

# **MEMORANDUM**

(As altered by Special Resolution passed on 10th October, 1988)

**AND**

## **ARTICLES OF ASSOCIATION**

(As adopted by Special Resolution passed on 9th December, 2004)

**OF**

### **CONTINENTAL HOLDINGS LIMITED**

**(恒和珠寶集團有限公司)**

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Incorporated the 30th day of April, 1985.  
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Reprinted in 2005  
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(Including all amendments up to 18th May 2010)

*Note: The English version shall always prevail in case of any discrepancy or inconsistency between English version & its Chinese translation*

**THE COMPANIES ORDINANCE  
ORDINARY RESOLUTION  
OF  
CONTINENTAL HOLDINGS LIMITED**

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Passed on the 18th May, 2010  
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At an Extraordinary General Meeting of the Company held at Ballroom Three, 18/F., The Mira Hong Kong, 118 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on 18th May, 2010 the following resolution was duly passed as Ordinary Resolution:

## **Ordinary Resolution**

“**THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited approving the listing of, and granting the permission to deal in shares of HK\$0.01 each in the issued share capital of the Company, with effect from 9:30 a.m. on the business day following the day on which this resolution is passed by the shareholders of the Company, each of the issued and unissued shares of HK\$0.10 each in the share capital of the Company be sub-divided into ten shares of HK\$0.01 each (the “Share Subdivision”) so that the authorised share capital of the Company will be HK\$350,000,000 divided into 35,000,000,000 shares of HK\$0.01 each immediately following the Share Subdivision, and any director be and is hereby authorised to sign and execute such documents and do all such acts and things as he considers necessary, desirable or expedient in connection with the implementation of or giving effect to the Share Subdivision.”

**Chan Sing Chuk, Charles**  
*Chairman*

**THE COMPANIES ORDINANCE**  
**SPECIAL RESOLUTION**  
**OF**  
**CONTINENTAL HOLDINGS LIMITED**

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Passed on the 12th December, 2007  
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At an Annual General Meeting of the Company held at Function Room II & III, Basement 2, Hotel Miramar, 118-130 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on 12th December, 2007 the following resolution was duly passed as Special Resolution:

## **Special Resolution**

“**THAT** the Articles of Association of the Company be and are altered in the following manner:

(a) Article 7 be deleted in its entirety and replaced with the following:

“7 Subject to the provisions of the Ordinance, the power of the Company to purchase or otherwise acquire its shares (including its redeemable shares) and warrants or other securities for the subscription or purchase of its own shares (including redeemable shares) shall be exercisable by the Directors upon such terms and subject to such conditions as they think fit provided that, in respect of a purchase of redeemable shares:

(i) the price per share for purchases proposed to be made otherwise than by tender in the manner prescribed in (ii) below or on or through a stock exchange on which such shares are listed with the consent of the Company shall not exceed one hundred (100) per cent. of the average closing prices for dealings in one or more board lots of such shares on the principal stock exchange on which the shares are traded for the five (5) trading days immediately before the date on which the purchase is made (whether conditionally or otherwise); and

(ii) where any such purchase is proposed to be made by tender, tenders shall be made available to all holders of such shares on the same terms”;

(b) Article 108(I) be amended by deletion of the words “any company in which the Company has interest” in sub-paragraph (i) and insertion of the words “its subsidiaries” in their place; and

(c) Article 111 be amended in the following manner:

(i) deletion of the following words:

“during the period commencing the day after despatch of the notice of the meeting appointed for such election (inclusive of such day) and ending no later than the day which is seven days prior to the date of such meeting (inclusive of such day)”;

(ii) insertion of the following words in the place of the words deleted pursuant to paragraph (c)(i) above:

“at least seven (7) clear days before the date of the general meeting and the period for lodgement of such notice shall commence no earlier than the day immediately after the despatch of the notice of the general meeting appointed for such election and shall be at least 7 clear days in length”.

**Chan Sing Chuk, Charles**  
*Chairman*

Company No. 150503

**THE COMPANIES ORDINANCE  
SPECIAL RESOLUTION  
OF  
CONTINENTAL HOLDINGS LIMITED**

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Passed on the 11th December, 2006  
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At an Annual General Meeting of the Company held at Luxembourg Room, 3rd Floor, Regal Kowloon Hotel, 71 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong on 11th December, 2006 the following resolution was duly passed as Special Resolution:

## **Special Resolution**

“**THAT** the Articles of Association of the Company adopted on 9 December 2004 be altered as follows:

- (a) By deleting Article 109 in its entirety and substituting therefor the following Article 109:

“109 The Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed shall hold office only until the first general meeting of the Company after his/her appointment and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors, who are to retire by rotation at such meeting.”

- (b) By deleting Article 110 in its entirety and substituting therefor the following Article 110:

“110 Without prejudice to the powers of the Company under Article 109, the Board shall have power from time to time and at any time to appoint any person as Director either to fill a casual vacancy or (subject to the provisions of the Ordinance) as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number (if any) determined from time to time in accordance with Article 99. Any Director so appointed shall hold office only until the first general meeting of the Company after his/her appointment and shall then be eligible for election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.”

- (c) By adding the following as new Article 115(D):

“115(D) Notwithstanding any other provisions in the Articles of Association or other terms on which any Director may be engaged, every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years and the Directors to retire shall be decided by the Board.””

**Chan Sing Chuk, Charles**  
*Chairman*

**THE COMPANIES ORDINANCE  
SPECIAL RESOLUTION  
OF  
CONTINENTAL HOLDINGS LIMITED**

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Passed on the 18th December, 1996  
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At an Annual General Meeting of the Company held at I/F., Salon III, The Harbour Plaza Hotel, 20 Tak Fung Street, Hunghom, Kowloon on the 18th December, 1996 the following resolution was duly passed as Special Resolution:



## **Special Resolution**

“**THAT** the Articles of Association of the Company be amended as follows:-

1. (i) inserting the words ‘or “the Directors”’ after the interpretation of the words “the Board” in Article 2 and inserting the words “at which a quorum is present” at the end of the interpretation of “the Board” of the same Article;
  - (ii) inserting the following paragraph before the interpretation of the word “month” in Article 2:-

““business day” shall exclude Saturdays, Sundays and public holidays in Hong Kong;”;
  - (iii) inserting the words “, including cable and telex messages and facsimile transmissions” after the word “typewriting” in the interpretation of the words “writing” or “printing” in Article 2 and inserting the words “or reproducing” after the word “representing” of the same interpretation in Article 2;
  - (iv) inserting a new interpretation of ““per item” shall, for the purpose of Article 47, mean each of such other documents submitted for registration;” after the interpretation of the word “month” in Article 2;
  - (v) inserting the following paragraph after the interpretation of the word “per item” in Article 2:-

““the Stock Exchange” shall mean The Stock Exchange of Hong Kong Limited;”;
  - (vi) inserting the following paragraph as the last paragraph in Article 2:-

“For the purposes of Articles 16 and 20, in computing any period of business days, such period shall be inclusive of the business day on which the relevant transfers, certificates or other documents were received (or, if such documents were not received on a business day, the business day next following their receipt) and of the business day on which the relevant certificates were delivered or otherwise made available.”
2. inserting the words “, subject to the provision of section 49 of the Ordinance,” after the words “and” in the tenth line of Article 3;

3. deleting Article 16 and substituting by the following:-

“16. Every person whose name is entered as a member in the register shall be entitled without payment to receive within 10 business days after allotment or lodgment at the registered office of the Company from time to time of a properly executed instrument of transfer duly stamped, in respect of only one class of shares and accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so) one certificate for all his shares or, if he shall so request, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming a Stock Exchange board lot, upon payment, in the case of a transfer, of a fee of HK\$2.50 for each certificate issued (or such higher maximum amount as prescribed by the Stock Exchange from time to time or such lesser sum as the Board may 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 respect 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.”;

4. deleting the existing Article 20 and inserting the following Articles before the existing Article 20A:-

“20(a) Upon the transfer of 2,000 or more board lots of the Company’s shares from a single holder into the name of another or the same single holder, the transferee shall be entitled to receive within 6 business days of the lodgment of properly executed instruments of transfer duly stamped in respect of such shares which shall comprise only one class of shares and accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instruments of transfer are executed by some other person on its behalf, the authority of that person to do so) share certificates for such shares upon payment of a fee of an amount equal to the higher of (i) HK\$2.00 multiplied by the number of certificates issued; or (ii) HK\$2.00 multiplied by the number of certificates cancelled.

- 20(b) If a share certificate is defaced, lost or destroyed, it will be replaced on payment of a maximum fee of HK\$200 (or such higher maximum amount as prescribed by the Stock Exchange from time to time or such lesser sum as the Board may from time to time determine) in respect of replacing certificates representing shares with a market value of HK\$20,000 or less (at the time the request for replacement is made) for a person named on the register and a maximum fee of HK\$400 (or such higher maximum amount as prescribed by the Stock Exchange from time to time or such lesser sum as the Board may from time to time determine) in respect of replacing shares representing either (i) a market value of more than HK\$20,000 (at the time the request for replacement is made); or (ii) if that person's name is not on the register (irrespective of the market value of the shares concerned) and on such terms and conditions, if any, as to publication of notices, evidence and indemnity as the Board thinks fit and in the case of wearing out or defacement, after delivery up of the old certificate. In the case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Company the costs incurred by the Company (or its registrar) in publishing the required public notice.”;
5. (i) deleting the word “the” in the first line of Article 20A (i) and substituting by the word “a”, and deleting the word “and” in the second line of the same Article and substituting it with the word “or”, and deleting the words “in respect” in the second and third lines of the same Article and substituting by the words “for any sums payable in cash to the holder”;
- (ii) deleting the words “the Company shall” in the first line of Article 20A(ii), and deleting the word “have” in the second line of the same Article and substituting by the words “, the Company has”;
- (iii) deleting the words “shall have” in the fourth line of Article 20A (iii) and substituting by the word “has”;
- (iv) deleting the words “shall have” in the first line of Article 20A (iv) and substituting by the word “has”;
6. deleting the words “a fee of HK\$2” in the first line of Article 40 (i) and inserting the words “a fee of HK\$2.50 or such higher maximum amount as prescribed by the Stock Exchange from time to time”;
7. inserting the words “upon payment of a fee of HK\$5 per item per register (or such higher maximum amount as prescribed by the Stock Exchange from time to time or such lesser sum as the Board may from time to time determine),” after the word “shall” in the second line of Article 47;

8. inserting the words “and any expenses incurred by reason of such non-payment” at the end of Article 49;
9. inserting a new Article 82A after the existing Article 82:–

“82AA member of the Company, being a recognised clearing house (within the meaning of the Securities and Futures (Clearing Houses) Ordinance (Cap. 420 of the Laws of Hong Kong as amended from time to time)) (the “clearing house”) (or its nominee) may authorise such person or persons as it thinks fit to act as its representative (or representatives) at any general meeting of the Company or at any meeting of any class of member of the Company provided that, if more than one person is so authorised, the authorisation must specify the number and class of share in respect of which each such person is so authorised. A person so authorised will be entitled to exercise the same powers on behalf of the clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise as if it were an individual member of the Company.”;

10. (i) inserting the words “or any of its subsidiaries” after the word “Company” in the last line of Article 102 (H) (i);
- (ii) inserting the words “or indemnity” after the word “security” in the second line of Article 102 (H) (ii), and inserting the words “or any of its subsidiaries for” after the word “Company” in the fourth line of the same Article, and deleting the words “guaranteed or secured in whole or in part” in the fifth and sixth lines of the same Article and substituting by the words “assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by giving of security”;
- (iii) deleting the word “the” in the second line of Article 102 (H) (iii), and inserting the words “, or any other company which the Company may promote or be interested in,” after the word “Company” in the third line of same Article, and inserting the word “in” after the word “interested” in the fifth line of the same Article;
- (iv) inserting the word “only” after the word “virtue” in the fourth line of Article 102 (H) (iv);

(v) deleting Article 102 (H) (v) and substituting by the following:–

“any contract or arrangement concerning any other company in which he is interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director together with any of his associates (as defined by the rules of the Stock Exchange) is beneficially interested in 5 per cent or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest is derived);”;

(vi) deleting the words “the benefit of employees of the Company or its subsidiaries including” in the second and third lines of Article 102 (H) (vi) and inserting the word “generally” after the word “not” in the tenth line of the same Article;

(vii) inserting the words “or arrangement” after the word “proposal” in the first line of Article 102 (H) (vii) and inserting the words “or arrangement” after the word “proposal” in the eleventh line of the same Article;

11. deleting the words “A company” in the first line of Article 102 (I) and substituting by the words “A Director or his associate”, inserting the words “interested in” after the word “a” in the same line of the same Article, and deleting the word “a” after words “to be” in the same line of the same Article, and deleting the word “a Director” in the second line of the same Article and substituting by the word “he”, and deleting the word “equity” in the sixth line of the same Article and substituting by the word “issued”, and deleting the words “of such company” after the word “capital” in the seventh line of the same Article, and deleting the words “available to members” in the eighth line of the same Article;
12. inserting the words “any contract or arrangement concerning” after the word “Where” in the first line of Article 102 (J), and inserting the words “of any class of the issued share capital or of the voting rights of such company” after the word “more” in the second line of the same Article;
13. deleting the words “at least” in the seventh line of Article 107 and substituting by the words “. The latest time for lodging such notices shall not be more than”;
14. inserting the words “speaking with and” before the word “hearing” in the fourteenth line of Article 125;

15. deleting the word “or if” in the fourth line of Article 158 (A) and substituting by the words “. The Company may exercise such power after the first occasion on which”; and
16. inserting the words “or more” after the word “years” in the second line of Article 158 (B).”

**Chan Sing Chuk, Charles**  
*Chairman*

**THE COMPANIES ORDINANCE**  
**SPECIAL RESOLUTION**  
**OF**  
**CONTINENTAL HOLDINGS LIMITED**  
**(恒和珠寶集團有限公司)**

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Passed on the 21st day of March 1994  
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At an Extraordinary General Meeting of the Company held on Monday, 21st March, 1994 at 6/F., Jade Room, Omni The Hong Kong Hotel, 3 Canton Road, Kowloon, Hong Kong at 9:00 a.m. the following Special Resolution was passed:

“THAT conditionally upon (i) the Supreme Court of Hong Kong sanctioning the following capital reduction, with or without modification, and (ii) the obtaining of all necessary consents and authorisations which may be required under any existing contractual arrangements under loan or other finance

- (a) the nominal value of each issued and unissued consolidated share be reduced from \$2.50 to \$0.10 and the amount arising on such reduction be credited to a distributable reserve of the company; and,
- (b) the authorised share capital of the company be re-increased to \$350,000,000 divided into 3,500,000,000 shares of \$0.10 each by the creation of and additional 3,360,000,000 shares of HK\$0.10 each.”

**Chan Sing Chuk, Charles**  
*Chairman*

**THE COMPANIES ORDINANCE (CHAPTER 32)**

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**SPECIAL RESOLUTION  
OF  
CONTINENTAL HOLDINGS LIMITED  
(恒和珠寶集團有限公司)**

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Passed on the 17th day of December, 1993

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At an Annual General Meeting of the Company held at Jade Room, Omni The Hong Kong Hotel, Kowloon on the 17th day of December, 1993 the following resolution was duly passed as Special Resolution:–

**SPECIAL RESOLUTION**

“THAT Article 62A of the Articles of Association of the Company, which concerns disenfranchisement of shareholders’ rights and powers, shall with immediate effect be deleted in its entirety.”

**Chan Sing Chuk, Charles**  
*Chairman*



**THE COMPANIES ORDINANCE (CHAPTER 32)**

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**SPECIAL RESOLUTION  
OF  
CONTINENTAL HOLDINGS LIMITED  
(恒和珠寶集團有限公司)**

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Passed on the 18th day of March, 1992

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At an Extraordinary General Meeting of the company held at Hong Kong Room East, Hong Kong Hilton Hotel, Hong Kong on the 18th day of March, 1992 the following resolutions were duly passed as Ordinary Resolutions:-

**ORDINARY RESOLUTIONS**

1. "THAT:"
  - (a) the authorized share capital of the Company be increased from HK\$200,000,000 to HK\$350,000,000 by the creation of an additional 600,000,000 shares of \$0.25 each;
  - (b) the issue by way of placement of new Shares ("Placed Shares") subject to reallocation to Shareholders on the register of members of the Company on 17th March, 1992 on the basis of 7 Placed Shares for every 10 Shares then held by such shareholders and on the principal terms and conditions set out in a circular sent to shareholders of the Company dated 2nd March, 1992 be approved and the directors are hereby authorized to issue and allot such Placed Shares by way of a placement and otherwise on the terms set out in such document;

2. "THAT"–

- (a) subject to paragraph (c) below, pursuant to section 57B of the Companies Ordinance, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to made or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period; and
- (c) the aggregate nominal amount of share capital allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue or on the exercise of the subscription rights under the share option scheme of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue and to be issued as mentioned in Resolution No. 1 above, and the said approval shall be limited accordingly;

(a) for the purpose of this resolution:-

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance to be held; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong).

**Chan Sing Chuk, Charles**  
*Chairman*

**THE COMPANIES ORDINANCE (CHAPTER 32)**

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**ORDINARY & SPECIAL RESOLUTIONS**  
**OF**  
**CONTINENTAL HOLDINGS LIMITED**  
**(恒和珠寶集團有限公司)**

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Passed on the 27th, day of December, 1990  
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At an Extraordinary General Meeting of the Company held at 6th Floor, Jade Room, Omni The Hongkong Hotel, 3 Canton Road, Kowloon, Hong Kong on Thursday, 27th December, 1990 the following resolutions were duly passed as Ordinary and Special Resolutions of the Company:-

**ORDINARY RESOLUTIONS**

1. "THAT:-

- (a) subject to paragraph (c) below, pursuant to section 57B of the Companies Ordinance, the exercise by the directors of the Company during the Relevant Period of all the powers of the, Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and it is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue or on the exercising of the subscription rights under the warrants of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution, and the said approval shall be limited accordingly; and

For the purposes of this resolution:-

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance to be held; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

2. “THAT the rules of the Share Option Scheme of the Company be and are hereby amended by:-

- (a) deleting the words “or consultants” in the definition of “Employee” in rule 1.1;
- (b) deleting rule 5 and substituting by the following:-  
“5 Subscription Price  
The Subscription Price shall be the higher of the nominal value of the Shares and 80 per cent. of the average of the closing prices of the Shares on the Stock Exchange on the five trading days immediately preceding the grant of the Options.”;
- (c) inserting the words “,when aggregated with any shares of the Company subject to any other share option scheme of the Company,” after the words “to time” in the 3rd line of rule 8.1;

- (d) deleting rules 8.2 and 8.3 and substituting by the following and by renumbering rule 8.4 to 8.3:-

“8.2 No Employee shall be granted an Option which, if exercised in full, would result in such Employee becoming entitled to subscribe for such number of Shares, as when aggregated with the total number of Shares already issued under all the Options previously granted to him which have been exercised and issuable under all the Options previously granted to him which are for the time being subsisting and unexercised, would exceed 25 per cent. of the aggregate number of Shares for the time being issued and issuable under the Scheme.”; and

- (e) (i) deleting the words “or otherwise howsoever” in the 4th line of rule 9;
- (ii) deleting the words “As the Auditors shall at the request of the Company or any Grantee certify in writing either generally or as regards any particular Grantee to be in their opinion fair and reasonable” in the same rule and substituting by the following:-“The Board, having received a statement in writing from the Auditors that in their opinion the alterations proposed are fair and reasonable, may make such alterations as appropriate”; and
- (iii) inserting the words “and the Grantee shall be entitled to as nearly as possible the same proportion of the shares as that to which he was previously entitled” after the words “before such event” in the 14th line of rule 9.”

### **SPECIAL RESOLUTION**

3. “THAT the articles of association of the Company be and are hereby amended by:-

- (a) adding the following provisions before the existing Article 3:-

“2A. The authorised share capital of the Company is 200,000,000 Hong Kong dollars divided into 800,000,000 shares of 25 Hong Kong cents each.”;

Share capital

- (b) adding the following provisions after the existing Article 20:-

“

### **Untraceable Members**

20A. The Company shall be entitled to sell the shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy if and provided that:—

Company's  
power of sale  
of shares of  
untraceable  
members

- (i) during the period of 12 years all warrants and cheques (at least three in number) in respect of the shares in question sent in the manner authorised by these presents have remained uncashed;
- (ii) the Company shall on expiry of the said period of 12 years have inserted advertisements in one Chinese newspaper in Chinese and one English newspaper in English, which shall be those newspapers specified in the list of newspapers issued for the purposes of section 71 A (3)(a) of the Companies Ordinance by the Chief Secretary published in the Gazette, circulating in Hong Kong giving notice of its intention to sell the said shares;
- (iii) during the said period of 12 years and the period of three months following the publication of the said advertisements the Company shall have not received any indication neither of the whereabouts or of the existence of such member or person; and
- (iv) notice shall have been given to each stock exchange on which any of the shares of the Company are (with the consent of the Company) for the time being listed.

To give effect to any such sale, the Company may appoint any person to execute as transferor an instrument of transfer of the said shares and such instrument of transfer shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the

proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall, subject as set out below, be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor of such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments as the directors may from time to time think fit. Any such debt unclaimed after a period of 12 years from the date of sale of the relevant shares shall become irrecoverable and the Company may then or at any time thereafter cease to include in its books of account any provision in respect of any such debt.”;

(c) deleting the existing Article 102 and substituting by the following:-

“102.(A) A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.

Directors’  
interests in  
contracts with  
Company

(B) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

(C) A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profit or other benefit received



by him as a director or officer of or from his interest in such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

(D) A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).

(E) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to the offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director or his associate owns 5 per cent. or more.

(F) Subject to the Ordinance and to the next paragraph of this Article, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall

any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realized by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

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

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

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

(H) Save as otherwise provided by the Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any

contract or arrangement in which he is to his knowledge materially interested, but this prohibition shall not apply to any of the following matters namely:-

- (i) any contract or arrangement for the giving to such Director any security or indemnity in respect of the money lent by him or obligations undertaken by him for the benefit of the Company;
- (ii) any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company which the Director has himself guaranteed or secured in whole or in part;
- (iii) any contract or arrangement concerning an offer of the shares or debentures or other securities of or by the Company for subscription or purchase where the Director is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any contract or arrangement in which the Director is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue of his interest in shares or debentures or other securities of the Company;
- (v) any contract or arrangement concerning any other company (not being a company in which the Director or his associate owns 5 per cent. or more of the issued share capital) in which he is interested directly or indirectly whether as an officer or shareholder;
- (vi) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability

benefits scheme which relates both to Directors and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates; and

- (vii) any proposal concerning the adoption, modification or operation of any share scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of, the employees of the Company or its subsidiaries under which the Director may benefit, and which does not accord to any Director as such any privilege or advantage not accorded to the employees to whom such proposal relates.

(I) A company shall be deemed to be a company in which a Director or his associate owns 5 per cent. or more if and so long as (but only if and so long as) he or his associate is (either directly or indirectly) the holder of or beneficially interested in 5 per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company. For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate as bare or custodian trustee and in which he or his associate has no beneficial interest, any shares comprised in a trust in which the Director's or his associate's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate is interested only as a unit holder.

(J) Where a company in which a Director or his associate holds 5 per cent. or more is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.

(K) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the Chairman of the meeting) or as to the entitlement of any Director (other than such Chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the Chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such Chairman shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Chairman as known to such Chairman has not been fairly disclosed to the Board.

(L) The Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorized by reason of a contravention of this Article provided that any director interested in such transaction shall not vote on such resolution nor be counted in the quorum of the meeting.

(M) The word “associate” in this Article shall bear the same meaning as may from time to time be defined under the rules prescribed by the Stock Exchange of Hong Kong Limited.”;

(d) deleting the existing Article 158 and substituting by the following:-

“158(A) The Company shall be entitled to cease sending dividend warrants by post to any member if the dividend warrants to such member have been left uncashed on two consecutive occasion or if such a dividend warrant is returned undelivered.

(B) The Company shall be entitled to forfeit unclaimed dividends of any member six years after the date of declaration of the dividend.”;

- (e) inserting the words “(or such higher amount as may from time to time be permitted under the rules prescribed by the Stock Exchange of Hong Kong Limited)” after the words “HK\$2” in Articles 16, 20 and 40(i);
- (f) addition of a new article after the existing Article 62:–

“ **Disenfranchisement of Shares**

62A. Where a notification is served by the Company under section 18 of the Securities (Disclosure of Interests) Ordinance 1988, after the said Ordinance becomes effective, on a person who is or was interested in shares of the Company and that person fails to give the Company any information required by the notification within 42 days after service thereof, the Directors may direct that such shares be subject to the following restrictions:–

Restrictions on shares on failure to provide information on ownership of such shares

- (i) any transfer of those shares or, in the case of unissued shares, any transfer of the right to be issued with them, and any issue of such shares is void;
  - (ii) no voting rights are exercisable in respect of the shares;
  - (iii) no further shares shall be issued in right of them or in pursuance of any offer made to their holder; and
  - (iv) except in a liquidation, no payment shall be made of any sums due from the Company on the shares, whether in respect of capital or otherwise.”;
- (g) inserting the words “in English” after the words “by advertisement” in the 8th line of Article 169, and the words “in Chinese in” after the word “and” in the 9th line of the same Article, and the words“, which

shall be those newspapers specified in the list of newspapers issued for the purposes of section 71A (3)(a) of the Companies Ordinance by the Chief Secretary published in the Gazette” after the words “Hong Kong” in the 10th line of the same Article;

- (h) deleting the sentence “A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the registered office of the Company and shall have remained there for the space of twenty-four hours and such notice shall be deemed to have been received by such member on the day, following that on which it shall have been first so displayed” in Article 170; and
- (i) deleting the words “two months” in the 3rd line of Article 16 and substituting by the words “21 days”.

**Chan Sing Chuk, Charles**  
*Chairman*

**THE COMPANIES ORDINANCE (Chapter 32)**

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**ORDINARY RESOLUTION**  
**OF**

**CONTINENTAL HOLDINGS LIMITED**

(恒和珠寶集團有限公司)

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Passed on the 29th day of November, 1989.  
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At an Annual General Meeting of the Company held at Longchamps Room, 3rd Floor, Regal Meridien Hotel, 71 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on the 29th day of November, 1989 the following resolution was duly passed as Ordinary Resolution:—

“THAT:—

- (i) subject to paragraph (iii) below, pursuant to section 57B of the Companies Ordinance, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional Shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and it is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;



- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (i), otherwise than pursuant to a Rights Issue, shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue and as enlarged by the issue of new shares on the exercise of options pursuant to the share option scheme of the Company, and the said approval shall be limited accordingly; and

For the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Company; or
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Companies Ordinance to be held; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

(Sd.) Chan Sing Chuk, Charles  
Chairman

THE COMPANIES ORDINANCE (Chapter 32)

ORDINARY RESOLUTIONS

OF

CONTINENTAL HOLDINGS LIMITED

(恒和珠寶集團有限公司)

Passed on the 29th day of November, 1989

At an Extraordinary General Meeting of the Company held at Longchamps Room I & II, 3rd Floor, Regal Meridien Hotel, 71 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on the 29th day of November, 1989 the following resolutions were duly passed as Ordinary Resolutions: –

ORDINARY RESOLUTIONS

1. “THAT:–

- (a) the authorized share capital of the Company be increased from \$150,000,000 to \$200,000,000 by the creation of an additional 200,000,000 shares of \$0.25 each;
- (b) upon the recommendation of the directors of the Company, the sum of \$31,562,500 being part of the amount standing to the credit of the capital premium account of the Company be capitalized and the directors of the Company be and they are hereby authorized to apply such sum in paying up in full at par 126,250,000 shares of \$0.25 each in the capital of the Company to be allotted credited as fully paid to and among the shareholders of the Company on the register of members on 29th November, 1989 on the basis set out in the circular to shareholders of the Company dated 7th November, 1989; and

- (c) the directors be and they are hereby authorized:–
  - (i) to create and issue 63,125,000 warrants (“Warrants”) to subscribe for shares of the Company at any time on or after the date of issue thereof until 31st December, 1991 on the terms and conditions set out in an instrument to shareholders of the Company on the register of members on 29th November, 1989 on the basis set out in the circular to shareholders dated 7th November, 1989; and
  - (ii) to issue and allot to the holders of any Warrants upon the due exercise of the subscription rights attaching thereto the appropriate number of shares in the capital of the Company.”

2. “THAT:–

- (a) subject to paragraph (c) of this resolution, the exercise by the directors during the Relevant Period of all powers of the Company to allot shares and to make and grant offers, agreements and options which would or might require shares to be allotted be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorize the directors during the Relevant Period to make and grant offers, agreements and options which would or might require shares to be allotted after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors pursuant to the approval in paragraph (a), otherwise than pursuant to shares issued as a result of a Rights Issue shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company in issue and to be issued as mentioned in resolution no. 1 above and pursuant to the share option scheme of the Company, and the said approval shall be limited accordingly;

(d) for the purposes of this resolution:–

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:–

- (i) the conclusion of the next annual general meeting of the Company; and
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held.

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory).”

Chan Sing Chuk, Charles  
Chairman

Registration Number: 150503

THE COMPANIES ORDINANCE (CHAPTER 32)

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ORDINARY & SPECIAL RESOLUTIONS

OF

CONTINENTAL HOLDINGS LIMITED

(恒和珠寶集團有限公司)

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Passed on the 10th day of October, 1988

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At an Extraordinary General Meeting of the shareholders of the Company duly convened and held at Room 2718, Connaught Centre, Hong Kong on the 10th day of October, 1988 the following resolutions were duly passed as Ordinary & Special Resolutions of the Company:-

ORDINARY RESOLUTION

1. "THAT each of the existing issued and unissued shares of HK\$10.00 each in the share capital of the Company be and it is hereby subdivided into 40 shares of HK\$0.25 each."

SPECIAL RESOLUTION

2. "THAT the provisions of the Memorandum of Association of the Company with respect to its objects be altered by the deletion of the existing Third Clause thereof and the substitution therefore of the provisions of the new Third Clause set out in the document marked Exhibit "A" now produced to the meeting and for the purpose of identification signed by the Chairman hereof."

### SPECIAL RESOLUTION

3. “THAT the Company be converted into a public company and that the regulations contained in the document marked Exhibit “B” now produced to the meeting and for the purpose of identification signed by the Chairman hereof be and they are hereby adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of Association of the Company.”

### ORDINARY RESOLUTION

4. “THAT conditionally on the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited on or before 14th November, 1988 listing of and permission to deal in the shares of HK\$0.25 each of the Company in issue and to be issued as mentioned in the prospectus of the Company proposed to be dated 17th October, 1988 and no objection to such listing being made by the Commissioner for Securities and Commodities Trading pursuant to Rule 4 of the Securities (Stock Exchange Listing) Rules 1986 or, if such an objection is made, on listing being allowed by the Securities Commission pursuant to Rule 11(2) (a) of the Securities (Stock Exchange Listing) Rules 1986 on or before 14th November, 1988:–
  - (a) the authorized share capital of the Company be increased from HK\$70,000,000.00 to HK\$93,437,500 by the creation of an additional 93,750,000 shares of HK\$0.25 each;
  - (b) the proposed offer of 93,750,000 shares of HK\$0.25 each of the Company for subscription on the terms and subject to the conditions set out in the prospectus proposed to be issued by the Company and to be dated 17th October, 1988 be and it is hereby approved and that the directors of the Company be and they are hereby authorized to effect the same and to allot and issue shares of the Company pursuant thereto; and

- (c) the share option scheme the terms of which are set out in the document marked Exhibit “C” now produced to the meeting and for the purpose of identification signed by the Chairman hereof be and the same is hereby approved and adopted and that the Directors of the Company be and they are hereby authorized to grant options thereunder to allot and issue shares pursuant to the same and to take all such steps as may be necessary or desirable to implement such share option scheme and to vote on any matter connected therewith notwithstanding that they may be interested in the same.”

#### ORDINARY RESOLUTION

5. “THAT notwithstanding any provisions of the Articles of Association of the Company to the contrary, conditionally on the share premium account of the Company being credited as a result of the subscription of 93,750,000 shares of HK\$0.25 each of the Company being offered for subscription on the terms of the prospectus of the Company to be dated 17th October, 1988, (i) the authorized share capital of the Company be increased from HK\$93,437,500 to HK\$150,000,000 by the creation of an additional 226,250,000 shares of HK\$0.25 each, and (ii) a sum of HK\$39,062,500 be capitalized from the amount which will be standing to the credit of the share premium account of the Company on the issue and allotment of the said 93,750,000 shares of HK\$0.25 each and the Directors of the Company be and are hereby authorized to appropriate the said sum of HK\$39,062,500 as capital in payment up in full at par of 156,250,000 shares of HK\$0.25 each in the capital of the Company and to allot and issue such shares credited as fully paid to the persons whose names appear on the register of members of the Company at the close of business on 10th October, 1988 as the holders of

shares of HK\$0.25 each of the Company pro rata to their shareholdings as closely as possible on the basis of five new shares of HK\$0.25 each for every eight shares of HK\$0.25 each then held (fractional entitlements to be rounded up or down to the nearest whole number at the discretion of the Directors) and so that the shares to be issued pursuant to this Resolution shall rank pari passu in all respects with the existing issued shares of the Company.”

#### ORDINARY RESOLUTION

6. “THAT:–
- (A) subject to paragraph (C), pursuant to Section 57B of the Companies Ordinance, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and it is hereby generally and unconditionally approved;
  - (B) the approval in paragraph (A) shall authorize the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
  - (C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (A), otherwise than pursuant to a Rights Issue, shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue and to be issued as mentioned in the prospectus proposed to be dated 17th October, 1988, and the said approval shall be limited accordingly;



(D) for the purposes of this Resolution:–

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:–

- (i) the conclusion of the next Annual General Meeting of the Company;  
and
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Companies Ordinance to be held; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory).”

Dated the 10th day of October, 1988.

(Sd.) Chan Sing Chuk, Charles  
Chan Sing Chuk, Charles  
(Chairman)



**THE COMPANIES ORDINANCE**

Section 61(4)

IN THE MATTER of CONTINENTAL  
HOLDINGS LIMITED (恒和珠寶  
集團有限公司)

and

IN THE MATTER of Miscellaneous  
Proceedings No. 1800 of 1988 in the  
Supreme Court of Hong Kong

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WHEREAS by an Order dated the 27th day of September, 1988 (made in the above proceedings pursuant to Section 60 of the Companies Ordinance), the Court confirmed the reduction of the Share Premium Account of the Company by \$197,499,936.80.

NOW I DO HEREBY CERTIFY that the said Order has been duly registered by me on the 28th day of September, 1988 pursuant to Section 61(1) of the said Ordinance.

GIVEN under my hand this Fifth day of October One Thousand Nine Hundred and Eighty-eight.

(Sd.) P. F. Grindey

(P. F. Grindey)  
for Registrar General  
(Registrar of Companies)  
Hong Kong

Registration Number: 150503

THE COMPANIES ORDINANCE (CHAPTER 32)

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SPECIAL RESOLUTION

OF

**CONTINENTAL HOLDINGS LIMITED**

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Passed on the 13th day of September, 1988

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At an Extraordinary General Meeting of the shareholders of the Company duly convened and held at its registered office on the 13th day of September, 1988 the following resolution was duly passed as a Special Resolution of the Company:–

SPECIAL RESOLUTION

“THAT the Share Premium Account of the Company be and the same is hereby reduced by the amount of HK\$197,499,936.80.”

Dated the 13th day of September, 1988.

(Sd.) Charles Chan Sing Chuk  
CHARLES CHAN SING CHUK  
(Chairman)

THE COMPANIES ORDINANCE (CHAPTER 32)

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ORDINARY RESOLUTIONS

OF

**CONTINENTAL HOLDINGS LIMITED**

(恒和珠寶集團有限公司)

**Passed on the 28th day of June, 1988**  
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At an Extraordinary General Meeting of shareholders of the Company duly convened and held at Units M & N, First Floor, Kaiser Estate, Phase 3, 11 Hok Yuen Street, Hung Hom, Kowloon on the 28<sup>th</sup> day of June, 1988 at 1 p.m. the following Resolutions were duly passed as Ordinary Resolutions of the Company:—

ORDINARY RESOLUTION

1. “THAT the authorised share capital of the Company be increased from HK\$1,000,000.00 to HK\$70,000,000.00 by the creation of an additional 6,900,000 shares of HK\$10.00 each.”

ORDINARY RESOLUTION

2. “THAT the Directors be and they are hereby authorized to issue and allot a total of 6,249,998 shares of HK\$10.00 each at HK\$41.60 per share to such person or person(s) as they may think fit. ”

(Sd.) Chan Sing Chuk, Charles  
Chan Sing Chuk, Charles  
(Chairman)

# CONTINENTAL HOLDINGS LIMITED

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## SPECIAL RESOLUTION

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Made pursuant to Section 22(1) and filed pursuant to  
Section 117(1) of the Companies Ordinance, Cap.32

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Passed on the 20th day of August 1985

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At an Extraordinary General Meeting of the abovenamed Company duly convened and held at Kaiser Estate, Phase III, Flats M&N, 1st Floor, Hunghom, Kowloon on Tuesday, the 20th day of August 1985, the following resolution was passed as Special Resolution:-

“That the name of the Company be changed from ‘Continental Holdings Limited’ to ‘Continental Holdings Limited(恒和珠寶集團有限公司)’.”

(Sd.) Chan Sing Chuk, Charles  
Chan Sing Chuk, Charles  
(Chairman)

No. 150503  
編號

(Copy)

副本

CERTIFICATE OF INCORPORATION

公司更改名稱

ON CHANGE OF NAME

註冊證書

Whereas CONTINENTAL HOLDINGS LIMITED

查 was incorporated in Hong Kong  
已在香港依據

as a limited company under the Companies Ordinance on the  
公司條例註冊成為有限公司，其註冊日期為  
Thirtieth day of April, 1985;

一九八五年四月三十日；

And whereas by special resolution of the Company and with  
又該公司經通過特別決議案及  
the approval of the Registrar of Companies, it has changed its name;  
獲公司註冊官批准後，已將其名稱更改；

Now therefore I hereby certify that the Company is a limited  
本人茲證明該公司現為一有限  
company incorporated under the name of CONTINENTAL  
公司，其註冊名稱為  
HOLDINGS LIMITED (恒和珠寶集團有限公司) .

Given under my hand this Second day of October One  
簽署於一九八五年十月二日。

Thousand Nine Hundred and Eighty-five.

(Sd.) J. Almeida

\_\_\_\_\_  
P. Registrar General  
(Registrar of Companies)

Hong Kong

香港註冊總署署長暨公司註冊官  
(註冊主任歐美達代行)

No. 150503  
編號

(COPY)

CERTIFICATE OF INCORPORATION

公司註冊證書

I HEREBY CERTIFY that

本人茲證明

**CONTINENTAL HOLDINGS LIMITED**

is this day incorporated in Hong Kong under the Companies  
於本日在香港依據公司條例註冊成為  
Ordinance, and that this Company is limited.  
有限公司。

Given under my hand this Thirtieth day of April, One Thousand  
簽署於一九八五年四月三十日

Nine Hundred and Eighty-five.

(Sd.) J. Almeida  
p. Registrar General  
(Registrar of Companies)  
Hong Kong  
香港註冊總署署長暨公司註冊官  
(註冊主任歐美達代行)

THE COMPANIES ORDINANCE (CHAPTER 32)

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Company Limited by Shares

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**MEMORANDUM OF ASSOCIATION**  
(As altered by Special Resolution passed on 10th October, 1988)

OF

**CONTINENTAL HOLDINGS LIMITED**

(恒和珠寶集團有限公司)

- \*1. The name of the Company is “CONTINENTAL HOLDINGS LIMITED (恒和珠寶集團有限公司) ”.
2. The registered office of the Company will be situate in Hong Kong.
3. The objects for which the Company is established are:–
  - (1) To carry on the business of a holding company in all its branches and to co-ordinate the policy and administration of any subsidiary company or companies or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled by the Company.

\* The name of the Company was changed to its present name on 2nd October, 1985.



- (2) To carry on the business of Jewellery Selling and Designers and any business relating thereto.
- (3) To carry on all or any of the businesses of the jewellers, gold and silversmiths, dealers (wholesale and retail) in jade, china, curiosities, articles of vertu, coins, medals, bullion, precious stones, semi-precious stones, watches and clocks, and as manufacturers of and dealers in gold and silver plate, plated articles, watches, clocks, chronometers, and optical and scientific instruments and appliances of every description, and as commission agents and general merchants.
- (4) To carry on the business of manufacturers of imitation or artificial pearls and other artificial gems, goldsmiths, silversmiths, jewellers, gem merchants and electroplaters; and to cut jade, precious stones and semi-precious stones and other stones and to buy, sell, and deal in wholesale and retail artificial pearls and precious stones, semi-precious stones, and other stones, jewellery, watches, clocks, gold and silver plates, electroplates, and such other articles and goods as the Company may consider capable of being conveniently dealt in relation to its businesses and to manufacture and to establish factories for manufacturing goods for the above businesses.
- (5) To carry on all or any of the businesses usually carried on by land companies, land investment companies, land mortgage companies, and building estate companies, in all their several branches.
- (6) To purchase, take on lease, or in exchange, rent, hire, take options over or otherwise acquire land (with or without buildings thereon) in Hong Kong and land (with or without buildings thereon) of any tenure outside Hong Kong and any estate or interest in, and any rights connected with any such lands.

- (7) To develop and turn to account any land acquired by or in which the Company is interested, and in particular by laying out and preparing the same for building purposes, constructing, altering, pulling down, decorating, maintaining, furnishing, fitting up, and improving buildings, and by planting, paving, draining, farming, cultivating, letting on building lease or building agreement and by advancing money to and entering into contracts and arrangement of all kinds with builders, tenants and others.
- (8) To manage any buildings, whether belonging to the Company or not, or let the same or any part thereof for any period and at such rent and on such conditions as the Company shall think fit; to collect the rent and income and to supply to tenants and occupiers and others light, heat, air-conditioning, refreshments, attendants, messengers, waiting rooms, reading rooms, lavatories, laundry facilities, electric conveniences, garages, recreation facilities and other advantages which from time to time the Company shall consider desirable, or to provide for such management, letting and advantages as aforesaid by employing any person, firm or company to carry out or to supply the same on such terms as the Company may think fit.
- (9) To carry on the business of an investment company and for that purpose to acquire and hold either in the name of the Company or in that of any nominee shares, stocks, debentures, debenture stock, bonds, notes, obligations and securities of any kind issued or guaranteed by any company wherever incorporated or carrying on business and debentures, debenture stock, bonds, notes, obligations and securities of any kind issued or guaranteed by any government, sovereign ruler, commissioners, public body or authority, supreme, dependant, municipal, local or otherwise in any part of the world.
- (10) To acquire any such shares, stock, debentures, debenture stock, bonds, notes, obligations or securities of any kind by original subscription, contract, tender,

purchase, exchange, underwriting, participation in syndicate or otherwise and whether or not fully paid-up and to subscribe for the same subject to such terms and conditions, if any, as may be thought fit.

- (11) To exercise and enforce all rights and powers conferred by or incidental to the ownership of any such shares, stock, obligations or other securities including, without prejudice to the generality of the foregoing, all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special proportion of the issued or nominal amount thereof, and to provide managerial and other executive, supervisory and consultant services for or in relation to any company in which the Company is interested upon such terms as may be thought fit.
- (12) To carry on the business of manufacturers of and dealers in stereo, transistors radios, electric motors, transformers, electronic products and any machinery or equipment to which the application of electricity or any like power or any power that can be used as a substitute thereof and any other business of a like nature and to sell as retailers, or wholesalers, import or export, hire, carry, design, develop, experiment with, manufacture, assemble, install, maintain, repair, service, replace, purchase, produce or otherwise acquire, sell and in any manner deal in or with audio, video and other equipment, apparatus, instruments, devices, machines, articles and commodities of all kinds, and all parts and components therefor.
- (13) To act as consultants, technical advisers, service agents, sales agents and replacement agents or any of the same in connection with the business aforesaid and as marketers and sellers of electronic technology and as instructors of personnel in any manner in connection with all or any of the said businesses.

- (14) To establish, provide and conduct or otherwise subsidize research laboratories and experimental workshops for scientific and technical research and experiments; to undertake and carry on scientific and technical research, experiments and tests of all kinds; to promote studies and researches both scientific and technical investigations and inventions by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, meetings and syndicates, chambers of commerce and trade conferences, and by providing or contributing to the remuneration of scientific or technical professors or teachers and by providing or contributing to the award of scholarships, prizes, grants to students or otherwise and generally to encourage, promote and reward studies, research, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the Company is authorized to carry on.
- (15) To acquire from any person, firm or body corporate or unincorporated, whether in Hong Kong or elsewhere in the world, technical information, know-how, processes, engineering and operating, data, plans, layouts and blue-prints useful for any of the businesses of the Company and to acquire any grant or licence and other rights and benefits in the foregoing matters and things.
- (16) To invent, develop, improve, acquire, use, operate, dispose of and otherwise deal in and turn to account any engineering process or idea or any equipment, machinery or plant in connection therewith.
- (17) To carry on the business of manufacturers of toys of all kinds and to buy, sell, import or export all kinds of toys and their related materials, goods, products, articles, machinery and equipment.

- (18) To carry on all or any of the businesses following: namely, cotton spinners and doublers, flax, hemp, and jute spinners, linen manufacturers, flax, hemp, jute, linen and wool merchants, wool combers, worsted spinners, woollen spinners, yarn merchants, worsted stuff manufacturers, spinners and weavers of artificial fibres of all kinds, bleachers and dyers, manufacturers of garments and articles made of cloth of any kind, and to purchase, comb, prepare, spin, dye, and deal in flax, hemp, jute, wool, cotton, silk, linen, and other fibrous substances (whether natural or artificial or mixed) and to weave or otherwise manufacture, buy, sell, import, export, and deal in linen, cloth and other goods and fabrics (whether textile, felted, netted or looped and whether manufactured wholly or partially of natural or artificial fibres), and in all embroidered, sewn, stitched, decorated and painted goods and articles of use of ornament.
- (19) To carry on all or any of the businesses of haberdashers, drapers, hosiers, manufacturers, importers, exporters, and wholesale and retail dealers of and in textile fabrics of all kinds, milliners, dressmakers, tailors, hatters, clothiers, outfitters, glovers, lace manufacturers, feather dressers, boot and shoe makers, manufacturers, importers and exporters, and wholesale dealers of and in leather goods, household furniture, ironmongery, turnery and other household fittings and utensils, ornaments, stationery, and fancy goods, jewellery, watches, clocks, dressing bags, articles of vertu, objects of art, curios, ivory, ware, articles made wholly or partially of gold, silver, or other precious materials and generally of and in all manufactured goods and materials, and to manufacture and to establish factories for manufacturing goods for the foregoing businesses.
- (20) To carry on business as merchants, manufacturers, importers, exporters, commission agents, *del credere* agents, insurance agents, packers, storers, storekeepers, factors, brokers and manufacturers of and dealers in foreign

substances, foreign and colonial produce, manufactured goods, materials and general merchandise and to import, export, buy, prepare, manufacture, render marketable, sell, barter, exchange, pledge, charge, make, advance on and otherwise deal in or turn to account produce, goods, materials and merchandise generally in their prepared, manufactured or raw state and to undertake, carry on and execute all kinds of financial, commercial, trading and other manufacturing operations and all businesses whether wholesale or retail.

- (21) To carry on business as proprietors of restaurants, hotels, refreshment and tea rooms, cafes and milk and snack bars, tavern, beer-house, and lodging-house keepers, licensed victuallers, wine, beer, and spirit merchants, brewers, maltsters, distillers, importers and manufacturers of aerated, mineral and artificial waters and other drinks, and as caterers and contractors in all their respective branches.
- (22) To carry on business as bakers, confectioners, tobacconists, butchers, fishmongers, dairymen, grocers, poulterers, greengrocers, farmers, ice merchants and ice-cream manufacturers, and to manufacture, buy, sell, refine, prepare, grow, import, export and deal in provisions of all kinds, both wholesale and retail and whether solid or liquid.
- (23) To establish and provide all kinds of facilities and attractions for customers and others, and in particular, reading, writing and smoke rooms, lockers and safe deposits, telephones, telegraphs, clubs, stores, shops, and lavatories.
- (24) To import, export, buy, sell (wholesale and retail), exchange, barter, let on hire, distribute and otherwise deal in and turn to account, as principal, agent or in any other capacity whatsoever, goods, materials, commodities, produce and merchandise generally in their prepared, manufactured, semi-manufactured and raw state.

- (25) To manufacture, construct, assemble, design, repair, refine, develop, alter, convert, refit, prepare, treat, render marketable, process and otherwise produce, materials, fuels, chemicals, substances and industrial, commercial and consumer products of all kinds.
- (26) To acquire, sell, own, lease, let out on hire, administer, manage, control, operate, construct, repair, alter, equip, furnish, fit out, decorate, improve and otherwise undertake and deal in engineering and construction works, buildings, projects, offices and structures of all kinds.
- (27) To promote, purchase or otherwise acquire and undertake the whole or any part of the business, goodwill, assets and liabilities of any person, firm or company; to acquire an interest in, amalgamate with or enter into partnership, union of interest, joint-venture, or co-operation with any person, firm or company; to promote, sponsor, establish, constitute, form, participate in, organise, manage, supervise and control any corporation, company, syndicate, fund, trust, business or institution.
- (28) To purchase or otherwise acquire and to hold, own, license, maintain, work, exploit, farm, cultivate, use, develop, improve, sell, let, surrender, exchange, hire, convey or otherwise deal in lands, mines, natural resources, and mineral, timber and water rights, wheresoever situated, and any interest, estate and rights in any real, personal or mixed property and any franchises, rights, licences or privileges, and to collect, manage, invest, reinvest, adjust, and in any manner to dispose of the income, profits, and any interest arising therefrom.
- (29) To improve, manage, develop, sell, let, exchange, invest, reinvest, settle, grant licences, easements, options, servitudes and rights over, or otherwise deal with all or any part of the Company's property, undertaking and assets (present and future) including uncalled capital, and any of the Company's rights, interests and privileges.

- (30) To carry on business as auctioneers, appraisers, valuers, surveyors, land and estate agents.
- (31) To carry on all or any of the businesses of ship-owners, shippers, ship and boat-builders, charterers, shipping and forwarding agents, ship managers, wharfingers, lightermen, stevedores, packers, storer, fishermen and trawlers, and to establish, maintain, and operate sea, air, inland waterway enterprise (public and private) and all ancillary services.
- (32) To purchase or otherwise acquire, take in exchange, charter, hire, build, construct, own, work, manage, operate and otherwise deal with any ship, boat, barge or other waterborne vessel, hovercraft, balloon, aircraft, helicopter or other flying machine, coach, wagon, carriage (however powered) or other vehicle, or any share or interest therein.
- (33) To carry on business as consulting engineers in all fields including without limitation civil, mechanical, chemical, structural, marine, mining, industrial, aeronautical, electronic and electrical engineering, and to provide architectural, design and other consultancy services of all kinds.
- (34) To apply for, purchase, or otherwise acquire any brevets d'invention, patents patent rights, copyrights, trade marks, formulas, licences concessions, intellectual and industrial property and technology, protections and the like, conferring any exclusive or non-exclusive or limited privilege or right to use, or any secret or other information as to, any invention, know-how, device, secret, system, process, information, discovery or development and to use, exercise, develop, or grant licences in respect of, or otherwise turn to account, the property, rights, technology, or information so acquired.
- (35) To carry on the business of advisers, consultants, researchers, analysts and brokers of whatsoever kind or nature in all branches of trade,



commerce, industry and finance, and to provide or procure the provision of every and any service or facility required by any person, firm or company.

- (36) To carry on business as insurance brokers and agents, and underwriting agents in all classes of insurance and as insurance advisers and consultants, pensions and investment advisers, consultant assessors, average adjusters and mortgage brokers; to carry on the business of an insurance and guarantee company in all its branches (excluding fire, life and marine insurance).
- (37) To carry on all or any of the businesses of hoteliers and restaurateurs, and proprietors, sponsors and managers of clubs, marinas, stadia and all kinds of sporting, competitive and leisure activities.
- (38) To carry on business as farmers, graziers, dealers in and breeders of livestock, horticulturists and market gardeners.
- (39) To carry on all or any of the businesses of printers, publishers, designers, draughtsmen, journalists, press and literary agents, tourist and travel agents and operators, advertisers, advertising and marketing agents and contractors, personal and promotional representatives, artists, sculptors, decorators, illustrators, photographers, film makers, producers and distributors, publicity agents and display specialists.
- (40) To enter into, carry on and participate in financial transactions and operations of all kinds.
- (41) To carry on any other business or activity and do any act or thing which in the opinion of the Company is or may be capable of being conveniently carried on or done in connection with any of the above, or likely directly or

indirectly to enhance the value of or render more profitable all or any part of the Company's property or assets or otherwise to advance the interests of the Company or its Members.

- (42) To provide agency, corporate, office, secretarial and business services to any person, firm or company, and to act as nominee, director, officer, manager, custodian and trustee of any kind and to undertake and execute any trust.
- (43) To enter into any commercial or other arrangements with any government or authority, supreme, municipal, local or otherwise, also with any corporation, company or person and to obtain or enter into any legislation, orders, charters, contracts, decrees, rights, privileges, licences, franchises, permits and concessions for any purpose and to carry out, exercise and comply with the same and to make, execute, enter into, commence, carry on, prosecute and defend all steps, contracts, agreements, negotiations, legal and other proceedings, compromises, arrangements and schemes and to do all other acts, matters and things which shall at any time appear conducive or expedient for the advantage or protection of the Company.
- (44) To invest in, lend and advance money and grant and provide credit and financial or other accommodation to any person, firm or company.
- (45) To borrow or raise money in such manner as the Company shall think fit and in particular by the issue (whether at par or at a premium or discount and for such consideration as the Company may think fit) of bonds, debentures or debenture stock (payable to bearer or otherwise), mortgages or charges, perpetual or otherwise, and if the Company thinks fit charged upon all or any of the Company's property (both present and future) and undertaking including its uncalled capital and further, if so thought fit, convertible into any stock or shares of the Company or any other company, and collaterally or further to secure any obligations of the Company by a trust deed or other assurance.

- (46) To guarantee or give indemnities or provide security, whether by personal covenant or by mortgage or charge upon all or any part of the undertaking, property and assets (present and future) and the uncalled capital of the Company, or by all or any such methods, and whether with or without consideration, for the performance of any contracts or obligations, and the payment of capital or principal (together with any premium) and dividends or interest on any shares, debentures, or other securities, of, and otherwise to support and assist, any person, firm or company including (without limiting the generality of the foregoing) any company which is for the time being a holding company of the Company or another subsidiary of any such holding company or is otherwise allied to or associated with the Company or any such subsidiary or holding company in business or otherwise, but so that nothing in this Clause shall authorise the carrying on by the Company of an insurance business and so that (without prejudice to the construction of any other Clause hereof) this Clause shall be construed both as a separate and independent object of the Company and as a power ancillary to the other objects of the Company.
  
- (47) To take out insurance in respect of any and all insurable risks which may affect the Company or any other company or person and to effect insurance (and to pay the premiums therefor) in respect of the life of any person and to effect re-insurance and counter-insurance, but no business amounting to fire, life or marine insurance business may be undertaken.
  
- (48) To draw, make, accept, endorse, negotiate, discount, execute, issue, purchase or otherwise acquire, exchange, surrender, convert, makes, advances upon, hold, charge, sell and otherwise deal in bills of exchange, cheques, promissory notes, and other negotiable instruments and bills of lading, warrants, and other instruments relating to goods.

- (49) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts, and conveniences calculated to benefit employees or directors or past employees or directors of the Company or of its predecessors in business, or the dependants or connexions of any such persons; and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition, or for any public, general, or useful object.
- (50) To give any remuneration or other compensation or reward (in cash or securities or in any other manner the Directors may think fit) to any person for services rendered or to be rendered in the conduct or course of the Company's business or in placing or procuring subscriptions of or otherwise assisting in the issue of any securities of the Company or any other company formed or promoted by the Company or in which the Company may be interested or in or about the formation or promotion of the Company or any other company as aforesaid.
- (51) To grant or procure pensions, allowances, gratuities and other payments and benefits of whatsoever nature to or for any person and to make payments towards insurances or other arrangements likely to benefit any person or advance the interests of the Company or of its members.
- (52) To pay all expenses preliminary or incidental to the formation and promotion of the Company or any other company and the conduct of the business of the Company or any other company.
- (53) To procure the Company to be registered or recognised in any territory.
- (54) To cease carrying on and winding up any business or activity of the Company, and to cancel any registration of and to wind up and procure the dissolution of the Company in any territory.

- (55) To distribute any part of the undertaking, property and assets of the Company among its creditors and members in specie or in kind but so that no distribution amounting to a reduction of capital may be made without the sanction of the Court (if any) for the time being required by law.
- (56) To appoint agents, experts and attorneys to do all or any of the above matters and things on behalf of the Company or any thing or matter for which the Company acts as agent or is in any other way whatsoever interested or concerned in any part of the world.
- (57) To do all and any of the above matters or things in any part of the world and either as principal, agent, contractors, trustee or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others, and generally upon such terms and in such manner and for such consideration and security (if any) as the Company shall think fit including the issue and allotment of securities of the Company in payment or part payment for any property acquired by the Company or any services rendered to the Company or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose.
- (58) To do all such acts or things as are incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared that the word “company” in this clause shall be deemed to include any partnership or other body of persons whether incorporated or not incorporated and whether domiciled in Hong Kong or elsewhere and the intention is that the objects specified in each paragraph of this Clause shall except where otherwise expressed in such paragraph, be independent main objects and shall be in nowise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.

4. The liability of the Members is limited.
- \*5. The capital of the Company is HK\$150,000,000.00 divided into 600,000,000 shares of HK\$0.25 each. Upon any increase of capital the Company is to be at liberty to issue any new shares either in Hong Kong Dollars or in any other currency or partly in one currency and partly in another and with any preferential, deferred, qualified or special rights, privileges or conditions attached thereto. The rights for the time being attached to any shares having preferential, deferred, qualified or special rights, privileges or conditions attached thereto, may be altered or dealt with in accordance with the accompanying Articles of Association, but not otherwise.

\*Note:—

- (1) The Company was incorporated on 30th April, 1985 with an authorized capital of HK\$1,000,000 divided into 100,000 shares of HK\$10.00 each.
- (2) By an Ordinary Resolution passed on 28th June, 1988, the authorized capital of the Company was increased from HK\$1,000,000 to HK\$70,000,000 by the creation of 6,900,000 shares of HK\$10.00 each.
- (3) By an Ordinary Resolution passed on 10th October, 1988, each of the existing issued and unissued shares of HK\$.10.00 each in the share capital of the Company was subdivided into 40 shares of HK\$0.25 each.
- (4) By a further Ordinary Resolution passed on 10th October, 1988, the authorized capital of the Company was conditionally (which condition was satisfied on 26th October, 1988) increased from HK\$70,000,000 to HK\$93,437,500 by the creation of an additional 93,750,000 shares of HK\$0.25 each.
- (5) By a further Ordinary Resolution passed on 10th October, 1988, the authorized capital of the Company was conditionally (which condition was satisfied on 28th October, 1988) increased from HK\$93,437,500 to HK\$150,000,000 by the creation of an additional 226,250,000 shares of HK\$0.25 each.

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

Names, Addresses and Descriptions of Subscribers	Number of Shares taken by each Subscriber
(Sd.) CHARLES, CHAN SING CHUK 15C Barnton Court, Harbour City, Kowloon (Merchant)	ONE (1)
(Sd.) SHIRLEY, CHENG SIU-YIN 15C Barnton Court, Harbour City, Kowloon (Merchant)	ONE (1)
Total Number of Shares Taken .....	TWO (2)

Dated the 15th day of March, 1985.

WITNESS to the above signatures:-

(Sd.) BERNARD K. S. SIU  
Solicitor,  
Solar House, 7th floor,  
26A-28A Des Voeux Road Central,  
Hong Kong

THE COMPANIES ORDINANCE (Chapter 32)

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Company Limited by Shares  
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**NEW ARTICLES OF ASSOCIATION**  
(As adopted by Special Resolution passed on 9 December 2004)

OF

**CONTINENTAL HOLDINGS LIMITED**  
(恒和珠寶集團有限公司)  
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**PRELIMINARY AND INTERPRETATION**

1. The regulations in Table A in the First Schedule to the Ordinance shall not apply to the Company.
2. (A) In these Articles, the following expressions shall have the following meanings except where the context otherwise requires:

Table A  
regulations  
excluded

Interpretation

**“appointor”**

in relation to an alternate Director, the Director who appointed the alternate to act as his alternate;

**“Articles” or “these Articles”**

the Articles of Association of the Company as from the time to time supplemented, amended or substituted;

**“associate(s)”**

in relation to any Director, has the meaning ascribed to it under the Listing Rules;

**“Auditors”**

the persons for the time being performing the duties of that office;

**“Board” or “Directors”**

the Directors from the time to time or (as the context may require) the majority of Directors present and voting at a meeting of the Directors;

**“call”**

includes any instalment of a call;



**“Capital”**

the share capital from time to time of the Company;

**“Chairman”**

except in Article 117, the Chairman presiding at any meeting of Members or of the Directors (as the case may be);

**“clearing house”**

a recognised clearing house within the meaning of Schedule 1 to the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or a clearing house or authorised share depository recognised by the laws of any other jurisdiction in which the shares of the Company are listed or quoted with the permission of the Company on a stock exchange in such jurisdiction;

**“Company”**

Continental Holdings Limited (恒和珠寶集團有限公司);

**“corporate communication”**

has the meaning ascribed to it under the Listing Rules;

**“Director”**

a director of the Company and includes an alternate Director in his capacity as a director of the Company;

**“Dividend”**

includes scrip dividends, distributions in specie or in kind, capital distributions and capitalisation issues, if not inconsistent with the subject or context;

**“electronic communication”**

a communication sent by electronic transmission in any form through any medium;

**“Hong Kong”**

Hong Kong Special Administrative Region of the People’s Republic of China;

**“HK\$”**

Hong Kong dollars or, with the approval of the Board of the same, any other lawful currency of Hong Kong;

**“holding company” and “subsidiary”**

have the meanings ascribed to them by the Ordinance;

**“Listing Rules”**

the Rules Governing the Listing of Securities on the Stock Exchange, as from time to time supplemented, amended or substituted;

**“Member” or “Shareholder”**

a registered holder for the time being of share(s);

**“Memorandum”**

the Company’s Memorandum of Association as from time to time supplemented or amended;

**“month”**

calendar month;

**“Newspapers”**

in relation to the publication in newspapers of any notice, means publication as a paid advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper, in each case published daily and circulating generally in Hong Kong and specified or otherwise approved for this purpose by the Stock Exchange;

**“Ordinance”**

the Companies Ordinance (Chapter 32 of the laws of Hong Kong) and any amendments thereto or re-enactment thereof for the time being in force and shall include every other ordinance incorporated therewith or substituted therefor and in the case of any such substitution the references in these Articles to the provisions of the Ordinance shall be read as references to the provisions substituted therefor in the new Ordinance;

**“paid”**

in relation to a share, means paid or credited as paid;

**“Register”**

the register of Members and includes any local or branch register of Members kept or to be kept pursuant to the provisions of the Ordinance and these Articles;

**“Registered Office”**

the registered office of the Company for the time being;

**“Registration Office”**

in respect of Capital or any class of Capital, such place or places in Hong Kong or elsewhere where the Directors from time to time determine to keep a Register or branch Register in respect of that Capital or class of Capital and where (except in cases where the Directors otherwise agree) transfers of other documents of title for such Capital or class of Capital are to be lodged for registration and are to be registered;

**“Relevant Period”**

the period commencing from the date on which any of the securities of the Company become listed on the Stock Exchange to and including the date

immediately before the day on which none of the securities are so listed (and so that if at any time listing of any such securities is suspended, they shall nevertheless be treated, for the purpose of this definition, as listed);

**“Seal”**

the common seal of the Company;

**“Secretary”**

any person for the time being performing the duties of that office;

**“Securities Seal”**

an official seal kept by the Company pursuant to Section 73A of the Ordinance;

**“share”**

share in the Capital;

**“Special Resolution”**

shall have the meaning ascribed to it by Section 116 of the Ordinance;

**“Statutes”**

the Ordinance and every other law for the time being in force in Hong Kong applying to the Company, the Memorandum and/or these Articles;

**“Stock Exchange”**

The Stock Exchange of Hong Kong Limited or its successor for the time being;

**“writing” or “printing”**

includes writing, printing, lithography, photography, typewriting and every other mode of representing words or figures in a legible and non-transitory form (including telex and facsimile transmission but excluding electronic communication except notice or document given or issued by the Company under Article 178); and

**“year”**

calendar year.

(B) In these Articles, unless there be something in the subject or context inconsistent herewith:

General

- (i) words denoting the singular shall include the plural and vice versa;
- (ii) words importing any gender shall include every gender and words importing persons shall include partnerships, firms, companies and corporations;
- (iii) references to any of the Statutes and any other statute or statutory

provision shall be construed as relating to the same as from time to time supplemented, amended, modified, substituted or re-enacted and in the case of any substitution or re-enactment of the Ordinance, the references in these Articles to any provisions of the Ordinance shall be read as references to the provisions substituted therefor in the new ordinance; and

(iv) subject as aforesaid, any words or expressions defined in the Ordinance shall (if not inconsistent with the subject or context) bear the same meanings in these Articles.

(v) references to any Articles by number are to the particular Article of these Articles.

(C) The headings and marginal notes to, and the table of contents and index of, these Articles do not form part of these Articles and shall not affect their interpretation.

Marginal notes etc.

(D) A Special Resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles or the Statutes.

Special Resolution

## SHARE CAPITAL

App.3  
Para 6(1),9

3. The Capital may be divided into shares of different classes each having, and any share may (without prejudice to any special rights or restrictions for the time being attaching to any shares or any class of shares and without prejudice to the provisions regarding forfeiture and lien in these Articles) be issued with and subject to, such preferred, deferred or other special rights, or such restrictions, whether with regard to dividends, voting, return of capital or otherwise, and such other terms and conditions, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Directors may, subject to the Ordinance and these Articles, determine).

Issue of shares

App.3  
Para 8(1),  
8(2)

4. Any share may, subject to the Ordinance, be issued on terms that it is liable to be redeemed upon the happening of a specified event or upon a given date and either at the option of the Company or at the option of the holder.

Redeemable shares

## VARIATION OF RIGHTS

App.3  
Para 6(1)

5. (A) Subject to paragraph (C) below, whenever the Capital is divided into different classes of shares, all or any of the special rights attached to any class (unless otherwise provided for by the terms of issue of the shares of that class) may, subject to the provisions of the Ordinance, be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a Special Resolution passed

Variation of rights

at a separate meeting of the holders of the shares of the class, and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that:

App.3  
Para 6(2)

(i) the necessary quorum shall be at least two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class (but that at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum); and

(ii) any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him.

(B) Subject to paragraph (C) below, the foregoing provisions of this Article shall apply to the variation or abrogation of the rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied or abrogated.

(C) Shares held from time to time by a clearing house shall not be deemed for the purposes of these Articles or otherwise to be a separate class of shares and the variation howsoever of the rights of any such shares in accordance with these Articles shall not in any circumstance or for any purpose be or be deemed to be a variation of the rights of a separate class of shares.

6. The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue thereof, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

Shares with preferential rights

## **PURCHASE OF OWN SECURITIES AND FINANCIAL ASSISTANCE**

App.3  
Para 8(1),  
8(2)

7. Subject to the provisions of the Ordinance, the powers of the Company to purchase or otherwise acquire its shares (including its redeemable shares), and warrants or other securities (of whatever nature including without limitation convertible debt securities) for (or which include provision for) the subscription or purchase of its own shares (including redeemable shares), shall be exercisable by the Directors upon such terms and subject to such conditions as they think fit and, should the Company acquire its own shares or other securities, neither the Company nor the Board shall be required to select the shares or other securities to be acquired rateably or in any other particular manner as between the holders of shares or other securities of the same class or as between them and the holders of shares or

Company may purchase its own shares and warrants

other securities of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares or other securities, provided that any such acquisition shall only be made in accordance with any relevant rules or regulations issued by the Stock Exchange (in respect of any acquisition during the Relevant Period) or the Securities and Futures Commission from time to time.

8. The Company may, subject to and in accordance with the Ordinance, give such financial assistance for the purpose of or in connection with an acquisition by any person of its shares and other securities and any securities relating in any way to the Company's securities in such manner and on such terms as the Directors shall think fit.

Power to give financial assistance

### ALTERATIONS OF CAPITAL

9. The Company in general meeting may from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution increase the Capital by the creation of new shares, such new Capital to be of such amount and to be divided into shares of such class or classes and of such amounts in Hong Kong dollars or such other currency as the Members may think fit and as the resolution may prescribe.

Power to increase Capital

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

(i) consolidate and divide all or any of the Capital into shares of larger amount than its existing shares;

Consolidation and division of Capital

(ii) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of the Capital by the amount of the shares so cancelled;

Cancellation of shares

(iii) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, and so that:

Sub-division of shares

(a) in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

(b) the resolution whereby any share is sub-divided may determine that, as between the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred, qualified or other special rights, privileges or conditions or be subject to any such restrictions, as the Company has power to attach to unissued or new shares.

11. On any consolidation of fully paid shares into shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the

Settlement of difficulties arising on consolidation of shares

holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit.

12. The Company may by Special Resolution reduce the Capital or any capital redemption reserve, share premium account or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.

Reduction of  
Capital

## SHARES

13. The Company may, by ordinary resolution, before the issue of any new shares, determine that the same, or any of them, shall be offered in the first instance, and either at par or at a premium, to all the existing holders of any class of shares in proportion as nearly as may be to the number of shares of such class held by them respectively (subject if so determined by the Company in general meeting to the provisions of Article 15(B)), or make any other provisions as to the allotment and issue of such shares but in default of any such determination or so far as the same shall not extend, such shares may be dealt with as if they formed part of the capital of the Company existing prior to the issue of the share.

When to  
be offered  
to existing  
Members

14. Except so far as otherwise provided by the conditions of issue or by these Articles, any Capital raised by the creation of new shares shall be treated as if it formed part of the original Capital and such shares shall be subject to the provisions contained in these Articles with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.

New shares  
to from  
part of  
original  
Capital

15. (A) Subject to the provisions of the Ordinance relating to authority, pre-emption rights and otherwise and of any relevant resolution of the Company, all unissued shares and other securities of the Company shall be at the disposal of the Directors and they may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times, for such consideration and generally on such terms as they in their absolute discretion think fit, but so that no shares shall be issued at a discount except in accordance with the Ordinance. The Directors shall, as regards any offer or allotment of shares, comply with the provisions of the Ordinance, if and so far as such provisions may be applicable thereto.

Shares at  
disposal of  
Directors



- (B) Neither the Company nor the Directors shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares or other securities of the Company, to make, or make available, and may resolve not to make, or make available, any such offer, option or shares or other securities to Members or others with registered addresses in any particular jurisdiction outside of Hong Kong if, in the absence of publication or filing of a prospectus or a registration statement or performance of or compliance with other formalities or requirements, this would or might, in the opinion of the Directors, be unlawful or impracticable or if, in the opinion of the Directors, compliance with (or ascertainment of) any relevant requirements in such jurisdiction might be unduly expensive (whether in absolute terms or in relation to the rights of the Member(s) who may be affected or the value thereof) or unduly time consuming or otherwise unduly onerous. The Directors shall be entitled to make such arrangements to deal with fractional entitlements arising on an offer of any unissued shares or other securities as they think fit, including the aggregation and the sale thereof for the benefit of the Company. Members who may be affected as a result of any of the matters referred to in this paragraph (B) shall not be, and shall be deemed not to be, a separate class of shareholders for any purposes in connection therewith whatsoever.
16. The Company may exercise the powers of paying commissions conferred by the Ordinance to the full extent thereby permitted, Such commissions may be satisfied by the payment of cash or the allotment of fully or partly paid shares in the Capital or partly in one way and partly in the other. In each case the commission shall not exceed ten per cent. of the price at which the shares are issued. The Company may also on any issue of shares pay such brokerage or costs of issue as may be lawful. Company may pay commissions
17. If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in the Ordinance, and may charge the sum so paid by way of interest to capital as part of the cost of construction of the works or buildings or the provision of plant. Power to charge interest to capital
18. The Directors may accord to the allottee of any share a right, upon and subject to such terms and conditions as the Directors may think fit to impose, to effect a renunciation thereof in favour of some other person at any time after the allotment of the share but before any person has been entered in the Register as the holder thereof and may at any such time recognise such a renunciation. Right of renunciation
19. Except as otherwise expressly provided by these Articles or as required by law or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any share upon any trust and, except as aforesaid, the Company shall not be bound by or be compelled in any way to recognise (even Trusts of shares not recognised



when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or any other right or claim to or in respect of any shares except an absolute right to the entirety thereof of the registered holder.

20. Subject to and to the extent permitted by the Ordinance, the Company, or the Directors on behalf of the Company, may cause to be kept in any territory a branch Register of Members resident in such territory, and the Directors may make and vary such regulations as they may think fit respecting the keeping of any such Register. Branch Register
21. The Company shall not be bound to register more than four persons as joint holders of any share. If any share shall stand in the names of two or more persons, the person first named in the Register shall be deemed the sole holder thereof as regards service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the share. Joint holders
22. The Directors may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine provided that, to the extent necessary under the Ordinance, prior to issue of such warrants, approval from the Members in general meeting shall have been obtained to issue and allot shares upon exercise of subscription rights attached to such warrants. Such warrants may be issued on such terms as the Directors may from time to time determine. Where warrants are issued to bearer, no certificate thereof shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original certificate thereof has been destroyed and the Company has received an indemnity in such form as the Directors shall think fit with regard to the issue of any such replacement certificate. Warrants

### SHARE CERTIFICATES

- App.3  
Para 2(1) 23. Every share certificate shall be issued under the Seal (or under a Securities Seal or, in the case of shares on a branch Register, an official seal for use in the relevant territory). Share certification to be sealed
- App.3  
Para 10(1),  
10(2) 24. Every share certificate hereafter issued shall specify the number and class of shares in respect of which it is issued and the amount paid thereon and may otherwise be in such form as the Directors may from time to time prescribe. A share certificate shall relate to only one class of shares, and, where the Capital includes shares with different voting rights, the designation of each class of shares, other than those which carry the general right to vote at general meetings, must include the words “restricted voting”, “limited voting” or “non voting” or some other appropriate designation which is commensurate with the rights attaching to the relevant class of shares. Certificate to specify number and class of shares
25. In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of joint holders shall be sufficient delivery to all. Joint holders

26. Subject as otherwise provided in these Articles, any person whose name is entered in the Register as a Member in respect of any shares of any one class shall, upon the issue or transfer thereof, be entitled:

Entitlement  
to certificates

- (i) (in the case of an issue of shares) to a certificate for all the shares issued at that time without payment; and
- (ii) otherwise (whether on transfer or on the issue of more than one certificate on the issue of shares), on payment of such sum or sums (during the Relevant Period, not exceeding such maximum amount or amounts as may from time to time be permitted under the Listing Rules) in respect of each certificate as the Directors shall determine, to one or (if so requested) more certificates in respect of such shares,

Certificate on  
transfer

in each case within:

- (a) (in the case of a transfer of shares) 10 business days after lodgement of the relevant instrument of transfer (or within such other period as the terms of issue shall provide); or
- (b) (in an allotment of shares) two months after allotment (or within such longer period as the terms of issue shall provide),

or, in each case, at all times during the Relevant Period, within such shorter period as may for the time being be prescribed by the Listing Rules.

For the purposes of this Article 26, “business days” shall mean any day on which a recognized stock market is open for the business of dealing in securities.

27. Where some only of the shares comprised in a share certificate are transferred, the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu.

28. (A) Any two or more certificates representing shares of any one class held by any Member may at his request be cancelled and a single new certificate for such shares issued in lieu on payment (if the Directors shall so require) of such sum (during the Relevant Period, up to such maximum amount as may from time to time be permitted under the Listing Rules) as the Directors shall determine.

(B) If any Member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request on payment (if the Directors shall so require) of such sum (during the Relevant Period, up to such maximum amount as may from time to time be permitted under the Listing Rules) as the Directors shall determine for each certificate.

- (C) If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares may be issued to the relevant Member upon request subject to:
- (i) the payment of such sum (during the Relevant period, up to such maximum amount as may from time to time be permitted under the Listing Rules) as the Directors shall determine for each certificate; and
  - (ii) delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment to the Company of such costs and out-of-pocket expenses in connection with the same (during the Relevant Period, up to such maximum amount, and in respect of such matters, as may for the time being be permitted under the Listing Rules) as the Directors may think fit.
- (D) In the case of shares held jointly by several persons, any such request as aforesaid may be made by any one of the joint holders.

### **CALLS ON SHARES**

29. The Board may from time to time make such calls as it may think fit upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable by instalments. Calls/  
instalments
30. Fourteen days' notice at least of any call shall be given specifying the time and place of payment and to whom such call shall be paid. A copy of such notice shall be sent to Members in the manner in which notices may be sent to Members by the Company as herein provided. In addition, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be sent to the Members in the manner in which notices may be sent to Members by the Company as herein provided. Notice of  
call
31. Every Member upon whom a call is made shall pay the amount of every call so made on him to the person and at the time or times and place or places as the Board shall appoint. The joint holders of a share shall be severally as well as jointly liable for the payment of all calls and instalments due in respect of such share or other moneys due in respect thereof. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made. Time and  
place for  
payment of  
calls
32. A call may in respect of all or any of the Members be reduced or revoked or in whole or in part postponed as the Board may in its absolute discretion determine. Calls may be  
reduced revoked  
or postponed

33. Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of allotment or issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture and otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified. Sums payable on allotment deemed on call
34. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. per annum as the Directors shall determine from the day appointed for the payment thereof to the time of the actual payment, but the Directors may waive payment of such interest wholly or in part. Interest on unpaid calls
35. No Member shall be entitled to receive any dividend or distribution unless the Board shall otherwise determine and without prejudice to the other provision of these Articles or to be present or vote (save as proxy for another Member) at any general meeting, either personally, or (save as proxy for another Member) by proxy, or be reckoned in a quorum, or to exercise any other privilege as a Member until all calls or instalments due from him to the Company, whether alone or jointly or jointly and severally with any other person, together with interest and expenses (if any) shall have been paid. Suspension of privileges while call unpaid
36. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder, or one of the holders, of the shares in respect of which such debt accrued; that the resolution of the Directors making the call has been duly recorded in the minute book of the Directors; and that notice of such call was duly given to the Member sued, in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. Evidence in action for call
37. The Directors may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the time of payment. Shares may be issued subject to different conditions as to calls, etc.
38. The Directors may, if they think fit, receive from any Member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and, in respect of all or any of the moneys so advanced the Company may pay interest at such rate (if any) not exceeding twenty per cent. per annum as the Directors may decide. A payment in advance of a call shall not entitle the Member to receive any dividend or to exercise any other rights or privileges as a Member in respect of the share or the due portion of the shares upon which payment has been advanced Payment of calls in advance

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Para 3(1)

by such Member before it is called up. The Directors may at any time repay the amount so advanced upon giving to such Member not less than one month's notice in writing of their intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced.

### FORFEITURE AND LIEN

39. If a Member fails to pay any call or instalment of a call on the due date for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, without prejudice to the provisions of Article 35, serve notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. If call or instalment not paid notice may be given
40. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and such place being either the Registered 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 appointed, the shares in respect of which the call was made will be liable to be forfeited. Contents of notice of call
41. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture. The Directors may accept the surrender of any share liable to be forfeited hereunder and in such cases references in these Articles to forfeiture shall include surrender. If notice not complied with shares may be forfeited
42. Any share so forfeited shall be deemed to be the property of the Company, and may be re-allotted, sold or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Directors think fit. Forfeited shares to become property of Company
43. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the forfeited shares, together with (if the Directors shall in their discretion so require) interest thereon from the date of forfeiture until the date of actual payment (including the payment of such interest) at such rate not exceeding twenty per cent. per annum as the Directors may prescribe, and the Directors may enforce the payment thereof if they think fit, and without any deduction or allowance for the value of the shares at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Article any sum which by the terms of issue of a share, is payable thereon at a fixed time Arrears to be paid notwithstanding forfeiture

which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that such time has not yet arrived be deemed to be payable on the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.

44. When any share shall have been forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry. Notice after forfeiture
45. Notwithstanding any such forfeiture as aforesaid the Directors may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, cancel the forfeiture on such terms as the Directors think fit or permit the shares so forfeited to be bought back or redeemed upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the shares, and upon such further terms (if any) as they think fit. Power to redeem forfeited shares
46. The forfeiture of a share shall not prejudice the right of the Company to any call already made or any instalment payment thereon. Forfeiture no prejudice to right to call or instalment
47. (A) The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. Forfeiture for non-payment of any sum due on shares
- (B) In the event of a forfeiture of shares the Member concerned shall be bound to deliver and shall forthwith deliver to the Company the certificate or certificates held by him for the shares so forfeited and in any event the certificates representing shares so forfeited shall be void and of no further effect.
48. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share; and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid shares) standing registered in the name of a Member, whether singly or jointly with any other person or persons, for all the debts and liabilities of such Member or his estate to the Company and whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such Member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member or not. The Company's lien (if any) on a share shall extend to all dividends and distributions declared in respect thereof. The Directors may at any time either generally or in any particular case waive any lien that has arisen, or declare any share to be exempt wholly or partially from the provisions of this Article. Company's lien



49. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of intention to sell in default, shall have been given, in the manner in which notices may be sent to Members as provided in these Articles, to the relevant Member or the person entitled by reason of such Member's death, bankruptcy or winding-up to the shares. Sale of shares subject to lien
50. The net proceeds of such sale after the payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability or engagement in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For the purpose of giving effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof and may enter the purchaser's name in the Register as holder of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. Application of proceeds of sale
51. A statutory declaration in writing that the declarant is a Director or the Secretary, and that a share in the Company has been duly forfeited or surrendered or sold on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any re-allotment, sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is re-allotted, sold or disposed of and such person shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the subscription or purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, re-allotment, sale or disposal of the share. Evidence of forfeiture and transfer of forfeited share

## **TRANSFER OF SHARES**

52. Subject to the Ordinance and these Articles, all transfers of shares shall be effected by transfer in writing in the usual or common form or in such other form as the Directors may accept or require and may be under hand or, with the approval of the Board (which may be given specifically or generally or subject to such conditions or requirements as the Board may think fit), executed using machine imprinted signatures, provided that the Directors may, in their absolute discretion, dispense with the requirement under this Article for the production of a transfer in writing before registering a transfer of share. The instrument of transfer of Form of transfer

any share shall be executed by or on behalf of the transferor and the transferee (including, with the approval of the Board (as provided above), by using machine imprinted signatures) provided that the Directors may dispense with the execution of the instrument of transfer by or on behalf of the transferor or the transferee in any case in which they in their absolute discretion think fit to do so. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.

53. The Directors may, in their absolute discretion and without assigning any reason therefor, refuse to register:

Directors may refuse to register certain transfers.

(i) a transfer of any share (not being a fully paid up share) to a person of whom they do not approve;

(ii) a transfer of any share issued under any share option scheme for employees or other persons upon which a restriction on transfer imposed thereby still subsists;

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Para 1(3)

(iii) a transfer of any share (whether fully paid up or not) to more than four joint holders; and

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Para 1(2)

(iv) a transfer of any share (not being a fully paid up share) on which the Company has a lien.

54. The Directors may also decline to recognise any instrument of transfer unless:

Requirements as to transfer

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Para 1(1)

(i) such sum, if any, as the Directors shall from time to time determine (during the Relevant Period, not exceeding such maximum sum as may from time to time be permitted under the Listing Rules) is paid to the Company.

(ii) the instrument of transfer is lodged at the Registration Office accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do);

(iii) the instrument of transfer is in respect of only one class of share;

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Para 1(2)

(iv) the shares concerned are free of any lien in favour of the Company; and

(v) if applicable, the instrument of transfer is properly stamped.

55. No transfer of any share (not being a fully paid up share) shall be made to an infant or to a person of unsound mind or under other legal disability.

No transfer to an infant, etc.



- 56. If the Directors refuse to register a transfer of any share, they shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal and, except where the subject share is not a fully paid share, the reason(s) for such refusal.

Notice of refusal
- 57. Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued to the transferee in respect of the shares transferred to him as provided in Article 26, and if any of the shares included in the certificate so given up shall be retained by the transferor a new certificate in respect thereof shall be issued to him as provided in Article 26. The Company may retain the instrument of transfer.

Certificate to be given up on transfer
- 58. The registration of transfers may be suspended and the Register closed at such times and for such periods as the Directors may from time to time determine and either generally or in respect of any class of shares provided always that such registration shall not be suspended or the Register closed for more than thirty days in any year or, with the approval of the Company in general meeting, sixty days in any year.

When transfer books and Register may be closed

**TRANSMISSION OF SHARES**

- 59. In case of the death of a Member, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares, but nothing in this Article shall release the estate of a deceased Member (whether a sole or a joint holder) from any liability in respect of any share held by him.

Death of Member
- 60. Any person becoming entitled to a share in consequence of the death, bankruptcy or winding-up of a Member may, upon such evidence as to his title being produced as may from time to time be required by the Directors, and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof.

Registration of personal representatives and trustees in bankruptcy
- 61. If the person becoming entitled to a share pursuant to Article 60 shall elect to be registered himself as the holder of such share, he shall deliver or send to the Company a notice in writing signed by him, at (unless the Directors otherwise agree) the Registered Office, stating that he so elects. If he shall elect to have his nominee registered, he shall testify his election by executing a transfer of such share to his nominee. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death, bankruptcy or winding-up of the Member had not occurred and the notice or transfer were a transfer executed by such Member.

Notice of election to be registered and registration of nominee

62. A person becoming entitled to a share by reason of the death, bankruptcy or winding-up of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Directors may, if they think fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Article 82 being met, such a person may vote at general meetings of the Company.

Retention of dividends, etc. pending transfer of shares of a deceased or bankrupt Member

**GENERAL MEETINGS**

63. The Company shall in each year within such period as may from time to time be required by the Ordinance or (during the Relevant Period) the Listing Rules after the end of the last preceding financial year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Board shall appoint.

When annual general meeting to be held

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

Extraordinary general meetings

65. The Board may, whenever it thinks fit, convene an extraordinary general meeting and extraordinary general meetings shall also be convened on requisition as provided in the Ordinance or, in default, may be convened by the requisitionists as provided therein. At a meeting convened on a requisition, or by requisitionists, no business may be transacted except that stated by the requisition or proposed by the Board.

Convening of extraordinary general meetings

66. (A) An annual general meeting and a meeting called for the passing of a Special Resolution shall be called by not less than twenty-one days' notice in writing, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a Special Resolution shall be called by not less than fourteen days' notice in writing. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day for which is given, and shall specify the place, the day and the time of meeting and, in case of special business, the general nature of that business.

Notice of meetings

(B) Notice of a general meeting shall be given, in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles or the Statutes, entitled to receive such notices from the Company.

(C) Subject to the provisions of the Ordinance, a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this

Article, be deemed to have been duly called if it is so agreed:

- (i) in the case of a meeting called as the annual general meeting, by all the Members entitled to attend and vote thereat; and
  - (ii) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.
67. (A) the accidental omission to give any notice to, or the non-receipt of any notice by, any person entitled to receive notice shall not invalidate any resolution passed or any proceedings at any such meeting.
- (B) In the case where forms of proxy or notice of appointment of corporate representative are sent out with any notice, the accidental omission to send such forms of proxy or notice of appointment of corporate representative to, or the non-receipt of such forms by, any person entitled to receive notice of the relevant meeting shall not invalidate any resolution passed or any proceeding at any such meeting.
68. A meeting of the Members or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

Omission to give notice/  
proxy form/  
notice of  
appointment  
of corporate  
representative

Meeting by  
telephone  
etc.

### **PROCEEDINGS AT GENERAL MEETINGS**

69. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting with the exception of:
- (i) the declaration and/or sanctioning of dividends;
  - (ii) the reading, consideration and adoption of the accounts and balance sheet and the reports of the Directors and the Auditors and other documents required to be annexed or attached to the balance sheet;
  - (iii) the election of Directors in place of those retiring (by rotation or otherwise);
  - (iv) the appointment of Auditors and other officers in the place of those retiring where special notice of the resolution for such appointment is not required by the Ordinance; and
  - (v) the fixing, or the determining of the method of fixing, or the delegation of

Special  
business

powers to the Directors to fix or determine the method of fixing, the ordinary remuneration or extra remuneration of the Directors and the remuneration of the Auditors.

70. For all purposes, the quorum for a general meeting shall be two Members present in person or by proxy and entitled to vote. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the meeting. Quorum
71. If, within fifteen minutes (or such longer time as the Chairman may determine to wait) after the time appointed for the meeting, a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case, it shall stand adjourned to such other day (not being less than seven or more than twenty-eight days thereafter) and at such time or place as the Chairman may determine. If at such adjourned meeting, a quorum is not present within fifteen minutes of the time appointed for the adjourned meeting, the Member or his representative or proxy present (if the Company has only one Member), or the Members present in person or by proxy and entitled to vote shall be a quorum and may transact the business for which the meeting was called. If quorum not present, meeting to be dissolved or adjourned
72. The Chairman (if any) of the Board or, if he is absent or declines to take the chair at such meeting, the Deputy Chairman (if any) shall take the chair at every general meeting, or, if there be no such Chairman or Deputy Chairman, or, if at any general meeting neither of such Chairman or Deputy Chairman is present within fifteen minutes after the time appointed for holding such meeting, or both such persons decline to take the chair at such meeting, the Directors present shall choose one of their number as Chairman, and if no Director be present or if all the Directors present decline to take the chair or if the Chairman chosen shall retire from the chair, then the Members present shall choose one of their number to be Chairman. If there is more than one Deputy Chairman present at the meeting the right in the absence of the Chairman to preside at the meeting should be determined as between the Deputy Chairmen (if more than one) present by seniority in length of appointment or otherwise as resolved by the Directors. Chairman of general meeting
73. The Chairman may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for fourteen days or more, at least seven clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no notice of an adjournment or of the business to be transacted at any adjourned meeting needs to be given nor shall any Member be entitled to any such notice. No business shall be transacted at an adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place unless due notice thereof is given or such notice is waived in the manner prescribed by these Articles. Power to adjourn general meeting, notice and business of adjourned meeting

74. At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless:

Voting to be by  
show of hands  
unless poll  
demanded

(A) (before or on the declaration of the result of the show of hands or the withdrawal of any other demand for a poll) a poll is demanded by:

(i) the Chairman; or

(ii) at least three Members present in person or by proxy for the time being entitled to vote at the meeting; or

(iii) by any Member or Members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or

(iv) by a Member or Members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or

(B) during the Relevant Period and in relation to any resolution required under the Listing Rules to be decided by way of a poll.

Unless a poll be so demanded or required as aforesaid and the demand is not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect made in the book containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.

75. If a poll is demanded or required as aforesaid, it shall (subject as provided in Article 76) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty days from the date of the meeting or adjourned meeting at or in respect of which the poll was demanded or required, as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded or required. The demand or requirement for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting at which the poll was demanded or required or the taking of the poll, whichever is the earlier.

Poll

76. Any poll duly demanded on the election of a Chairman or on any question of adjournment shall be taken at the meeting and without adjournment.

In what cases  
poll must be  
taken without  
adjournment

77. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman at which the show of hands takes place (where no poll is demanded) or at which the poll is demanded or required, shall be entitled to a second or casting vote.

Chairman to  
have casting  
vote

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

Other business may proceed notwithstanding demand for poll

79. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman, the proceedings shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

Amendment to resolutions

80. If:

- (i) any objection shall be raised to the qualification of any voter or admissibility of any vote; or
- (ii) any votes have been counted which ought not to have been counted or which might have been rejected; or
- (iii) any votes are not counted which ought to have been counted,

Objection to qualification of voter and error in counting votes

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

81. Subject to the provisions of these Articles, no objection shall be raised to the qualification of any person exercising or purporting to exercise a vote or the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

**VOTES OF MEMBERS**

82. (A) Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a show of hands every Member who (being an individual) is present in person or (being a corporation) is present by a representative or representatives (as the case may be) duly authorised under Section 115 of the Ordinance shall have one vote, and on a poll every Member present in person or by proxy shall have one vote for every share of which he is the holder which is fully paid or credited as fully paid (but so that no amount paid or

Votes of Members



credited as paid on a share in advance of calls or instalments shall be treated for the purposes of this Article as paid on the share). On a poll a Member entitled to more than one vote need not use all his votes or cast all his votes in the same way.

App.3  
Para 14

- (B) 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.
83. Any person entitled under Article 62 to be registered as the holder of any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least 48 hours before the time of the holding of the meeting or adjourned meeting (as the case may be) at which he proposes to vote, he shall satisfy the Directors of his right to be registered as the holder of such shares or the Directors shall have previously admitted his right to vote at such meeting in respect thereof. Votes in respect of deceased and bankrupt Members
84. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first in the Register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member, and several trustees in bankruptcy or liquidators of a Member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof. Joint holders
85. A Member who is of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may on a poll vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be delivered to such place or one of such places (if any) as is specified in accordance with these Articles for the deposit of instruments of proxy or, if no place is specified, at the Registered Office, not later than the latest time at which an instrument of proxy must, if it is to be valid for the meeting, be delivered. Votes of Member of unsound mind
86. Save as expressly provided in these Articles, no person other than a Member duly registered and who shall have paid everything for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another Member) personally or by proxy, or to be reckoned in the quorum, at any general meeting. Qualification for voting

## PROXIES

	<p>87. Any Member entitled to attend and vote at a meeting of the Company or a meeting of the holders of any class of shares in the Company shall be entitled to appoint up to two individuals as his proxies to attend and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a Member. A Member may not appoint more than two proxies to attend on the same occasion.</p>	Proxies
<p>App.3 Para 11(2)</p>	<p>88. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.</p>	Instrument appointing proxy to be in writing
	<p>89. The Directors may, unless they are satisfied that the person purporting to act as proxy is the person named in the relevant instrument for his appointment and the validity and authenticity of the signature of his appointor, decline such person's admission to the relevant meeting, reject his vote or demand for a poll and no Member who may be affected by any exercise by the Directors of their power in this connection shall have any claim against the Directors or any of them nor may any such exercise by the Directors of their powers invalidate the proceedings of the meeting in respect of which they were exercised or any resolution passed or defeated at such meeting.</p>	Admissibility of proxy votes
	<p>90. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at such place or one of such places (if any) as is specified in the notice of meeting or in the instrument of proxy issued by the Company (or, if no place is specified, at the Registered Office) not less than 48 hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution, except at an adjourned meeting or on a poll demanded or directed at a meeting or an adjourned meeting in a case where the meeting was originally held within twelve months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting or upon the poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.</p>	Appointment of proxy must be deposited
<p>App.3 Para 11(1)</p>	<p>91. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that such form shall be such as to enable the Member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion as to voting in respect of) each resolution dealing with any relevant business.</p>	Form of proxy
	<p>92. The instrument appointing a proxy to vote at a general meeting shall:</p> <p>(i) be deemed to confer authority upon the proxy to demand or join in demanding a poll and to vote on any resolution (or amendment thereto) put to the meeting for which it is given as the proxy thinks fit; and</p>	Authority under instrument appointing proxy



- (ii) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates and any poll arising from such meeting or adjourned meeting.

93. A vote given in accordance with the terms of an instrument of proxy or power of attorney or by the duly authorised representative of a corporation shall be valid notwithstanding the previous death or insanity of the principal or revocation (other than deemed revocation under Article 90) of the proxy or power of attorney or other authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the Registered Office, or at such other place as is referred to in Article 90, at least two hours before the commencement of the meeting or adjourned meeting at which the proxy is used.

When vote by proxy valid though authority revoked

### CORPORATE REPRESENTATIVES

94. (A) Any corporation which is a Member may, by resolution of its directors or other governing body or by power of attorney, or otherwise in accordance with its constitutional documents, authorise any person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member.

Corporations acting by representative at meetings

(B) If a clearing house or a nominee of a clearing house is a Member, it may by resolution of its directors or other governing body, or otherwise in accordance with its constitutional documents, authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of Members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised under the provisions of this Article shall be entitled to exercise the same powers on behalf of the clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise if it were an individual Member.

(C) References in these Articles to a Member present in person (or voting personally) at a meeting shall, unless the context otherwise requires, include a corporation which is a Member represented at the meeting by its duly authorised representative.

95. Unless the Directors, or any officer appointed by the Directors to consider the matter, agree otherwise, an appointment of a corporate representative shall not be valid as against the Company unless a copy of the resolution of the directors or other governing body of the Member authorising the appointment of the corporate

Notice of appointment of corporate representative must be delivered

representative or a form of notice of appointment of corporate representative issued by the Company for such purpose or a copy of the relevant power of attorney, together with an up-to-date copy of the Member's constitutional documents and a list of directors or members of the governing body of the Member as at the date of such resolution (or, as the case may be, notice or power of attorney), in each case certified by a director, secretary or a member of the governing body of that Member and notarised (or, in the case of a form of notice of appointment issued by the Company as aforesaid, completed and signed in accordance with the instructions thereon or in the case of a power of attorney a notarised copy of the relevant authority under which it was signed), shall have been deposited at such place or one of such places (if any) as is specified in the notice of meeting or in the form of proxy issued by the Company as aforesaid (or, if no place is specified, at the Registered Office) not less than 48 hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the corporate representative proposes to vote.

96. No appointment of a corporate representative shall be valid unless it names the person authorised to act as the appointor's representative and the appointor is named. The Directors may, unless they are satisfied that a person purporting to act as a corporate representative is the person named in the relevant instrument for his appointment, decline such person's admission to the relevant meeting and/or reject his vote or demand for a poll and no Member who may be affected by any exercise by the Directors of their power in this connection shall have any claim against the Directors or any of them nor may any such exercise by the Directors of their powers invalidate the proceedings of the meeting in respect of which they were exercised or any resolution passed or defeated at such meeting.

Admissibility of corporate representative vote

97. The provisions of Articles 94 to 96 shall have effect subject to the provisions of the Ordinance.

No prejudice to Ordinance

### **REGISTERED OFFICE**

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

Registered Office

### **DIRECTORS**

99. (A) The number of Directors shall not be less than two. There shall be no maximum number of Directors. The Company in general meeting may from time to time fix and may from time to time by ordinary resolution increase or reduce the maximum and minimum number of Directors but so that the number of Directors shall not be fewer than two.

Number of Directors. No qualification shares for Directors

- (B) A Director shall not be required to hold any qualification shares, but shall nevertheless be entitled to attend and speak at all general meetings of the Company and all meetings of any class of Members.

100. The Directors shall be entitled to receive by way of ordinary remuneration for their services as Directors such sum as shall from time to time be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the ordinary remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. The foregoing provisions shall not apply to a Director who holds any salaried employment or office in the Company except in the case of sums paid or payable in respect of Directors' fees. Director's ordinary remuneration
101. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses reasonably incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from Directors' meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors. Directors' expenses
102. The Directors may grant special remuneration to any Director who shall perform or has performed any special or extra services to or at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission, bonus or participation in profits or otherwise as may be arranged. Special remuneration
103. Notwithstanding Articles 100, 101 and 102 or any other provision of these Articles, the remuneration of a Managing Director, Joint Managing Director, Deputy Managing Director or an Executive Director or a Director appointed to any other office in the management of the Company may from time to time be fixed by the Directors and may be by way of salary, commission, bonus, participation in profits or share option schemes or similar arrangements or otherwise or by all or any of those modes and with such other benefits (including pension and/or gratuity and/or other benefits on retirement or on death or disability) and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to his ordinary remuneration as a Director. Remuneration of Director, etc.
104. Payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director or past Director is contractually or statutorily entitled) must be approved by the Company in general meeting. Payments for compensation for loss of office
105. No Director shall be required to vacate office or be ineligible for re-election or re-appointment as a Director, and no person shall be ineligible for appointment as a Director, by reason only of his having attained any particular age. No automatic retirement on ground of age

## ALTERNATE DIRECTORS

106. (A) A Director may at any time, by notice in writing signed by him delivered to the Registered Office or at a meeting of the Board, appoint any person (including another Director) to act as alternate Director in his place during his absence and may in like manner at any time determine such appointment. If such person is not another Director, such appointment (unless previously approved by the Directors) shall have effect only upon and subject to being so approved. The appointment of an alternate Director shall determine on the happening of any event which, were he a Director, would cause him to vacate such office or if his appointor ceases to be a Director. An alternate Director so appointed shall not require any share qualification and may act as alternate to more than one Director.

Alternate  
Directors

(B) A Director who has appointed a person (including another Director) to be his alternate Director shall not be vicariously liable for any tort committed by the alternate Director while acting in the capacity of alternate Director.

107. (A) An alternate Director shall (subject to his giving to the Company an address, telephone and facsimile number within Hong Kong and/or an electronic mail address and except when absent from Hong Kong) be entitled (in addition to his appointor) to receive and (in lieu of his appointor) to waive notices of meetings of the Board and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a Director and, for the purposes of the proceedings at such meeting, the provisions of these presents shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director, his voting rights shall be cumulative. If his appointor is for the time being absent from Hong Kong or otherwise not available or unable to act, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. His attestation of the affixing of the Seal shall be as effective as the signature and attestation of his appointor. To such extent as the Board may from time to time determine in relation to any committee of the Directors, the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of such committee of which his appointor is a member. An alternate Director shall not, save as aforesaid or as otherwise expressly provided in these Articles, have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.

Powers of  
alternate  
Directors

(B) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director, but he shall not be entitled to receive from the Company

Powers of  
alternate  
Directors

in respect of his appointment as alternate Director any remuneration except only such part (if any) of the ordinary remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

- (C) A certificate by a Director (including for the purpose of this paragraph (C) an alternate Director) or the Secretary that a Director (who may be the one signing the certificate) was at the time of a resolution of the Directors absent from Hong Kong or otherwise not available or unable to act or has not supplied an address, telephone and facsimile number within Hong Kong and/or an electronic mail address for the purposes of giving of notice to him shall in favour of all persons without express notice to the contrary, be conclusive of the matter so certified.

Certificate by  
Director or  
Secretary

### **DIRECTORS' INTERESTS**

108. (A) Subject to the Ordinance, a Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Directors may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Directors may determine, and such extra remuneration shall be in addition to any remuneration provided for, by or pursuant to any other Article.
- (B) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (C) A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the Members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in such other company. The Directors may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.
- (D) A Director shall not vote or be counted in the quorum on any resolution of the Directors concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the

Director's  
interests

Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).

- (E) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) and (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director together with any of his associates own 5 per cent. or more of the issued shares of any class of the voting equity share capital of such company or of the voting rights of any class of shares of such company (other than shares which carry no voting rights at general meetings and no or nugatory dividend and return of capital rights).
- (F) Any Director may continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company in which the Company may be interested and (unless otherwise agreed) no such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any such other company. The Board may exercise the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or be about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.
- (G) Subject to the Ordinance and the next paragraph of this Article, no Director or proposed or intended Director or his associate(s) shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any contract with regard thereto or any other



contract or arrangement in which any Director or his associate(s) is/are in any way interested be liable to be avoided, nor shall any Director or whose associate(s) so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement, by reason only of such Director holding that office or the fiduciary relationship thereby established.

- (H) A Director who to his knowledge is or his associate(s) are in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest or that of his associate at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest or that of his associate then exists, or in any other case at the first meeting of the Directors after he knows that he or his associate(s) is/are or has/have become so interested. For the purposes of this Article, a general notice to the Directors by a Director to the effect that (i) he is a shareholder of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm or (ii) he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him, shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract or arrangement; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given, provided that, in each case, it is given before the time at which the question of entering into the relevant contract or arrangement or proposed contract or arrangement is first considered by the Board.

App.3  
Para 4(1)

- (I) A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Directors approving any contract, arrangement or transaction with the Company or any proposal relating to any of the aforesaid (“**Proposal**”) in which he or any of his associate(s) is materially interested, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters, namely:
- (i) any Proposal for the giving by the Company of any security or indemnity to the Director or his associate(s) in respect of money lent or obligation undertaken by him or any of them at the request of or for the benefit of the Company or any company in which the Company has interest;
  - (ii) any Proposal for the giving by the Company of any security or indemnity to a third party in respect of a debt or obligation of the

Company or any of its subsidiaries for which the Director or any of his associate(s) has guaranteed or secured in whole or in part;

- (iii) any Proposal by the Director to subscribe for shares or debentures or other securities of the Company to be issued pursuant to any offer or invitation to the Members or debenture or securities holders of the Company or to the public which does not provide the Director any special privilege not accorded to any other Members or debenture or securities holders of the Company or to the public;
- (iv) any Proposal concerning an offer of the 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 any of his associates is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (v) any Proposal in which the Director or his associate(s) is interested, in the same way as other persons who are interested in shares or debentures or other securities of the Company, by virtue only of his/ any of their interest in shares or debentures or other securities of the Company;
- (vi) any Proposal concerning any other company in which the Director or any of his associate(s) is interested directly or indirectly as an officer, executive or a shareholder, other than a company in which the Director and any of his associate(s) are in aggregate beneficially interested in 5 per cent. or more of the issued shares of any class of the voting equity share capital of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights of any class of shares of such company (other than shares which carry no voting rights at general meetings and no or nugatory dividend and return of capital rights);
- (vii) any Proposal for the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme which relates both to Directors, his associate(s) and employees of the Company and/or of any of its subsidiaries and does not give the Director or his associate(s), as such any privilege not accorded to the class of persons to whom such scheme or fund relates;
- (viii) any Proposal concerning the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his associates may benefit; and



- (ix) any Proposal concerning the purchase and/or maintenance of any insurance policy for the benefit of any Director, officer or employee pursuant to these Articles.
- (J) A company shall be deemed for the purposes of this Article 108 to be a company in which a Director together with any of his associates owns 5 per cent. or more of any class of the voting equity share capital of such company or of the voting rights of any class of shares of such company if and so long as (but only if and so long as) he together with his associates (either directly or indirectly) holds, controls or is beneficially interested in 5 per cent. or more of any class of the issued voting equity share capital of such company or of the voting rights of any class of shares of that company. For the purpose of this paragraph there shall be disregarded:
- (i) any interests, to the extent that they arise by virtue of a Director's or his associates' interests (of whatever nature) in shares in the Company or in shares of any third company which is not an associate of such Director;
  - (ii) any shares held by a Director or any of his associates as bare or custodian trustee and in which he has no beneficial interest;
  - (iii) any shares comprised in a trust in which the Director's or any of his associates' interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof;
  - (iv) any shares comprised in a unit trust scheme or mutual fund which is authorised in Hong Kong in which the Director or any of his associates is interested only as a unit holder; and
  - (v) shares which carry no voting rights at general meetings and no or nugatory dividend and return of capital rights.
- (K) Where a company (other than a company which is a wholly owned subsidiary of the Company or a subsidiary or associated company of the Company in the voting equity capital of which neither the Director nor any of his associates has any interests) in which a Director together with any of his associates own 5 per cent. or more of any class of the voting equity share capital of such company or of the voting rights of any class of shares available to shareholders of such company is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction. The interests (if any) in shares, debentures and other securities of the Company of any such company as aforesaid shall be disregarded for the purpose of assessing whether any such company as aforesaid shall be treated as materially interested in a transaction.

- (L) If any question shall arise at any meeting of the Directors as to the materiality of the interest of a Director or as to the entitlement of any Director to vote or be 'counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question (unless it relates to the Chairman) shall be referred to the Chairman and his ruling in relation to such Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the other Directors. If any question as aforesaid shall arise in respect of the Chairman such question shall be decided by a resolution of the Directors (for which purpose the Chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of the Chairman as known to him has not been fairly disclosed to the other Directors.
- (M) The provisions of paragraphs (D), (E), (I), (J), (K) and (L) of this Article 108 shall apply during the Relevant Period but not otherwise. In respect of all periods other than the Relevant Period, a Director may vote in respect of any contract, arrangement or transaction or proposed contract, arrangement or transaction notwithstanding that he is or may be interested therein and, if he does so, his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract, arrangement or transaction or proposed contract, arrangement or transaction shall come before the meeting for consideration provided that he has, where relevant, first disclosed his interest in accordance with paragraph (H).
- (N) The Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.

### **APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS**

- App.3  
Para 4(2)
109. The Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors, or the number of Directors, who are to retire by rotation at such meeting.
- App.3  
Para 4(2)
110. Without prejudice to the powers of the Company under Article 109, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or (subject to the provisions of the Ordinance) as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number (if any) determined from time to time in accordance with Article 99. Any Director so appointed shall hold office only until the next
- Appointment of Directors by Members
- Appointment of Directors by Board

following annual general meeting of the Company and shall then be eligible for election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

App.3  
Para 4(4),  
4(5)

111. No person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Registered Office during the period commencing the day after despatch of the notice of the meeting appointed for such election (inclusive of such day) and ending no later than the day which is seven days prior to the date of such meeting (inclusive of such day).

Notice of  
proposed  
Director to be  
given

112. A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.

Appointment  
of Directors  
by single  
resolution

113. The office of a Director shall forthwith be vacated if:

When office  
of Director to  
be vacated

- (i) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (ii) he becomes a lunatic or of unsound mind;
- (iii) he absents himself from the meetings of the Board during a continuous period of six months, without special leave of absence from the Directors, and his alternate Director (if any) shall not during such period have attended in his stead, and the Directors pass a resolution that he has by reason of such absence vacated his office;
- (iv) he becomes prohibited or disqualified by law from acting as a Director;
- (v) the Stock Exchange has validly required him to cease to be a Director, or has stated publicly that the retention of office by him is prejudicial to the interests of investors, and the relevant time period for application for review of or appeal against such requirement or statement has lapsed and no application for review or appeal has been filed or is under way against such requirement;
- (vi) he is publicly censured or criticised by the Stock Exchange or the Securities and Futures Commission and the Directors pass a resolution that, by reason thereof, they require him to vacate his office;
- (vii) by notice in writing delivered to the Company at the Registered Office he resigns his office or offers in writing to resign, which offer the Directors resolve to accept; or

(viii) all the other Directors sign a written resolution (which may be made of several documents in like form signed by one or more Directors) for his removal from office; or

(ix) he shall be removed from office by ordinary resolution.

Any such vacation of office shall, without prejudice to the creation of a casual vacancy in any other manner, for the purposes of these Articles be regarded as creating a casual vacancy.

App.3 Para  
4(3)

114. The Company may by ordinary resolution remove any Director (including a Managing Director or other Executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may elect another person in his stead. Any person so elected shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

Power to  
remove  
Director by  
Ordinary  
Resolution

115. (A) At each annual general meeting 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 by rotation. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

Rotation and  
retirement of  
Directors

(B) The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment and so that, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

(C) A retirement under this Article shall not have effect until the conclusion of the meeting, except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost, and, accordingly, a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

116. If, at any general meeting at which a Director retires under any provision of these Articles, the places of the retiring Directors are not filled, the retiring Directors or such of them as have not had their places filled shall be deemed to have been re-elected and shall, if willing, continue in office until the next annual general meeting and so on from year to year until their places are filled, unless:

Retiring  
Directors to  
remain in  
office until  
successors  
appointed

- (i) it shall be determined at such meeting to reduce the number of Directors; or
- (ii) it is expressly resolved at such meeting not to fill such vacated offices; or
- (iii) in any such case the resolution for re-election of a Director is put to the meeting and lost; or
- (iv) such Director has given notice in writing to the Company that he is not willing to be re-elected.

**CHAIRMAN, MANAGING DIRECTOR, ETC.**

117. The Board may from time to time elect or otherwise appoint one of its body to the office of Chairman of the Board and another to be the Deputy Chairman (or two or more Deputy Chairmen) and determine the period for which each of them is to hold office. The provisions of Article 103 shall mutatis mutandis apply to any Directors elected or otherwise appointed to the office of Chairman or Deputy Chairman in accordance with the provisions of this Article. The Chairman or, in his absence, the Deputy Chairman shall preside as chairman at meetings of the Directors, but if no such Chairman or Deputy Chairman be elected or appointed, or if at any meeting the Chairman or Deputy Chairman is not present within five minutes after the time appointed for holding the same and willing to act, the Directors present shall choose one of their number to be chairman of such meeting. If there is more than one Deputy Chairman present at the meeting the right in the absence of the Chairman to preside at the meeting shall be determined as between the Deputy Chairmen (if more than one) present by seniority in length of appointment or otherwise as resolved by the Directors.
- Chairman and Deputy Chairman
118. The Board may from time to time appoint any one or more of its body to the office of Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director and/or such other office in the management of the business of the Company as they may decide for such period and upon such terms as they think fit and upon such terms as to remuneration as they may decide in accordance with Article 103.
- Powers to appoint Managing Directors, etc.
119. Every Director appointed to an office under Article 117 or Article 118 shall, but without prejudice to any claim for damages for breach of any contract of service between himself and the Company, be liable to be dismissed or removed therefrom by the Directors.
- Removal of Managing Director, etc.
120. A Director appointed to an office under Article 117 or Article 118 shall be subject to the same provisions as to resignation and removal as the other Directors, and he shall ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.
- Cessation of appointment
- Powers may be delegated
121. (A) The Directors may from time to time entrust to and confer upon a Chairman,

Deputy Chairman, Managing Director, Joint Managing Director, Deputy Managing Director or Executive Director all or any of the powers of the Directors that they may think fit provided that the exercise of all powers by such Director shall be subject to such regulations and restrictions as the Directors may from time to time make and impose, and the said powers may at any time be withdrawn, revoked or varied, but no person dealing in good faith and without notice of such withdrawal, revocation or variation shall be affected thereby.

- (B) Subject to any restrictions as may be made or imposed by the Board pursuant to paragraph (A), of this Article, a Managing Director shall have the power to manage the ordinary business of the Company and may do and execute all such contracts, acts, matters and things on behalf of the Company as may be considered by him requisite or expedient in connection therewith.

Power of  
Managing  
Director

122. The Board may from time to time appoint any person to an office or employment having a designation or title including the word "Director" or attach to any existing office or employment with the Company such a designation or title. The inclusion of the word "Director" in the designation or title of any office or employment with the Company (other than the office of Managing Director or Joint Managing Director or Deputy Managing Director or Executive Director) shall not imply that the holder thereof is a Director of the Company nor shall such holder be empowered in any respect to act as a Director of the Company or be deemed to be a Director for any of the purposes of these Articles.

Inclusion of  
"Director" in  
title

## MANAGEMENT

123. The management of the business and affairs of the Company shall be vested in the Board, who, in addition to the powers and authorities by these Articles expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Ordinance expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Ordinance and of these Articles and to any regulations from time to time made by the Company in general meeting not being inconsistent with such provisions or these Articles, provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

General  
powers of  
Company  
vested in  
Directors

124. Without prejudice to the general powers conferred by these Articles, it is hereby expressly declared that the Board shall have the following powers:

Specific  
powers of  
management

- (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 par or at such premium and on such other terms as may be agreed; and



- (ii) to give to any Directors, officers or employees of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration.

## **MANAGERS**

- 125. The Directors may from time to time appoint a general manager, manager or managers of the business 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, manager or managers who may be employed by him or them upon the business of the Company. Appointment and remuneration of managers
  
- 126. The appointment of such general manager, manager or 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 and such title or titles as they may think fit. Tenure of office and powers
  
- 127. The Directors may enter into such agreement or agreements with any such general manager, manager or managers upon such terms and conditions in all respects as they may in their absolute discretion think fit, including a power for such general manager, manager or managers to appoint an assistant manager or managers or other employees whatsoever under them for the purpose of carrying on the business of the Company. Terms and conditions of appointment

## **PROCEEDINGS OF THE DIRECTORS**

- 128. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit and may determine the quorum necessary for the transaction of business. Unless otherwise determined two Directors shall be a quorum. For the purpose of this Article, an alternate Director shall be counted in a quorum separately in respect of himself (if a Director) and in respect of each Director for whom he is an alternate (but so that nothing in this provision shall enable a meeting to be constituted when only one person is physically present) and his voting rights shall be cumulative and he need not use all his votes or cast all his votes in the same way. A meeting of the Directors or any committee of the Directors may be held by means of such telephone, videoconferencing, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting. Meeting of the Directors, Quorum, etc.
  
- 129. (A) A Director may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Directors which may be held in any part of the world, provided that no such meeting shall be summoned to be held Convention of Directors' meetings

outside Hong Kong without the prior approval of the Directors. Reasonable notice thereof shall be given to each Director and alternate Director in person orally or in writing or by telephone or by telex or telegram or facsimile transmission or electronic mail at the telephone or facsimile number or address or electronic mail address from time to time notified to the Company by such Director or in such other manner as the Directors may from time to time determine. A Director may waive notice of any meeting either prospectively or retrospectively.

(B) A Director absent or intending to be absent from Hong Kong may request the Directors or the Secretary that notices of Directors' meetings shall during his absence be sent in writing to him at his last known address, facsimile or telex number or electronic mail address or any other address, facsimile or telex number or electronic mail address given by him to the Company for this purpose, but such notices need not be given any earlier than notices given to Directors not so absent, and in the absence of any such request, it shall not be necessary to give notice of a Directors' meeting to any Director who is for the time being absent from Hong Kong.

(C) A Director or alternate Director who fails to supply to the Company an address in Hong Kong, or a telephone, facsimile or telex number or electronic mail address for the purposes of giving of notices to him shall not be entitled to receive any notice to him as Director or alternate Director for so long as the failure subsists and shall be deemed to have waived all such notices.

130. Questions arising at any meeting of the Directors shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall have a second or casting vote.

How questions to be decided

131. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Directors generally.

Powers of meeting

132. The Board may delegate any of its powers or discretions to committees consisting of one or more Directors and (if thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee. The Board may from time to time revoke such delegation or revoke their appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes.

Power to appoint committees and to delegate

133. All acts done by any such committee in conformity with such regulations and in fulfilment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as if done by the Directors, and the Directors shall have

Acts of committee to be of same effect as acts of Directors



power, with the consent of the Company in general meeting, to remunerate the members of any special committee, and charge such remuneration to the current expenses of the Company.

134. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors (*mutatis mutandis*) so far as the same are applicable thereto and are not replaced by any regulations or requirements imposed by the Directors pursuant to Article 132. Proceedings of committee
135. All acts bona fide done by any meeting of the Board or by any such committee or by any person acting as a Director shall, notwithstanding that it shall be afterwards discovered that there was some defect in the appointment of such Director or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or member of such committee. When acts of Directors or committee to be valid notwithstanding defects
136. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Director or 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. Directors' powers where vacancies exist
137. (A) A resolution in writing signed by all the Directors (or their alternate Directors), except such Directors as are absent from Hong Kong or temporarily unable to act through ill-health or disability, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. A document in any form signed by all such Directors or alternate Directors, including the form of a circular or a memorandum, whereby a decision is purported to have been made by the Directors may be regarded as a resolution of the Directors for the purpose of this Article. Any such resolutions in writing may consist of several documents in like form each signed by one or more of the Directors or alternate Directors as aforesaid and a copy of any such signed document sent to the Company by facsimile transmission or electronic mail shall be deemed valid and effectual. Directors' written resolutions
- (B) A certificate signed by a Director (who may be one of the signatories to the relevant resolution in writing) or the Secretary as to any of the matters referred to in paragraph (A) of this Article shall, in the absence of express notice to the contrary of the person relying thereon, be conclusive of the matters stated on such certificate.

### **BORROWING POWERS**

138. Subject to the provisions of the Ordinance, the Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow, or to secure the payment of, any sum or sums of money for the purposes of the Power to borrow

Company and to mortgage or charge its undertaking, property, and assets (present and future) and uncalled Capital or any part thereof.

139. The Directors may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and, in particular but subject to the provisions of the Ordinance, by the issue of debentures, debenture stock, bonds or other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. Conditions on which money may be borrowed
140. Debentures, debenture stock, bonds and other securities (other than shares which are not fully paid) may be made assignable free from any equities between the Company and the person to whom the same may be issued. Assignment of debentures etc.
141. Any debentures, debenture stock, bonds or other securities may be issued at a discount (other than shares), premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment or subscription of or conversion into shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise. Special privileges of debentures etc.
142. The Directors shall cause a proper register to be kept, in accordance with the provisions of the Ordinance, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with such provisions of the Ordinance with regard to the registration of mortgages and charges as may be specified or required. Register of charges to be kept
143. If the Company issues a series of debentures or debenture stock not transferable by delivery, the Directors shall cause a proper register to be kept of the holders of such debentures in accordance with the provisions of the Ordinance. Register of debentures or debenture stock
144. Where any uncalled Capital is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the Members or otherwise, to obtain priority over such prior charge. Mortgage of uncalled Capital

## MINUTES

145. (A) The Board shall cause minutes to be made of:-
- (i) all appointments of officers made by the Board;
  - (ii) the names of the Directors present at each meeting of the Board and of committees appointed pursuant to Article 132; and
  - (iii) all resolutions and proceedings at all meetings of the Company and of the Board and of such committees.
- (B) Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the Chairman at which the proceedings were held or by the Chairman of the next succeeding meeting.

## SECRETARY

146. The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit, and any Secretary so appointed may, without prejudice to his right under any contract with the Company, be removed by the Directors. Anything by the Ordinance or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially on behalf of the Directors. If the Secretary appointed is a corporation or other body, it may act and sign by the hand of any one or more of its directors or officers duly authorised.

Appointment  
of Secretary

147. The duties of the Secretary shall be those prescribed by the Ordinance and these Articles, together with such other duties as may from time to time be prescribed by the Directors.

Duties of  
Secretary

148. A provision of the Ordinance or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

Same person  
not to act  
in two  
capacities at  
once

## THE SEAL

149. (A) The Company may exercise all the powers conferred by the Ordinance with regard to having official seals, including seals for use abroad, and such powers shall be vested in the Board.

Use of Seal

(B) The Board shall provide for the safe custody of every seal (including the Seal and the Securities Seal), which shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf.

(C) Every instrument to which a Seal shall be affixed shall be signed autographically by one Director and the Secretary, or by two Directors, or by some other person(s) appointed by the Directors for the purpose, provided that, as regards any certificates for shares or debentures or other securities of the Company, the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature other than autographic as specified in such resolution or that such certificates need not be signed by any person. 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.

(D) The Company may have a Securities Seal for use for sealing certificates for shares or other securities issued by the Company and no signature of any Director, officer or other person and no mechanical reproduction thereof shall be required on any such certificates or other document and any such certificates or other document to which such Securities Seal is affixed shall be valid and deemed to have been sealed and executed with the authority of the Directors notwithstanding the absence of any such signature or mechanical reproduction as aforesaid.

Securities  
Seal

(E) 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 agents or agent, committees or committee abroad to be the duly authorised agents of the Company for the purpose of affixing and using such official seal and they may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the seal, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.

Official Seal

### GENERAL MANAGEMENT

150. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, indorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the Directors shall from time to time determine.

Cheques  
and banking  
arrangements

151. (A) The Directors may from time to time and at any time, by power of attorney under the Seal, appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to subdelegate all or any of the powers, authorities and discretions vested in him.

Power to  
appoint  
attorney

(B) The Company may, by writing under its Seal, empower any person, either generally or in respect of any specified matter, as its attorney to execute deeds and instruments on its behalf and to enter into contracts and sign the same on its behalf and every deed signed by such attorney on behalf of the Company and under his seal shall bind the Company and have the same effect as if it were under the Seal duly affixed by the Company.

Execution  
of deeds by  
attorney

152. (A) The Directors may establish any committees, regional or local boards

Regional or  
local boards  
and agents

or agencies for managing any of the affairs of the Company, either in Hong Kong or elsewhere, and may appoint any persons to be members of such committees, regional or local boards or agencies and may fix their remuneration. The Directors may delegate to any committee, regional or local board or agent any of the powers, authorities and discretions vested in the Directors (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any regional or local board or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

- (B) The Directors may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies, and they may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing, assisting or subsidising any such subsidiary company or guaranteeing its contracts, obligations or liabilities, and they may appoint, remove and re-appoint any persons (whether members of their own body or not) to act as directors, managing directors or managers of any such company or any other company in which the Company may be interested, and may determine the remuneration (whether by way of salary, commission on profits or otherwise) of any person so appointed, and any Directors may retain any remuneration payable to them in respect of any such appointment.

Subsidiaries

153. The Directors may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds or personal pension plans 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 spouses, widows, widowers, families and dependants of any such persons. The Directors 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

Power to  
establish  
pension funds

exhibition or for any public, general or useful object. The Directors may do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

### **AUTHENTICATION OF DOCUMENTS**

154. (A) Any Director or the Secretary or other authorised officer of the Company shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are kept elsewhere than at the Registered Office, the local manager or such other officer of the Company having the custody thereof shall be deemed to be the authorised officer of the Company as aforesaid.
- (B) A document purporting to be a document so authenticated or a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any local board or committee, or of any books, records, documents or accounts or extracts therefrom as aforesaid, and which is certified as aforesaid, shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that the document authenticated (or, if this be authenticated as aforesaid, the matter so authenticated) is authentic or, as the case may be, that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting or, as the case may be, that the copies of such books, records, documents or accounts were true copies of their originals or, as the case may be, the extracts of such books, records, documents or accounts have been properly extracted and are true and accurate records of the books, records, documents or accounts from which they were extracted.

Power to  
authenticate

### **CAPITALISATION OF PROFITS AND RESERVES**

155. (A) The Company in general meeting may, upon the recommendation of the Directors, resolve to capitalise any sum standing to the credit of the Company's reserves (including any share premium account, capital redemption reserve or other undistributable reserve, but subject to the provisions of the law with regard to unrealised profits), or any profits not required for the payment or provision of the dividend on any shares with a preferential right to dividend, by appropriating such sum or profits to the Members holding such shares on the Register at the close of business on the date of the relevant resolution (or such other date as may be specified therein or determined as provided therein) in the proportion in which such sum

Power to  
capitalise



would have been divisible amongst them had the same been a distribution of profits by way of dividend on shares either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares or debentures or other securities of the Company to be allotted and distributed credited as fully paid to and amongst such Members in the proportion aforesaid, or partly in one way and partly in another or others, provided that any amount standing to the credit of any share premium account, capital redemption reserve or other undistributable reserve may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to Members as fully paid up bonus shares and other purposes allowed or not prohibited under the Statutes.

- (B) Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the reserves or profits and undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, debentures, or other securities and generally shall do all acts and things required or considered by the Board to be necessary or expedient to give effect thereto. For the purpose of giving effect to any resolution under this Article, the Directors may settle any difficulty which may arise in regard to a capitalisation issue as they think fit and, in particular, may disregard fractional entitlements or round the same up or down and may determine that cash payments shall be made to any Members in lieu of fractional entitlements or that fractions of such value as the Directors may determine may be disregarded in order to adjust the rights of all parties or that fractional entitlements shall be aggregated and sold and the benefit accrue to the Company rather than to the Members concerned, and no Members who are affected thereby shall be deemed to be, and they shall be deemed not to be, a separate class of shareholders for any purposes in connection therewith whatsoever. The Directors may authorise any person to enter on behalf of all Members interested in a capitalisation issue any agreement with the Company or other(s) providing for such capitalisation and matters in connection therewith and any agreement made under such authority shall be effective and binding upon all concerned. Without limiting the generality of the foregoing, any such agreement may provide for the acceptance by such persons of the shares, debentures or other securities to be allotted and distributed to them respectively in satisfaction of their claims in respect of the sum so capitalised.
- (C) The provisions of paragraph (E) of Article 161 shall apply to the power of the Company to capitalise under this Article as it applies to the grant of election thereunder mutatis mutandis and no Member who may be affected thereby shall be, and they shall be deemed not to be, a separate class of shareholders for any purpose in connection therewith whatsoever.

## DIVIDENDS AND RESERVES

156. The Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board. Company's power to declare dividends
157. (A) The Directors may from time to time pay such interim dividends as appear to the Directors to be justified by the profits of the Company, on such dates and in respect of such periods as they think fit, and, in particular (but without prejudice to the generality of the foregoing), if at any time the Capital is divided into different classes, the Directors may pay such interim dividends in respect of those shares which confer to the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and, provided that the Directors act bona fide, they shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights. Directors' power to pay interim and special dividends
- (B) The Directors may also pay, half-yearly or at other suitable intervals to be settled by them, any dividend which may be payable at a fixed rate if the Directors are of the opinion that the profits of the Company justify the payment.
- (C) The Directors may in addition from time to time declare and pay special dividends of such amounts and on such dates and out of such distributable funds of the Company as they think fit, and the provisions of paragraph (A) of this Article as regards the powers and exemption from liability of the Directors as relate to the declaration and payment of interim dividends shall apply, mutatis mutandis, to the declaration and payment of all such special dividends.
158. No dividend shall be payable except out of the profits of the Company available for distribution in compliance with the requirements of the Ordinance. Dividends to be paid out of profits
159. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company. No interest on dividends
160. 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, of paid up shares, debentures or warrants to subscribe for securities of the Company or any other company, or in any one or more of such ways, with or without offering any rights to Members to elect to receive such dividend in cash. Where any difficulty arises in regard to the distribution, the Directors may:
- (i) settle the same as they think fit, and, in particular, may 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 determine that fractional entitlements shall be aggregated and sold and the benefit accrue to the Company rather than to the Members concerned, and may vest any such specific assets in trustees as may seem expedient to the Directors and may authorise any person to sign any requisite instruments of transfer and other documents on behalf of all Members interested in the dividend and such instrument and document shall be effective. Where requisite, a contract shall be filed in accordance with the provisions of the Ordinance and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective.

- (ii) authorise any person to enter into an agreement on behalf of all Members having an interest in any such matter with the Company or other(s) providing for such dividend and matters in connection therewith and any such agreement made under such authority shall be effective and binding upon all concerned. Without limiting the generality of the foregoing, any such agreement may provide for the acceptance by such persons of the shares, debentures, warrants or other assets to be allotted and distributed to them respectively in satisfaction of their claims in respect of the sum so capitalised; and
- (iii) resolve that no such assets shall be made available or distributed to Members with registered addresses in any particular territory or territories if, in the absence of publication or filing of a prospectus or a registration statement or performance of or compliance with other special formalities or requirements, this would or might, in the opinion of the Directors, be unlawful or impracticable or if, in the opinion of the Directors, compliance with (or ascertainment of) any relevant requirements in such jurisdiction might be unduly expensive (whether in absolute terms or in relation to the rights of the Member(s) who may be affected or the value thereof) or unduly time consuming or otherwise unduly onerous, and in any such event the only entitlement of the Members aforesaid shall be to receive cash payments as aforesaid.

Members affected as a result of exercise by the Directors of their powers and discretions under this Article shall not be, and shall be deemed not to be, a separate class of shareholders for any purposes in connection therewith whatsoever.

161. (A) Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve either:
- (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid on the basis that the shares so allotted shall be of the same class or classes as the class or classes

Scrip  
dividend

already held by the allottee, provided that the Members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply:

- (a) the basis of any such allotment shall be determined by the Directors;
  - (b) the Directors, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the Members of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
  - (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
  - (d) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect of which the cash election has not been duly exercised ("the non-elected shares") and in lieu and in satisfaction 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 Directors shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company's reserve accounts (including any special account, share premium account and capital redemption reserve fund (if there be any such reserve) as the Directors may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or
- (ii) that Members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted shall be of the same class or classes as the class or classes of shares already held by the allottee. In such case, the following provisions shall apply:
- (a) the basis of any such allotment shall be determined by the Directors;

- (b) the Directors, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the Members of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
  - (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
  - (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect of which the share election has been duly exercised ("the elected shares") and in lieu thereof shares shall be allotted credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company's reserve accounts (including any special account, share premium account and capital redemption reserve fund (if there be any such reserve) as the Directors may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.
- (B) The shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank *pari passu* in all respects with the shares then in issue and held by the allottee in respect of which they were allotted, save only as regards participation:
- (i) in the relevant dividend (or the right to receive or elect to receive an allotment of shares in lieu thereof as aforesaid); or
  - (ii) in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend

unless, contemporaneously with the announcement by the Directors of their proposal to apply the provisions of sub-paragraph (i) or (ii) of paragraph (A) of this Article in relation to the relevant dividend or contemporaneously

with their announcement of the distribution, bonus or rights in question, the Directors shall have specified that the shares to be allotted pursuant to the provisions of paragraph (A) of this Article shall rank for participation in such distribution, bonus or rights.

- (C) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Article, with full power to the Directors to make such provisions as they think fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned and no Members who will be affected thereby shall be, and they shall be deemed not to be, a separate class of shareholders for any purposes whatsoever. The Directors may authorise any person to enter into on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.
- (D) The Company may, upon the recommendation of the Directors, by special resolution resolve in respect of any one particular dividend of the Company that, notwithstanding the provisions of paragraph (A) of this Article, a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to Members to elect to receive such dividend in cash in lieu of such allotment.
- (E) The Directors may on any occasion determine that the allotment of shares under paragraph (A) of this Article shall not be made available or made to any Members with registered addresses in any particular territory or territories if, in the absence of publication or filing of a prospectus or a registration statement or performance of or compliance with other special formalities or requirements, this would or might, in the opinion of the Directors, be unlawful or impracticable or if, in the opinion of the Directors, compliance with (or ascertainment of) any relevant requirements in such jurisdiction might be unduly expensive (whether in absolute terms or in relation to the rights of the Member(s) who may be affected or the value thereof) or unduly time consuming or otherwise unduly onerous, and in such event the provisions aforesaid shall be read and construed subject to such determination and no Member who may be affected by any such determination shall be, and they shall be deemed not to be, a separate class of shareholders for any purposes whatsoever.
- (F) The Board may on any occasion determine that rights of election under paragraph (A) of this Article shall not be made available to Members who

Record date  
for rights of  
election

are registered in the Register, or in respect of shares the transfer of which is registered, after a date fixed by the Board (being not earlier than twenty-eight days before the record date for the relevant dividend) subject to such exceptions as the Board thinks fit, and in such event the provisions aforesaid shall be read and construed subject to such determination.

162. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think fit as a reserve or reserves which shall, at the discretion of the Directors, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied, and, pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (including, subject to these Articles and the Ordinance, in the repurchase by the Company of its own securities or, in so far as the same may be permitted under these Articles and the Ordinance, the giving of any financial assistance for the acquisition of its own securities) as the Directors may from time to time think fit, and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to distribute by way of dividend. Reserves
163. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls or instalments shall be treated as paid on the share. Dividends to be paid in proportion to paid up Capital
164. (A) The Directors may retain any dividends or other moneys payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. Retention of dividends etc.
- (B) The Directors may deduct from any dividend or other money payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.
165. Any general meeting sanctioning a dividend may make a call on the Members of such amount as the meeting fixes, but so that the call on each Member shall not exceed the dividend payable to him, and so that the call shall be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Member, be set off against the call. Dividend and call together
166. A transfer of shares shall not, as against the Company but without prejudice to the rights of the transferor and transferee inter se, pass the right to any dividend or bonus declared thereon before the registration of the transfer. Effect of transfer

167. If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of such persons may give effectual receipts for any dividends and other moneys payable and bonuses, rights and other distributions in respect of such shares.

Receipt for dividends etc. by joint holders

168. Unless otherwise directed by the Board, any dividend or other moneys payable or bonuses, rights or other distributions in respect of any share may be paid or satisfied by cheque or warrant or certificate or other documents or evidence of title sent through the post to the registered address of the Member entitled, or, in the case of joint holders, to the registered address of that one whose name stands first in the Register in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque, warrant, certificate or other document or evidence of title sent in such manner or in such other manner as may be directed by the Board shall be made payable to the order of the person to whom it is sent or, in the case of certificates or other documents or evidence of title as aforesaid, in favour of the Member(s) entitled thereto, and the payment on any such cheque or warrant by the banker upon whom it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or other moneys represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Every such cheque, warrant, certificate or other document or evidence of title as aforesaid shall be sent at the risk of the person entitled to the dividend, money, bonus, rights and other distributions represented thereby.

Means of payment

App.3 Para 3(2)

169. All dividends, bonuses or other distributions or the proceeds of the realisation of any of the foregoing unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and, notwithstanding any entry in any books of the Company or otherwise howsoever, the Company shall not be constituted a trustee in respect thereof. All dividends, bonuses or other distributions or the proceeds of the realisation of any of the foregoing unclaimed for six years after having been declared may be forfeited by the Directors and, upon such forfeiture, shall revert to the Company and, in the case where any of the same are securities of the Company, may be re-allotted or re-issued for such consideration as the Directors think fit and the proceeds thereof shall accrue to the benefit of the Company absolutely.

Unclaimed dividend etc.

### RECORD DATE

170. Any resolution declaring a dividend or other distribution on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same shall be payable or made to the persons registered as the holder of such shares at the close of business on a particular date or at a particular time on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend or other distribution shall be payable or made to them in accordance with their respective

Record date



holdings so registered, but without prejudice to the rights inter se in respect of such dividend or other distribution between the transferors and transferees of any such shares. The provisions of this Article shall mutatis mutandis apply to bonuses, capitalisation issues, distributions of realised and unrealised capital profits or other distributable reserves or accounts of the Company and offers or grants made by the Company to the Members.

## ACCOUNTS

171. Accounting records sufficient to show and explain the Company's transactions and otherwise as required by and complying with the Statutes shall be kept at the Registered Office, or at such other place as the Directors think fit, and shall always be open to inspection by the officers of the Company.

Accounts to  
be kept

172. No Member (not being a Director) or other person shall have any right of inspecting any account or book or document of the Company except as conferred by the Statutes or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.

Inspection by  
Members

App.3 Para 5 173. (A) The Directors shall, from time to time, in accordance with the Statutes, cause to be prepared and to be laid before the annual general meeting of the Company the relevant financial documents required by the Statutes. 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 financial documents in circumstances permitted by the Stock Exchange.

Relevant  
financial  
documents  
and summary  
financial  
report

(B) Subject to paragraph (C) below, a copy of the relevant financial documents or the summary financial report shall, not less than 21 days before the meeting, be delivered or sent by post to the registered address of every Member and debenture holder of the Company, or in the case of a joint holding to 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 any rules prescribed by the Stock Exchange from time to time, consented to treat the publication of the relevant financial documents and/or the summary financial report on the Company's computer network as discharging the Company's obligation under the Statutes to send a copy of the relevant financial documents and/or the summary financial report, then subject to compliance with the publication and notification requirements of the Statutes and any rules prescribed by the Stock Exchange from time to time, publication by the Company on the Company's computer network of the relevant financial documents and/or the summary financial report at least

21 days before the date of the 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.

- (D) For the purpose of this Article, "relevant financial documents" and "summary financial report" shall have the meaning ascribed to them in the Statutes.
- (E) Every statement of accounts audited by the Company's Auditors and presented by the Board at an general meeting shall after approval at such meeting be conclusive except as regards any error discovered therein within three months of the approval thereof. Whenever any such error is discovered within that period, it shall forthwith be corrected, and the statement of account amended in respect of the error shall be conclusive.

When accounts to be deemed finally settled

### AUDITORS

- 174. (A) Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Ordinance.
  - (B) Save as otherwise provided by the Ordinance, the remuneration of the Auditors shall be fixed by or on the authority of the Company in the annual general meeting except that in any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors and the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors.
- 175. (A) The Auditors shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information as may be necessary for the performance of their duties, and the Auditors shall make a report to the Members on the accounts examined by them and on every balance sheet, consolidated balance sheet and consolidated profit and loss account intended to be laid before the Company in the annual general meeting during their tenure of office as required by the Ordinance.
  - (B) The Auditors shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any Member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns them as auditor.
- 176. No person other than the retiring Auditors shall be appointed as Auditors at an annual general meeting unless notice of an intention to nominate that person to the office of Auditors has been given to the Company not less than 28 days before the annual general meeting, and the Company shall send a copy of any such notice to the retiring Auditors and shall give notice thereof to the Members not less than 21 days before the annual general meeting provided that the above requirement for

Appointment of Auditors

Auditors to have right of access to books and accounts

Auditors entitled to attend general meeting and to receive notices

Appointment of Auditors other than the retiring Auditors



sending a copy of such notice to the retiring Auditors may be waived by notice in writing by the retiring Auditors to the Secretary.

177. Subject to the provisions of the Ordinance, all acts done by any person acting as Auditors shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in their appointment or that they were at the time of their appointment not qualified for appointment or subsequently became disqualified.

Defect of appointment

## NOTICES

App.3 Para 7(1) 7(2), 7(3)

178. Any notice or document (including any “corporate communication”) to be given or issued under these Articles by or on behalf of the Company shall be in writing, or in such other form (including an electronic communication and publication on a computer network) and languages, and may be served or delivered by the Company by any of the following means, subject to and to such extent permitted by and in accordance with the Statutes, the Listing Rules and any applicable laws, rules and regulations:

Service of notices

- (i) personally;
- (ii) by sending it through the post in a properly prepaid letter, envelope or wrapper addressed to a member at his registered address as appearing in the Register or in the case of another entitled person (as defined in the Statutes), to such address as he may provide;
- (iii) by delivering or leaving it at such address as aforesaid;
- (iv) by advertisement in the Newspapers;
- (v) by transmitting it as an electronic communication to the entitled person (as defined in the Statutes) at such electronic address as he may have provided; or
- (vi) by publishing it on a computer network.

179. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be sufficient notice to all the joint holders.

Joint Members

App.3 Para 7(3)

180. (A) Where the registered address of a Member is outside Hong Kong, notice, if given through the post, shall be sent by pre-paid air mail letter where practicable. Any Member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address.

Members outside Hong Kong

- (B) Any Member who fails (and, where a share is held by joint holders, where the first joint holder named on the Register fails) to supply his registered address or a correct registered address to the Company for service of notices and documents on him shall not (and where a share is held by joint

Members with no or incorrect address

holders, none of the other joint holders whether or not they have supplied a registered address shall) be entitled to service of any notice or documents by the Company and any notice or document which is otherwise required to be served on him may, if the Directors in their absolute discretion so elect (and subject to them re-electing otherwise from time to time), be served, in the case of notices, by displaying a copy of such notice conspicuously at the Registered Office or, if the Directors see fit, by advertisement in the Newspapers or publication on the Company's computer network, and, in the case of documents, by posting up a notice conspicuously at the Registered Office addressed to such Member or publishing a notice on the Company's computer network which notice shall state the address within Hong Kong at which he may obtain a copy of the relevant document. Any notice or document served in the manner so described shall be sufficient service as regards Members with no registered or incorrect addresses, provided that nothing in this paragraph (B) shall be construed as requiring the Company to serve any notice or document on any Member with no or an incorrect registered address for the service of notice or document on him or on any Member other than the first named on the Register.

- (C) If on three consecutive occasions notices or other documents have been sent through the post to any Member (or, in the case of joint holders of shares, the first holder named on the Register) at his registered address but have been returned undelivered, such Member (and, in the case of joint holders of a share, all other joint holders of the share) shall not thereafter be entitled to receive or be served (save as the Directors may elect otherwise pursuant to paragraph (B) of this Article) and shall be deemed to have waived the service of notices and other documents from the Company until he shall have communicated with the Company and supplied in writing a new registered address for the service of notices on him.

Where  
previous  
notices etc.  
returned  
undelivered

181. Any notice or document (including any corporate communication) given or issued by or on behalf of the Company:

When notice  
deemed to be  
served

- (i) if sent by post, shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office (airmail if posted from Hong Kong to an address outside Hong Kong) and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so properly prepaid, addressed and put into such post office shall be conclusive evidence thereof;
- (ii) if not sent by post but the notice or document is displayed at the Registered Office, shall be deemed to have been served on the day it was so displayed;

- (iii) if published by way of an advertisement in the Newspapers, shall be deemed to have been served on the date on which it is first published;
  - (iv) if sent as an electronic communication, shall be deemed to have been served at the time when the notice or document 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 or document being served; and
  - (v) if published on the Company's computer network, shall be deemed to have been served on the day on which the notice or document is published on the Company's computer network to which the entitled person may have access.
182. A notice or document may be given by the Company to the person entitled to a share in consequence of the death, mental disorder, bankruptcy or liquidation of a Member by sending it through the post in a prepaid envelope or wrapper addressed to him by name, or by the title of representative of the deceased, the trustee of the bankrupt or the liquidator of the Member, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or by transmitting it as an electronic communication to such electronic address as such person may have provided, or by giving the notice or document in any other manner permitted by Article 178.
183. Any 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 prior to his name and address being entered on the Register shall have been duly served or deemed to have been duly served to the person from whom he derives his title to such share.
184. Any notice or document served or delivered to a Member in pursuance of these Articles, shall notwithstanding that such Member be then deceased, bankrupt or wound up and whether or not the Company has notice of his death, bankruptcy or winding up, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such Member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such shares.
185. (A) The signature to any notice or document by the Company may be written, typed, printed or made electronically.
- (B) Where a person has in accordance with applicable laws, rules and regulations consented to receive notices or documents from the Company (including

Service of notice to persons entitled on death, mental disorder, bankruptcy or liquidation of Members

Transferee to be bound by prior notices

Notice valid though Member deceased, bankrupt or wound up

How notice to be signed

Choice of language

any corporate communication) in the English language only or the Chinese language only but not both, it shall be sufficient for the Company to serve on or deliver or make available to him any notice or document (including any corporate communication) in such language only in accordance with these presents unless and until there is a notice of revocation or amendment of such consent given or deemed to have been given by such person to the Company in accordance with applicable laws, rules and regulations which shall have effect in respect of any notice or document (including any corporate communication) to be served on or delivered to or made available to such person subsequent to the giving of such notice of revocation or amendment.

### INFORMATION

186. No Member (not being a Director) shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, secret process or other confidential information which may relate to the business of the Company which in the opinion of the Directors it will be inexpedient in the interests of the Company to communicate to the public,

Members not entitled to information

### UNTRACEABLE MEMBERS

App.3  
Para 13(1)

187. Without prejudice to the rights of the Company under Article 169 and the provisions of Article 188, the Company may cease sending cheques for dividend entitlements or dividend warrants if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. The provisions of this Article shall apply to certificates of and other documents or evidence of title to, and proceeds of realisation of, distributions on shares other than money.

Company cease sending dividend warrants etc.

App.3  
Para 13(2)(a)

188. (A) The Company shall have the power to sell, in such manner as the Directors think fit, any shares of a Member or the shares to which a person is entitled on death or bankruptcy, but no such sale shall be made unless:
- (i) during the period of twelve years prior to the date of publication of the advertisements referred to in sub-paragraph (ii) below (or, if published more than once, the first thereof) at least three dividends or other distributions in respect of the shares in question have become payable or been made and no dividend or other distribution in respect of the shares has been cashed or otherwise claimed;
  - (ii) at all times during the Relevant Period, the Company has caused an advertisement to be inserted in the Newspapers of its intention to sell

Company may sell shares of untraceable Members

such shares and a period of three months has elapsed since the date of such advertisement (or, if published more than once, the first thereof);

- (iii) the Company has not at any time during the said periods of twelve years and (where relevant) three months received any indication of the existence of the person who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and
  - (iv) at all times during the Relevant Period, the Company has notified the Stock Exchange of its intention to make such sale.
- (B) To give effect to any such sale, the Directors may authorise any person to transfer the shares in question 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 Member for an amount equal to such net proceeds. Notwithstanding any entries made by the Company in any of its books or otherwise howsoever, 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 the Board thinks fit. Any sale under this Article shall be valid and effective notwithstanding that the Member holding the shares sold is dead, bankrupt, wound up or otherwise under any legal disability or incapacity.

### **DESTRUCTION OF DOCUMENTS**

189. Subject to the Ordinance, the Company may destroy:

Destruction  
of documents

- (i) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- (ii) 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;
- (iii) 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

- (iv) 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:

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

## WINDING UP

190. 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 shares held by them respectively, but all subject to the rights of, and restrictions thereon, any shares which may be issued on special terms or conditions.

Division  
of assets in  
liquidation

191. If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Ordinance, divide among the Members in specie or kind the whole or any part of the assets of the Company, whether the assets shall consist of property of one kind or shall consist of properties of different kinds, and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members and Members within each class. The liquidator may, with the like sanction, vest any one or more class or classes of property and may determine how such division shall be carried out as

Power of  
liquidator



between the Members or different classes of Members. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other assets in respect of which there is a liability.

192. In the event of a winding up of the Company in Hong Kong, every Member 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 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 and stating that person's full name, address and occupation upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such Member to appoint some such person, and service upon any such appointee, whether appointed by the Member or the liquidator, shall be deemed to be good personal service on such Member for all purposes, and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such Member by advertisement in 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 mentioned in the Register, and such notice shall be deemed to be service on the day following that on which the advertisement appears or the letter is posted.

Service of  
process

### **SUBSCRIPTION RIGHT RESERVE**

193. (A) If, so long as any of the rights attaching to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company or any of its subsidiaries does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions applicable under the terms and conditions of the warrants, would reduce the subscription price to below the par value of a share, then the following provisions shall apply:
- (i) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Article) maintain in accordance with the provisions of this Article a reserve (the "Subscription Right Reserve") the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub-paragraph (iii) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Right Reserve in paying up in full the amount of the shortfall referred to in sub-paragraph (iii) in respect of such additional shares as and when the same are allotted;
  - (ii) the Subscription Right Reserve shall not be used for any purpose other than that specified above unless all other reserves of the Company

Subscription  
right reserve

(other than the share premium account and capital redemption reserve) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by law;

(iii) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrant holder, credited as fully paid, such additional nominal amount of shares as is equal to the shortfall between:

(aa) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and

(bb) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par,

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

(iv) if, upon the exercise of the subscription rights represented by any warrant, the amount standing to the credit of the Subscription Right Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such shortfall as aforesaid to which the exercising warrant holder is entitled, the Directors shall apply any profits or reserves then or thereafter becoming available (including, to the extent permitted or not prohibited by law share premium account and capital redemption reserve) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until then no dividend or other distribution shall be paid or made on the fully paid shares then in issue.



Pending such payment up and allotment, the exercising warrant holder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being are transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Directors may think fit and adequate particulars thereof shall be made known to each relevant exercising warrant holder upon the issue of such certificate.

- (B) Shares allotted pursuant to the provisions of this Article shall rank pari passu in all respects with the other shares allotted or which ought to be allotted on the relevant exercise of the subscription rights represented by the warrant concerned. Notwithstanding anything contained in paragraph (A) of this Article, no fraction of any share shall be allotted on exercise of the subscription rights.
- (C) The provisions of this Article as to the establishment and maintenance of the Subscription Right Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating, the provisions for the benefit of any warrant holder or class of warrant holders under this Article without the sanction of a resolution passed by the holders of three-fourths of the subscription rights represented by the outstanding warrants of the Company present in person (or, in the case of a warrant holder being a corporation, by its duly authorised representative) or by proxy and voting on such resolution of a meeting duly convened and held in accordance with the terms and conditions of such warrants.
- (D) A certificate or report by the Auditors as to whether or not the Subscription Right Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Right Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to exercising warrant holders credited as fully paid, and as to any other matter concerning the Subscription Right Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and Members.
- (E) The provisions of this Article as to the establishment, maintenance and application of the Subscription Right Reserve are subject to the provisions of the Ordinance and nothing contained in this Article shall entitle the Company to do any thing prohibited by the Ordinance.

## INDEMNITY

194. (A) Save and except to the extent only that the provisions of this Article shall be voided by any provisions of the Statutes, the Directors, alternate Directors, Auditors, Secretary and other officers for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company, and their respective executors or administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, liabilities, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain:

Indemnity

- (i) in connection with their duties, the exercise of their powers or otherwise in connection with their respective offices or trusts, except such (if any) as they shall incur or sustain through their own wilful neglect, wilful default, fraud or dishonesty, and none of them shall be answerable for the acts, receipts, neglects or defaults of any other of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effects of the Company shall be lodged or deposited for safe custody, or for the insufficiency or deficiency of any security upon which any moneys of the Company shall be placed out or invested, or for any other loss, misfortune or damage which may arise in the execution of their respective offices or trusts, or in relation thereto, except as the same shall happen by or through their own wilful neglect, wilful default, fraud or dishonesty and the indemnity contained in this Article shall extend to any person acting as a Director or officer in the reasonable belief that he has been so appointed or elected notwithstanding any defect in such appointment or election; and
- (ii) in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under the Statutes in which relief from liability is granted to him by the court,

and to extent that any person is entitled to claim an indemnity pursuant to these Articles in respect of amounts paid or discharged by him, such indemnity shall take effect as an obligation of the Company to reimburse the person making such payment or effecting such discharge.

(B) The Company may purchase and maintain insurance for the benefit of the Company and/or any related company and/or of any Director, Secretary, Auditor, or other officers of the Company against:

- (a) (in the case of the Company and/or any related company) any loss,

damage, liability and claim which it may suffer or sustain in connection with any breach by the Directors (and/or other officers and/or other persons) or any of them of their duties to the Company;

- (b) (in the case of any Director, Secretary, Auditor or other officers of the Company) any liability to the Company, a related 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 a related company; and
- (c) (in the case of any Director, Secretary, Auditor or other officers of the Company) 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 a related company.

For the purpose of this Article 194(B), “related company” means any company that is the Company’s subsidiary or holding company or a subsidiary of that holding company.

- (C) Subject to Section 165 of the Ordinance, if any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.

Names, Addresses and Descriptions of Subscribers

(Sd.) CHARLES, CHAN SING CHUK  
15C Barnton Court,  
Harbour City,  
Kowloon  
(Merchant)

(Sd.) SHIRLEY, CHENG SIU-YIN  
15C Barnton Court,  
Harbour City,  
Kowloon  
(Merchant)

Dated the 15th day of March, 1985.

WITNESS to the above signatures:

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