if no Director be present and willing to take the chair the members present shall choose one of their number to be Chairman.
48. The Chairman may, with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting), adjourn 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 ten 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 adjourned meeting or of the business to be transacted thereat.
49. Subject to the Listing Rules and unless the notice convening the meeting shall specify that any given resolution referred to therein shall be determined on a poll every resolution submitted to a general meeting shall be determined in the first instance by a show of hands of the members present in person or by proxy, but a poll may be demanded (before or upon the declaration of the result of the show of hands) by the Chairman or by:—
- (i) not less than three members present in person or by proxy having the right to vote at the meeting; or
  - (ii) a member or members present in person or by proxy representing not less than 5 per cent. of the total voting rights of all the members having the right to vote at the meeting.

Unless a poll is duly demanded in accordance with the foregoing provisions a declaration by the Chairman that a resolution has been carried or lost or has or has not been carried by any particular majority, and an entry to that effect in the minutes of the

proceedings of the Company, shall be conclusive evidence of the fact without proof of the number, proportion or validity of the votes recorded in favour of or against such resolution.

50. If a poll be directed or demanded in the manner above mentioned it shall (subject to the provisions of Article 52) be taken at such time and in such manner as the Chairman may appoint, and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was directed or demanded.
51. In the case of an equality of votes at any general meeting, whether upon a show of hands or on a poll, the Chairman shall be entitled to a second or casting vote. In case of any dispute as to the admission or rejection of any vote the Chairman shall determine the same, and such determination shall be final and conclusive.
52. A poll demanded upon the election of a Chairman or upon a question of adjournment shall be taken forthwith. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

#### **Votes of members**

53. Subject to Article 54 and to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative duly authorised under sections 606 or 607 of the Ordinance at any general meeting shall be entitled, on a show of hands, to one vote only and, on a poll, to one vote for every fully paid-up share of which he is the holder.
54. 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.
55. If any member be a person who is mentally incapacitated he may vote by his committee, receiver, curator bonis, or other legal curator.
56. No member shall be entitled to be present or to vote (save as proxy or corporate representative of another member) at any general meeting unless all calls or other sums presently payable by him in respect of the shares held by him in the Company have been paid.
57. On a poll votes may be given either personally or by proxy.
58. The instrument appointing a proxy shall be in writing in any normal or common form under the hand of the appointor, or of his attorney duly authorized in writing, or if such appointor be a corporation either under its common seal or under the hands of an officer or attorney duly authorised. The instrument shall be deemed, subject to the proviso hereinafter contained, to confer authority upon the proxy to speak, and vote on any resolution (or amendment thereto) put to the meeting for which it is given as the proxy thinks fit Provided that any form issued to a member for use by him for appointing a proxy to attend and vote at a general meeting or at an annual general meeting shall be

such as to enable the member according to his intention to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution and 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.

59. Where a shareholder and/or warrant holder is a clearing house or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any shareholders' meetings or any meetings of any class of shareholders and/or warrant holders provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of shares and/or warrants in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence for substantiating the facts that it is duly authorised and will be entitled to exercise the same power on behalf of the recognized clearing house as that clearing house or its nominee(s) could exercise if it were an individual shareholder and/or warrant holder of the Company.
60. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially- certified copy of such power or authority, shall be deposited at the Office or such other place as may be specified by the Board in or together with the notice of the relevant general meeting not less than forty-eight hours before the time fixed for holding the meeting or adjourned meeting at which the person named in such instrument is authorized to vote, and in default the instrument of proxy shall not be treated as valid. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. A proxy need not be a member of the Company.

### **Directors**

61. Unless and until the Company in general meeting shall otherwise determine the number of Directors shall be not less than three but there shall be no maximum number.
62. A Director need not hold any share in the Company.
63. The remuneration of the Directors shall be such sum or sums as the Company may in general meeting from time to time determine. The Directors shall also be entitled to be paid their reasonable traveling and other expenses incurred in consequence of their attendance at Board Meetings and otherwise in the execution of their duties as Directors. Any resolution of the Board reducing or postponing the time for payment of the Directors remuneration shall bind all the Directors.
64. The Directors may award special remuneration out of the funds of the Company to any Director going or residing abroad in the interests of the Company, or undertaking any work additional to that usually required of directors of a company similar to the Company.

## **Powers of Directors**

65. (a) The business of the Company shall be managed by the Directors, who shall pay all expenses incurred in the formation and registration of the Company, and may exercise all such powers of the Company as are not by the Statutes or by these Articles required to be exercised by the Company in general meeting, subject, nevertheless, to any regulations of these Articles, to the provisions of the Statutes, and to such regulations not being inconsistent with the aforesaid regulations 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 such regulation had not been made.
- (b) Without prejudice to the general powers conferred by these Articles and subject to the Statutes and the Listing Rules it is hereby expressly declared that the Directors shall have the following powers:-
- (i) To give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at such price as may be agreed.
  - (ii) To give to any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary and such commission or salary shall be treated as part of the working expenses of the Company.
  - (iii) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or is allied or associated with the Company or with any such subsidiary company, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and holding or who have held any salaried employment or office in the Company or such other company, and the wives, widows, families and dependants of any such persons. The Board may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid, and may make payments for or towards the insurance of any such persons as aforesaid, and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. The Board may do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.



66. Without limiting the generality of Article 65 and Article 127 subject to the provisions of the Ordinance, the Company may purchase and maintain for any Director or officer of the Company, or any person employed by the Company as an auditor - (a) insurance against any liability to the Company, an associated company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or an associated company; and (b) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or an associated company.

### **Disqualification of Directors**

67. The Office of a Director shall be vacated:—
- (a) If he becomes bankrupt or insolvent or compound with his creditors;
  - (b) If he is found lunatic or becomes mentally incapacitated;
  - (c) If he be convicted of an indictable offence;
  - (d) If, he is requested in writing by all his co-directors to resign;
  - (e) If he becomes prohibited from being a Director by reason of any order made under the Ordinance; or
  - (f) If he gives the Company one month's notice in writing that he resigns his office;

but any act done in good faith by a Director whose office is vacated as aforesaid shall be valid unless, prior to the doing of such act, written notice shall have been served upon the Company or an entry shall have been made in the Director's minutes book stating that such Director has ceased to be a Director of the Company.

68. (a) A Director may hold any office of profit under the Company (other than that of Auditor) in conjunction with the office of Director, and may enter into contracts or arrangements or have dealings with the Company, and shall not be disqualified from office thereby, nor shall he be liable to account to the Company for any profit arising out of any such contract, arrangement, or dealing to which he or any of his close associates or connected entities is a party or in which he or any of his close associates or connected entities is interested by reason of his being at the same time a Director of the Company, nor shall he thereby be precluded from voting as a Director provided that such Director discloses to the meeting of the Directors at which such contract, arrangement, or dealing is first taken into consideration, the nature and extent of his interest therein or, if such interest is subsequently acquired, provided that he discloses the fact that he has acquired such interest at the next meeting of the Directors held after such interest was acquired. A general notice given to the Directors by a Director to the effect that he is a member of a specified company or firm, and is to be regarded as interested in any contract, arrangement, or dealing which may, after the date of the notice, be entered into or made with that company or firm, shall, for the purpose of this Article, be deemed

to be a sufficient disclosure of interest in relation to any contract, arrangement, or dealing so entered into or made. Without prejudice to the generality of the foregoing, a Director shall give notice to the Company of such matters relating to himself as may be necessary for the purposes of sections 383, 576 and 641 of the Ordinance.

- (b) Notwithstanding such disclosure is made as contemplated in Article 68(a), a Director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his close associates or connected entities has a material interest nor shall he be counted in the quorum present at the meeting, but this prohibition shall not apply to:
  - (1) the giving of any security or indemnity either:
    - (a) to the Director or his close associate(s) or connected entities in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
    - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) or connected entities has/have himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (2) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his close associates or connected entities is/are to be interested as a participant in the underwriting or sub- underwriting of the offer;
  - (3) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his close associate or connected entities is/are beneficially interested in shares of that company, provided that the Director and any of his close associates or connected entities are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his close associates or connected entities is derived) or of the voting rights;
  - (4) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
    - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or

- (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his close associates and connected entities and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
  - (5) any contract or arrangement in which the Director or his close associate(s) and connected entities is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.
69. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as the number of Directors is reduced below the number fixed by or pursuant to the Regulations of the Company as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose. Any Director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

### **Managing Director**

70. The Directors may from time to time appoint one or more of their body to the office of Managing Director or Joint Managing Directors for such period and on such terms as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment. A Director so appointed shall, whilst holding that office, be subject to retirement by rotation or be taken into account in determining the rotation of retirement of Directors, but his appointment shall be automatically determined if he ceases from any cause to be a Director.
71. The remuneration of the Managing Director or Managing Directors shall (subject to the provisions of any agreement between him or them and the Company) from time to time be fixed by the Directors, and may be by way of fixed salary, or commission on Dividends, profits or turnover of the Company or of any other company in which the Company is interested, or by participation in any such profits, or by any or all of these modes.
72. The Directors may from time to time entrust to and confer upon a Managing Director or Joint Managing Directors for the time being such of the powers exercisable under these Articles by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient; and they may confer such powers, either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

### **Rotation of Directors**

73. Subject to the provisions of these Articles at the annual general meeting in each year one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office. A retiring Director shall retain office until the conclusion of the meeting or adjourned meeting at which he is due to retire.
74. Subject to the provisions of these Articles and until otherwise determined by the Company by ordinary resolution the Directors to retire in every year shall be the Directors who have been longest in office since their last election or appointment. As between Directors of equal seniority, the Directors to retire shall (unless such Directors of equal seniority shall agree otherwise amongst themselves) be selected from among them by lot. A retiring Director shall be eligible for re-election.
75. (a) The Company at the annual general meeting at which any Director retires in manner aforesaid may fill up the vacated office, and may fill up any other offices which may then be vacant, by electing the necessary number of persons, unless the Company shall determine to reduce the number of Directors in office. The Company may also at any general meeting, on notice duly given, fill up any vacancies in the office of Directors or appoint additional Directors.
- (b) The minimum period required of notice to the Company of the intention to propose a person for election as a Director, and notice to the Company by such person of his willingness to be elected, will be at least seven days and that the period for lodgment of the notices will 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 days prior to the date of such meeting.
76. If at any general meeting at which an election of Directors ought to take place, the places of the retiring Directors be not filled up, the retiring Directors, or such of them as have not had their places fill up shall continue in office until the annual general meeting in the next year, and so on from time to time until their places have been filled up, unless at any such meeting it shall be determined to reduce the number of Directors in office.

### **Number of Directors**

77. The Company may from time to time in general meeting increase or reduce the number of Directors, and may also determine in what rotation if any such increased or reduced number of Directors is to go out of office.
78. The Directors shall have power at any time and from time to time to appoint any other person to be a Director of the Company, either to fill a casual vacancy or as an addition to the Board. Any person appointed by the Directors to fill a casual vacancy on or as an addition to the Board shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election.

79. A Director may at any time by notice in writing delivered to the Company at its registered office in Hong Kong or at a meeting of the Board appoint any person to be an alternate Director to act in his place whenever he is abroad or unable to act as a Director and such appointment shall have effect during the continuance in office of such Director and such appointee, whilst he holds office as an alternate Director, shall be entitled to notice of meetings of the Directors, and to attend and vote thereat in the absence or incapacity of the Director in whose place he is appointed. A Director may at any time in writing revoke the appointment of an alternate appointed by him. An alternate Director shall ipso facto cease to be an alternate Director if his appoint or resumes office or ceases for any reason to be a Director.
80. The Company may by an ordinary resolution remove any Director (including a managing or other executive director, but without prejudice to any claim for damages under any contract) before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead. The person so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed (subject to Article 78).

### **Proceedings of Directors**

81. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Until otherwise determined two Directors shall constitute a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. A Director may at any time summon a meeting of the Directors. Notice of a meeting of Directors need not be given to a Director who is not in Hong Kong.
82. The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office. If no such Chairman be elected, or if at any meeting the Chairman be not present within ten minutes after the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting.
83. A resolution in writing signed by all the Directors for the time being in Hong Kong except such as would be unable to vote on such resolution if considered at a meeting of the Directors by reason of having an interest as provided for in Article 68 shall (so long as they constitute a quorum) be as effective for all purposes as a resolution of the Directors passed at a meeting duly convened, held and constituted. A written notification of confirmation of such resolution in writing signed by a Director shall be deemed to be his signature to such resolution in writing for the purposes of this Article. Such resolution in writing may be contained in one document or in several documents in like form, each signed or approved by one or more of the Directors concerned.
84. The Directors may delegate any of their powers to committees consisting of such one or more of their body as they may think fit. 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 Directors. The regulations herein contained for the meetings and proceedings of Directors shall, so far as not altered by any regulations made by the Directors, apply also the meetings and proceedings of any committee.

85. All acts done by any meeting of the Directors or a committee of Directors, or by any persons acting as Directors, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

### **General Managers**

86. The Directors may from time to time appoint a General Manager or General Managers of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes and pay the working expenses of any of the staff of the General Manager or General Managers who may be employed by him or them upon the business of the Company.
87. The appointment of such General Manager or General Managers may be for such period as the Directors may decide and the Directors may confer upon him or them all or any of the powers of the Directors as they may think fit.
88. For the purposes of Articles 86 and 87 the Directors may enter into such Agreement or Agreements with any such General Manager or General Managers upon such terms and conditions in all respects as the Directors may in their absolute discretion think fit, including a power for such General Manager or General Managers to appoint an Assistant General Manager or Assistant General Managers or other employees whatsoever under them for the purpose of carrying on the business of the Company.

### **Minutes**

89. 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;
  - (c) Of all resolutions and proceedings at all meetings of the Company and of Directors and of committees of Directors;

and any such minutes of the Directors or of the Company, if purporting to be signed by the chairman of such meeting, or by the chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated in such minutes. Until the contrary is proved, every general meeting of the Company or meeting of the Directors in respect of the proceedings of which the minutes have been so made, shall be deemed to have been duly convened and held, and all proceedings thereat shall be valid.

### **Execution of Documents**

90. The Board shall provide for the safe custody of the Seal, and the Seal shall never be used except by the authority of the Board previously given, and two Directors or any two persons appointed by the Board shall sign every instrument to which the Seal is

affixed but so that the Directors may by resolution determine, either generally or in any particular case, that the signatures of Directors or persons appointed by the Board may be affixed to or reproduced on any document by some mechanical means to be specified in such resolution, or one or more of such signatures may be entirely dispensed with, provided that entirely dispensing with one or more signatures shall only be permitted in connection with the use of the Seal on share certificates or debentures. Notwithstanding the foregoing, any document executed in accordance with section 127(3) of the Ordinance and expressed (in whatever words) to be executed by the Company shall have the same effect as if it had been executed under seal. Every instrument executed in manner provided by this Article shall be deemed to be sealed and executed with the authority of the Directors previously given.

91. The Company may have a Securities Seal (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 to which such seal is affixed and certificates or other documents shall be valid and deemed to have been sealed and executed with the authority of the Board notwithstanding the absence of any such signature or mechanical reproduction as aforesaid) and an official seal for use abroad under the provisions of the Ordinance where and as the Board shall determine, and the Company may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agents of the Company for the purpose of affixing and using such official seal and may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such Securities Seal or official seal as aforesaid.

#### **Cheques, etc.**

92. All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, shall be made, signed, drawn, accepted and endorsed, otherwise executed by any person or persons from time to time authorised by a resolution of the Directors and the signatures of such person or persons may be affixed to or reproduced on such cheques, promissory notes, drafts, bills of exchange, contracts and other negotiable instruments by some mechanical means to be specified in such resolution.

#### **Dividends**

93. Subject to the rights of the holders of any shares entitled to any priority, preference, or special privileges, all Dividends shall be declared and paid to the members in proportion to the amounts paid-up on the shares held by them respectively. No amount paid on a share in advance of calls shall, while carrying interest, be treated for the purpose of this Article as paid on the share.
94. The Directors may if they think fit from time to time determine the amount of Dividends (if any) to be paid by the Company. If the Directors think fit they may from time to time make a recommendation as to the amount (if any) which they consider ought to be paid by way of Dividend and the Company may thereafter declare the amount of the Dividend to be paid but such Dividend shall not exceed the amount recommended by the Directors.
95. No Dividend shall be paid otherwise than out of the profits of the Company.

96. The Directors may from time to time pay to the members, or any class of members such interim Dividends as appear to the Directors to be justified by the profits of the Company.
97. The Directors may deduct from the Dividends payable to any member all such sums of money as may be due from him to the Company on account of calls or otherwise.
98. Notice of any Dividend that may have been declared shall be given to each member in the manner in which notices of general meetings are given to the members.
99. The Company may transmit any Dividend payable in respect of any share by ordinary post to the registered or other recorded address of the holders or, in the case of joint holders, the first named person in the Register of members in respect of such share (unless that first named person shall have given written instructions to the contrary) and shall not be responsible for any loss arising in respect of such transmission.
100. No Dividend shall bear interest as against the Company.
101. Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular but without prejudice to the generality of the foregoing of paid up shares, debentures or warrants to subscribe securities of any company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue fractional certificates, disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. Where it is determined by the Board that a contract for allotment is necessary or desirable to give effect to the foregoing provisions or any of them, the Board shall have the power to appoint any person to execute such a contract on behalf of the persons entitled to the dividend, and such appointment shall be effective.
102. All Dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefits of the Company until claim and all Dividends unclaimed for six years after having been declared may be forfeited by the Directors for the benefit of the Company.

### **CAPITALISATION**

103. (a) In respect of any Dividend which the Board has resolved to pay or any Dividend declared or sanctioned or proposed to be declared or sanctioned by the Board or by the Company in general meeting, the Board may determine and announce, prior to or contemporaneously with the announcement, declaration or sanction of the Dividend in question:



either

- (i) that shareholders entitled thereto will receive in lieu of such Dividend (or such part thereof as the Board may think fit) an allotment of shares credited as fully paid provided that the shareholders are at the same time accorded the right to elect to receive such Dividend (or part thereof as the case may be) in cash in lieu of such allotment. In such case, the following provisions shall apply:
  - (A) the basis of any such allotment shall be determined by the Board;
  - (B) the Board, after determining the basis of allotment and notwithstanding that the number of shares to be allotted may not be calculated until after notice to the shareholders has been given as required by the provisions of this sub-paragraph and subject to the provisions of sub-paragraph (D) below, shall give notice in writing to the shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective which shall be not less than two weeks from the date on which the notice above referred to was despatched to the shareholders;
  - (C) the right of election accorded to shareholders as aforesaid may be exercised in whole or in part;
  - (D) the Board may resolve:
    - (I) that the right of election accorded to shareholders as aforesaid may be exercised so as to take effect on all future occasions (if any) when the Board makes a determination pursuant to sub-paragraph (i) of this paragraph (a) of this Article; and/or
    - (II) that a shareholder who does not exercise the right of election accorded to him as aforesaid either in whole or in part may notify the Company that he will not exercise the right of election accorded to him in respect of all future occasions (if any) when the Board makes a determination pursuant to sub-paragraph (i) of this paragraph (a) of this Article.

Provided that a shareholder may exercise such election or give such notice in respect of all but not some of the shares held by him and may at any time give seven days' notice in writing to the Company of the revocation of such an election or such a notice which revocation shall take effect at the expiry of such seven days, and until such revocation has taken effect, the Board shall not be obligated to give to such shareholder notice of the right of election accorded to him or send to him any form of election;

- (E) the Dividend (or that part of the Dividend in lieu of which an allotment of shares is to be made 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 lieu thereof shares shall be allotted credited as fully paid 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 reserve or reserves or other special account) as the Board may determine, a sum (as may be required) and apply the same in paying up in full the appropriate number of unissued shares for allotment and distribution to and amongst the holders of the Non-Elected shares on such basis;

or

- (ii) that shareholders entitled to such Dividend be entitled to elect to receive an allotment of shares credited as fully paid in lieu of the whole or such part of the Dividend as the Board may think fit. In such case, the following provisions shall apply:
  - (A) the basis of any such allotment shall be determined by the Board;
  - (B) the Board, after determining the basis of allotment and notwithstanding that the number of shares to be allotted may not be calculated until after notice to the shareholders has been given as required by the provisions of this sub-paragraph and subject to the provisions of sub-paragraph (D) below, shall give notice in writing to the shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective which shall be not less than two weeks from the date on which the notice above referred to was despatched to the shareholders;
  - (C) the right of election accorded to shareholders as aforesaid may be exercised in whole or in part;
  - (D) the Board may resolve;
    - (I) that the right of election accorded to shareholders as aforesaid may be exercised so as to take effect on all future occasions (if any) when the Board makes a determination pursuant to sub-paragraph (ii) of this paragraph (a) of this Article; and/or
    - (II) that a shareholder who does not exercise the right of election accorded to him as aforesaid either in whole or in part may notify the Company that he will not exercise the right of election accorded to him in respect of all future occasions (if any) when the Board makes determination pursuant to sub-paragraph (ii) of this paragraph (a) of this Article.

Provided that a shareholder may exercise such election or give such notice in respect of all but not some of the shares held by him and may at any time give seven days' notice in writing to the Company of the revocation of such an election or such a notice which revocation shall take effect at the expiry of such seven days, and until revocation has taken effect, the Board shall not be obliged to give to such member notice of the right of election accorded to him or send to him any form of election;

- (E) the Dividend (or that part of the Dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised (the Elected shares) and in lieu thereof shares shall be allotted credited as fully paid to the holders of the Elected shares on the basis of allotment determined as aforesaid and for such purpose the 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 reserve or such a sum as may be required in paying up in full the appropriate number of unissued shares for allotment and distribution to and amongst the holders of the Elected shares on such basis;
- (b) The shares allotted pursuant to the provisions of paragraph (a) of this Article shall rank *pari passu* in all respects with the fully paid shares then in issue save only as regards participation:
  - (i) in the relevant Dividend (or the right to receive or to elect to receive an allotment of shares in lieu thereof as aforesaid); or
  - (ii) in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant Dividend,

unless, contemporaneously with the announcement by the Board of its proposal to apply the provisions of sub-paragraph (i) or (ii) of paragraph (a) of this Article in relation to the relevant Dividend or contemporaneously with 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.

- (c) The Board may do all acts and things it considers necessary or expedient to give effect to any capitalisation pursuant to the provisions of this Article with full power to the Board to make such provisions as they think fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The 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.

- (d) The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any particular Dividend of the Company that notwithstanding the provisions of paragraph (a) of this Article that Dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid-up without offering any right to shares to elect such Dividend in cash in lieu of such allotment.
- (e) The Board may on any occasion when it makes a determination pursuant to paragraph (a) of this Article, resolve that no allotment of shares or rights of election for shares to be issued pursuant to such determination shall be made available or made to any shareholders with registered addresses in any particular territory or territories or to a Depository where the allotment of shares or the circulation of an offer of such rights of election would or might, in the opinion of the Board, be unlawful or would or might, in the opinion of the Board, be unlawful in the absence of a registration statement or other special formalities, and in such event the provision aforesaid shall be read and construed subject to such resolution and the only entitlement of shareholders in any such territory or territories shall be to receive in cash the relevant Dividend resolved to be paid or declared. “Depository” means a custodian or other person (or a nominee for such custodian or other person) appointed under contractual arrangements with the Company or other arrangements approved by the Board whereby such custodian or other person or nominee holds or is interested in shares of the Company or rights or interests in shares of the Company and issues securities or other documents of title or otherwise evidencing the entitlement of the holder thereof to or to receive such shares, rights or interests, provided and to the extent that such arrangements have been approved by the Board for the purpose of these Articles and shall include, where approved by the Board, the trustees (acting in their capacity as such) of any employees’ share scheme established by the Company or any other scheme or arrangements principally for the benefit of employees of the Company and/or its subsidiaries which have been approved by the Board.
- (f) The Board may at any time resolve to cancel all (but not some only) of the elections made and the notices given by the shareholders pursuant to subparagraphs (i)(D) and (ii)(D) of paragraph (a) of this Article by giving seven clear days’ notice in writing to the relevant shareholders.
- (g) The Board may on any occasion determine that rights of election under paragraph (a) of this Article shall not be made available to shareholders who are registered in the Register, or in respect of shares the transfer of which is registered, after a date fixed by the Board and in such event the provisions aforesaid shall be read and construed subject to such determination.

#### **Untraceable members**

104.(A) The Company may sell any share if:

- (i) all cheques or warrants, being not less than three in total number, for any sum payable in cash to the holder of such share in respect of them sent during the relevant period in the manner authorised by these Articles have remained uncashed;

- (ii) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the member who is the holder of such share or of a person entitled to such share by death, bankruptcy or operation of law;
  - (iii) the Company has caused an advertisement to be inserted in at least one English language newspaper or publication and in Chinese in at least one Chinese language newspaper or publication, being in each case a newspaper or publication specified in the list thereof issued and published in the Gazette for the purposes of section 203 of the Ordinance giving notice of its intention to sell the share and a period of three months has elapsed since the date of such advertisement; and
  - (iv) the Company has notified the Stock Exchange of its intention to sell such share.
- (B) For the purpose of the foregoing, the “relevant period” means the period commencing twelve years before the date of publication of the advertisement referred to in paragraph (A)(iii) above and ending at the expiry of the period referred to in that paragraph.
- (C) The manner, timing and terms of any sale of shares pursuant to this Article (including but not limited to the price or prices at which the same is made) shall be such as the Board determines, based upon advice from such bankers, brokers or other persons as the Board considers appropriate consulted by it for the purposes, to be reasonably practicable having regard to all the circumstances including the number of shares to be disposed of and the requirement that the disposal be made without delay and the Board shall not be liable to any person for any of the consequences of reliance on such advice.
- (D) To give effect to any such sale pursuant to this Article the Board may authorise any person to transfer the said shares and the 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 proceeds, it shall become indebted to the former shareholder for an amount equal to such net proceeds. No trusts 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.
- (E) Any sale under this Article shall include any additional shares which during the relevant period or during any period ending on the date when all the requirements of Article 104(A) have been satisfied have been issued in respect of those held at the beginning of such relevant period and shall be valid and effective notwithstanding that the shareholder holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

## **Reserve fund**

105. Before determining or recommending a Dividend, the Directors may set aside any part of the net profits of the Company to a reserve fund, and may apply the same either by employing it in the business of the Company or by investing it in such manner (subject to Article 3 ) as they shall think fit and the income arising from such reserve fund shall be treated as part of the gross profits of the Company. Such reserve fund may be applied in any manner permitted by the Statutes, including but not limited to for the purpose of maintaining the property of the Company, replacing wasting assets, meeting contingencies, forming an insurance fund, equalising Dividends, paying special Dividends or for any other purposes for which the net profits of the Company may lawfully be used, and until the same shall be so applied it shall be deemed to remain undivided profit. The Directors may also carry forward to the accounts of the succeeding year or years any profit or balance of profit which they shall not think fit to divide or to place to reserve.

## **Accounts**

106. The Directors shall cause true accounts to be kept-

- (a) Of all sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place;
- (b) Of all sales and purchases of property, goods and chattels by the Company;
- (c) Of the assets and liabilities of the Company.

107. The books of account shall be kept at the Office or such other place in Hong Kong that the Directors may determine and shall always be open to the inspection of the Directors. The Directors may from time to time by resolution determine whether and to what extent, and at what times and places in Hong Kong and on what conditions the books and accounts of the Company, or any of them shall open to the inspection of the members (not being Directors) and the members shall have only such rights of inspection as are given to them by the Listing Rules, the Statutes or by such resolution as aforesaid.

108. (a) The Directors shall, from time to time, in accordance with the Ordinance, cause to be prepared and to be laid before the Company in annual general meeting the relevant reporting documents required by the Ordinance. The Directors may also cause to be prepared a summary financial report if they think fit, which may be provided to members and/or debenture holders instead of the relevant reporting documents in circumstances permitted by the Statutes, the Listing Rules and any other applicable laws, rules and regulations.
- (b) Subject to paragraph (c) below, a copy of the relevant reporting documents or the summary financial report as the case may be shall, not less than 21 days before the meeting, be delivered or sent by post to the registered address of every member and debenture holder of the Company, or in the case of a joint holding to the

member or debenture holder (as the case may be) whose name stands first in the appropriate Register in respect of the joint holding. No accidental non-compliance with the provisions of this Article shall invalidate the proceedings at the meeting.

- (c) Where a member or debenture holder of the Company has, in accordance with the Statutes and the Listing Rules consented to treat the publication of the relevant reporting documents and/or the summary financial report on the Company's computer network or website as discharging the Company's obligation under the Ordinance to send a copy of the relevant reporting documents and/or the summary financial report, then subject to compliance with the Ordinance, the Listing Rules and any other applicable laws, rules and regulations, publication by the Company on the Company's computer network or website of the relevant reporting documents and/or the summary financial report at least 21 days before the date of the meeting shall, in relation to each such member or debenture holder of the Company, be deemed to discharge the Company's obligations under paragraph (b) above.

109. Every financial statement audited by the Company's Auditors and laid before its annual general meeting shall after such meeting be conclusive except as regards any error discovered therein within three months thereafter. Whenever any such error is discovered within that period, it shall forthwith be corrected, and the financial statement amended in respect of the error shall be conclusive.

#### **Auditors**

110. Auditors shall be appointed and their duties regulated in the manner provided by the Ordinance.

111. 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.

#### **Notices**

112. (A) Subject to Article 114 any notice, document or other publication by the Company (including any "corporate communication" as defined in the Listing Rules) may be given or issued:

- (i) by serving it personally on the relevant person;
- (ii) by sending it through the post in a prepaid envelope or wrapper addressed to a member at his registered address as appears in the Register (or in the case of another person, to such address as he may provide under Article 114);
- (iii) by delivering or leaving it at such address as aforesaid;

- (iv) by advertisement in English in at least one English language newspaper or publication and in Chinese in at least one Chinese language newspaper or publication, being in each case a newspaper or publication specified in the list thereof issued and published in the Gazette for the purposes of section 203 of the Ordinance for such period as the Board may think fit;
- (v) by sending or transmitting it as an Electronic Communication to the relevant person at such electronic address as he may provide under Article 114 subject to the Company complying with the Statutes with regard to any requirements for the obtaining of consent (or deemed consent) from such person;
- (vi) by publishing it on the Company's website to which the relevant person may have access, subject to the Company complying with the Statutes and the Listing Rules with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person stating that the notice, document or publication is available on the Company's website (a "Notice of Publication"); or
- (vii) by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with the Listing Rules and/or Statutes.

(B) Any Notice of Publication may be given or issued by any of the means mentioned in Article 112 (A) other than the means specified in paragraph (vi) thereof.

113. All notices required to be given to the members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders.

114. Every member of and holder of debentures of the Company or a person who is entitled to receive notice from the Company under the provisions of the Statutes or these Articles shall register with the Company an address either in Hong Kong or elsewhere and/or an electronic address to which notices can be served upon him and if any such person shall fail to do so, notice may be served on such person by sending the same in any of the manners mentioned to his last-known registered address or electronic address or, if there is none, a notice displayed in the Office, which shall be deemed to be served on him at the time when it is first so displayed.

115. A member shall cease to be entitled to receive notices from the Company if:

- (i) the Company sends 2 consecutive documents to the member in a period of at least 12 months; and
- (ii) each of those documents is returned undelivered, or the Company receives notification that it has not been delivered.



116. A member who has ceased to be entitled to receive notices from the Company becomes entitled to receive those notices again by sending to the Company:

- (i) an address to be recorded in the register of members; or
- (ii) if the member has agreed that the Company should use a means of communication other than sending things to such address, the information that the Company needs to use that means of communication effectively.

117. Any notice, document or other publication (including any “corporate communication” as defined in the Listing Rules) given or issued by or on behalf of the Company:

- (i) if served by post, shall be deemed to have been served or delivered on the second business day following the day on which the envelope or wrapper containing the same is put into a post office situated within Hong Kong and in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice, document or publication was properly addressed, prepaid and put into such post office and a certificate in writing signed by the Company secretary, the Registrar or other officer of the Company that the envelope or wrapper containing the notice, document or publication was so addressed, prepaid and put into the post office shall be conclusive evidence thereof;
- (ii) if sent or transmitted as an Electronic Communication, shall be deemed to have been served at the time when the notice, document or publication is transmitted electronically provided that no notification that the Electronic Communication has not reached its recipient has been received by the sender, except that any failure in transmission beyond the sender’s control shall not invalidate the effectiveness of the notice, document or publication being served;
- (iii) if published on the Company’s website, shall be deemed to have been served on the day on which the notice, document or publication first so appears on the Company’s website to which the relevant person may have access or the day on which the Notice of Publication is deemed to have been served or delivered to such person under these Articles, whichever is later;
- (iv) if served or delivered in person, shall be deemed to have been served or delivered at the time of personal service or delivery and in proving such service or delivery, a certificate in writing signed by the Company Secretary, the Registrar or other officer of the Company that the notice, document or publication was so served or delivered shall be conclusive evidence of the service or delivery; or
- (v) if published as an advertisement in a newspaper or other publication permitted under Article 112(A)(iv) shall be deemed to have been served on the day on which the advertisement first so appears.

118. Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.

119. Subject to any applicable laws, rules and regulations and the terms of these Articles, any notice, document or publication and any “corporate communication” as defined in the Listing Rules, may be given in the English language only, in the Chinese language only or in both the English language and the Chinese language.
120. Any notice or document served in accordance with these Articles shall, notwithstanding such member be then deceased or bankrupt, and whether or not the Company has notice of his decease or bankruptcy, be deemed to have been duly served in respect of any shares held by such member, whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or document on his executors, administrators or assigns and all persons (if any) jointly interested with him in any such share.
121. Any summons, notice, order or other document required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or sending it through the post in a prepaid letter, envelope or wrapper, addressed to the Company or to such officer at the Office.
122. The signature to any notice to be given by the Company may be written, typed, printed or made electronically.
123. Subject to any special provisions contained in these Articles or in the Statutes, all notices required to be given by advertisement shall be advertised in accordance with the Listing Rules.

## **LIQUIDATION**

124. If the Company shall be wound up, the surplus assets remaining after payment to all creditors shall be divided among the members in proportion to the capital paid-up on the shares held by them respectively, and if such surplus assets shall be insufficient to repay the whole of the paid-up capital, they shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the number of shares held by them respectively. This Article is, however, subject to the rights of the holders of any shares which may be issued on special terms or conditions.
125. If the Company shall be wound up, the liquidator (whether voluntary or official) may, with the sanction of a special resolution, divide among the members in specie or kind the whole or any part of the assets of the Company or vest any part of the assets of the Company in trustees upon such trusts for the benefit of the members or any of them as the resolution shall provide. Any such resolution may provide for and sanction a distribution of any specific assets amongst different classes of members otherwise than in accordance with their existing rights, but each member shall in that event have a right of dissent and other ancillary rights in the same manner as if such resolution were a special resolution passed pursuant to section 237 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.
126. In the event of a winding-up of the Company in Hong Kong, every member of the Company who is not for the time being in Hong Kong shall be bound, within fourteen days after the passing of an effective resolution to wind up the Company voluntarily, or

within the like period after the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong upon whom all summonses, notices, processes, orders and judgements in relation to or under the winding up of the Company may be served and in default of such nomination, the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee shall be deemed to be a good personal service on such member for all purposes, and where the liquidator makes any such appointment he shall, with all convenient speed, give notice thereof to such member by advertising in such English language daily newspaper circulating in Hong Kong as he shall deem appropriate or by a registered letter sent through the post and addressed to such member at his address as appearing in the Register, and such notice shall be deemed to be served on the day on which the advertisement appears or the letter is posted.

### **INDEMNITY AND INSURANCE**

127. To the fullest extent permitted by law and subject to the Statutes and Listing Rules, the Company:

- (a) shall indemnify (on a full indemnity basis) every current and former director, secretary, officer and employee of the Company and their heirs, executors or administrators against any liability to the Company or its associated company that attaches to him in his current or former capacity as a director, secretary, officer or employee of the Company or a related company otherwise than by virtue of any rule of law and of which he may be guilty in relation to the Company or a related company;
- (b) shall indemnify (on a full indemnity basis) every current and former director, secretary, officer and employee of the Company and their heirs, executors or administrators against any liability to a party other than the Company or its associated company that attaches to him in his current or former capacity as a director, secretary, officer or employee of the Company or its associated company;
- (c) shall indemnify (on a full indemnity basis) every current and former director, secretary, officer and employee of the Company and their heirs, executors or administrators against any liability that attaches to him in his current or former capacity as a director, secretary, officer or employee of the Company or its associated company:
  - (i) in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted; and
  - (ii) in connection with any application under section 903 or 904 of the Ordinance in which relief is granted to him by the court;
- (d) may, subject to and in accordance with sections 500 to 504 of the Ordinance, advance monies to a Director and his heirs, executors or administrators for the costs, charges and expenses he may incur for the purposes of the Company or its associated company or for the purpose of enabling him to properly perform his or her duties as a director of the Company or its associated company;

- (i) in defending any proceedings, whether civil or criminal, taken against him alleging a liability to a party other than the Company or its associated company incurred by him in his capacity as a director of the Company or its associated company, on condition that the monies shall be repaid to the Company if any allegation of fraud or dishonesty is proved against him; and
  - (ii) in responding to any formal or official investigation, examination or inquiry into the Company or its associated company in his capacity as a director of the Company or its associated company, on condition that the monies shall be repaid to the Company if he is found guilty of any negligence, default, breach of duty or breach of trust in relation to the Company or its associated company as a result of that investigation, examination or inquiry;
- (e) may advance monies to a former Director or a current or former secretary, officer or employee of the Company (but not a Director, except as provided for in paragraph (d) of this Article) and their heirs, executors or administrators for the costs, charges and expenses he may incur:
- (i) in defending any proceedings, whether civil or criminal, taken against him alleging a liability incurred by him in his capacity as a former director or current or former secretary, officer or employee of the Company or its associated company (but not as a Director, except as provided for in clause (d) of this Article), on condition that the monies shall be repaid to the Company if he is found guilty of any negligence, default, breach of duty or breach of trust in relation to the Company or its associated company; and
  - (ii) in responding to any formal or official investigation, examination or inquiry into the Company or its associated company in his capacity as a former director or current or former secretary, officer or employee of the Company or a related company (but not as a Director, except as provided for in clause (d) of this Article), on condition that the monies shall be repaid to the Company if he is found guilty of any negligence, default, breach of duty or breach of trust in relation to the Company or its associated company as a result of that investigation, examination or inquiry; and
- (f) may purchase and maintain for any current or former director, secretary, officer and employee of the Company insurance against any liability actually or allegedly incurred by him in his current or former capacity as a director, secretary, officer or employee of the Company or its associated company.

128. Without prejudice to the generality of the indemnity available under Article 127 every current and former director, secretary, officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay, all costs, charges, expenses, losses and liabilities which may attach to any current or former director, secretary, officer or employee of the Company or which he may sustain or incur or become liable for by reason of any contract entered into, or act or thing done by him in his capacity as a director, secretary, officer or employee of the Company or its associated company, or in any way in the discharge of his duties, including travelling expenses.

129. The amount required to pay any indemnity available under Articles 127 and 128 shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims.
130. Subject to the provisions of the Ordinance, any person who is a current or former director, secretary, officer or employee of the Company shall not be liable (except in consequence of his own fraud or dishonesty) for the acts, receipts, neglects or defaults of any other current or former director, secretary, officer or employee of the Company or for any losses or expenses incurred by the Company through the insufficiency or deficiency of title to any property acquired by order of the current or former directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects of the Company shall be deposited or for any loss occasioned by any error of judgement, omission, default or oversight on their or his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in his current or former capacity as a director, secretary, officer or employee of the Company or a related company.
131. In Articles 127 and 128:
- “capacity as a director, secretary, officer or employee of an associated company” means a liability attaching to a Director, Secretary, officer or employee of the Company arising solely from his acting, at the Company’s specific written request (but not otherwise) in the capacity of director, secretary, officer or employee of a related company.
- “employee” means an employee of the Company acting in a managerial or supervisory capacity;
132. In clause (e) of Article 127 only, references to a “director” shall include references to (i) the spouse, (ii) any child or step-child of such director (legitimate or otherwise) under the age of 18 years, (iii) a person acting in his capacity as the trustee (other than a trustee under an employees’ share scheme or a pension scheme) of any trust the beneficiaries of which include the director, his spouse or any of his children or step children or the terms which confer a power on the trustees that may be exercised for the benefit of the director, his spouse or any of his children or step-children, and (iv) a person acting in his capacity as partner of that director or of his spouse, child or step-child, or of any trustee referred to in (iii) above.
133. These Articles do not authorise any indemnity that would be prohibited or rendered void by any applicable law.

### **DESTRUCTION OF DOCUMENTS**

134. Subject to the Ordinance, the Company may destroy.
- (a) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;

- (b) any Dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date on which such mandate, variation, cancellation or notification was recorded by the Company;
- (c) any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration; and
- (d) any other document, on the basis of which any entry in the Register is made, at any time after the expiry of six years from the date on which an entry in the register was first made in respect of it;

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

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

### **Discovery of Secrets**

135. No member shall be entitled to require or receive any information concerning the business, trading or customers of the Company, or any trade secret or secret process of or used by the Company, beyond such information as to the accounts and business of the Company as is by these Articles or by the Ordinance directed to be laid before the Company in general meeting, and no member shall be entitled to inspection or any of the books, papers, correspondences, or documents of the Company except in-so-far as such inspection is authorised by these Articles or by the Ordinance.

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

137. If the Company shall be wound up, the liquidator (whether voluntary or official) may, with the sanction of a special resolution, divide among the members in specie or kind the whole or any part of the assets of the Company or vest any part of the assets of the Company in trustees upon such trusts for the benefit of the members or any of them as the resolution shall provide. Any such resolution may provide for and sanction a distribution of any specific assets amongst different classes of members otherwise than in accordance with their existing rights, but each member shall in that event have a right of dissent and other ancillary rights in the same manner as if such resolution were a special resolution passed pursuant to section 237 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.
138. In the event of a winding-up of the Company in Hong Kong, every member of the Company who is not for the time being in Hong Kong shall be bound, within fourteen days after the passing of an effective resolution to wind up the Company voluntarily, or within the like period after the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong upon whom all summonses, notices, processes, orders and judgements in relation to or under the winding up of the Company may be served and in default of such nomination, the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee shall be deemed to be a good personal service on such member for all purposes, and where the liquidator makes any such appointment he shall, with all convenient speed, give notice thereof to such member by advertising in such English language daily newspaper circulating in Hong Kong as he shall deem appropriate or by a registered letter sent through the post and addressed to such member at his address as appearing in the Register, and such notice shall be deemed to be served on the day on which the advertisement appears or the letter is posted.