

**Memorandum**

**and**

**New Articles of Association**

**(adopted by Special Resolution passed on the 11th day of January, 2008)**

**of**

**SJM Holdings Limited**  
**澳門博彩控股有限公司**

**(Stock Code: 880)**

**(Re-printed inclusive of amendments up to 11th day of January, 2008)**

**Incorporated the 17th day of February, 2006**

(This document has been issued in the English language with a separate Chinese translation. In case of any inconsistency, the English version shall prevail.)

THE COMPANIES ORDINANCE (CHAPTER 32)

SPECIAL RESOLUTION

OF

SJM HOLDINGS LIMITED  
澳門博彩控股有限公司  
(the “Company”)

Passed on the 11<sup>th</sup> day of January 2008.

By written resolutions of all the sole member of the Company pursuant to Section 116B of the Companies Ordinance dated the 11<sup>th</sup> day of January 2008, the following resolution was passed as a Special Resolution:-

“That the new articles of association attached hereto marked “C” be and are hereby approved and adopted as the new articles of association of the Company, in substitution for, and to the exclusion of, the existing articles of association of the Company.”

Certified True Copy

(Sd.) Ho Hung Sun, Stanley  
Name: Ho Hung Sun, Stanley  
Capacity: Director

**ORDINARY RESOLUTION**

**of**

**SJM HOLDINGS LIMITED**

**澳門博彩控股有限公司**

(the “Company”)

Passed on 11 January 2008

By Written Resolutions of the Sole Member of the Company dated 11 January 2008, the following resolution was passed as an Ordinary Resolution:-

“THAT the authorised share capital of the Company be increased from HKD10,000.00 to HKD15,000,000,000.00 by the creation of an additional 14,999,990,000 ordinary shares of HKD1.00 each, such new shares ranking pari passu in all respects with the existing shares in the capital of the Company.”

(Sd.) Lawrence Lee Kam Hung

**For and on behalf of**

**B. & McK. Nominees Limited**

(COPY)

No. 1024905

編號

**COMPANIES ORDINANCE**  
**(CHAPTER 32)**  
香港法例第32章  
公司條例

**CERTIFICATE OF INCORPORATION**  
公司註冊證書

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I hereby certify that  
本人謹此證明

SJM Holdings Limited  
澳門博彩控股有限公司

is this day incorporated in Hong Kong under the Companies Ordinance,  
於本日在香港依據公司條例註冊成為

and that this company is limited.  
有限公司。

Issued by the undersigned on 17 February 2006.  
本證書於二〇〇六年二月十七日簽發。

(Sd.) Miss Nancy O. S. YAU  
.....  
for Registrar of Companies  
*Hong Kong*  
香港公司註冊處處長  
(公司註冊主任 邱愛琛 代行)

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Company Limited by Shares

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**Memorandum of Association**

**of**

**SJM Holdings Limited**  
**澳門博彩控股有限公司**

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1. The name of the Company is “**SJM Holdings Limited 澳門博彩控股有限公司**”.
2. The registered office of the Company shall be situated in the Hong Kong Special Administrative Region of the People’s Republic of China.
3. The Company shall have the capacity and all the rights, powers and privileges in accordance with the provisions of the Companies Ordinance.
4. The liability of the members of the Company is limited.
5. The share capital of the Company is HK\$10,000.00 divided into 10,000 shares of HK\$1.00 each, with the power for the Company to increase or reduce the said capital and to issue any part of its capital, original or increased, with or without preference, priority or special privilege, or subject to any postponement of rights or to any conditions or restrictions and with power to vary or amend the rights attaching to any or all shares, and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained.

We, the undersigned whose name, address and description are hereto subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association, and we agree to take the number of share(s) in the capital of the Company set opposite our name.

Name, Address and Description of Subscriber	Number of Share(s) Taken by Subscriber
<p>B. &amp; McK. Nominees Limited 1401 Hutchison House, 10 Harcourt Road, Hong Kong.</p> <p>Corporation</p> <p>For and on behalf of B. &amp; McK. Nominees Limited by</p> <p>(Signed) <u>Grace Kwok</u> Name: Grace Kwok Capacity: Secretary</p>	<p>One (1)</p>
<p>Total Number of Share(s) Taken . . . . .</p>	<p>One (1)</p>

Date: 23 January 2006

Witness to the above signature:-

Name: (Signed) Wendy Lee  
Address: 1401 Hutchison House  
10 Harcourt Road, Hong Kong  
Occupation: Chartered Secretary

THE COMPANIES ORDINANCE (Chapter 32)

Company Limited by Shares

**New Articles of Association**  
**(adopted by Special Resolution passed on the 11th day of January, 2008)**

of

**SJM Holdings Limited**  
**澳門博彩控股有限公司**

**Preliminary**

1. The regulations contained in Table “A” in the First Schedule to the Companies Ordinance (Cap. 32) shall not apply to the Company.
2. In these Articles, unless the context requires otherwise:

“Articles” means the Articles of Association of the Company for the time being in force as altered from time to time;

“associates” shall have the meaning ascribed to it by the Listing Rules;

“Board” or “Directors” means the directors of the Company for the time being or as the case may be the directors assembled as a board or a committee of the board;

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

“Clearing House” means a recognised clearing house under the Securities and Futures Ordinance or any other ordinance substituted therefor;

“Company” means SJM Holdings Limited 澳門博彩控股有限公司;

“Dollars” or “\$” means Hong Kong dollars, the lawful currency of Hong Kong;

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

“Listing Rules” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“Member” means a person who is registered as the holder of shares in the capital of the Company;

“Memorandum of Association” means the Memorandum of Association of the Company for the time being in force;

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

“Ordinance” means the Companies Ordinance (Cap. 32) as modified from time to time;

“Paid up” or “paid” includes credited as paid up or paid;

“Register” means the register of Members to be kept pursuant to the Ordinance;

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

“Seal” means the common seal of the Company or, where appropriate, any official seal for use in any particular state, country or territory outside Hong Kong or, where appropriate, any securities seal for use by the Company in accordance with the Ordinance;

“Secretary” means any person appointed to perform the duties of the secretary of the Company and includes any person appointed to perform such duties temporarily and any duly appointed assistant secretary;

“SJM” means Sociedade de Jogos de Macau S.A., a subsidiary of the Company;

“SJM Articles” means the Articles of Association of SJM, as amended from time to time;

“Statutes” means the Ordinance and every other ordinance for the time being in force concerning companies and affecting the Company;

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

“Type A Shares” means the type A shares in the issued share capital of SJM, the rights and restrictions of which are set out in the SJM Articles;

“Type B Shares” means the type B shares of SJM or any shares in the issued share capital of SJM which are required by the applicable Macau laws to be held by the managing director of SJM, the rights and restrictions of which are set out in the SJM Articles; and

“Type B Shares Arrangement” means certain characteristics of the Type B Shares, including but not limited to profit arrangement and liquidation entitlement as set out in the SJM Articles.



Where these Articles refer to months or years, these are calendar months or years.

Any provision of these Articles that refers (in whatever words) to:

- (a) the Members;
- (b) a majority of Members; or
- (c) a specified number or percentage of Members of the Company

shall, unless the context otherwise requires, apply with necessary modifications in case the Company has only one Member.

Wherever any provision of these Articles (except a provision for the appointment of a proxy) requires that a communication as between the Company, its Directors or Members be effected in writing, the requirement may be satisfied by the communication being given in the form of an electronic record unless the person to whom the communication is given signifies refusal to communications being given to him in that form.

Expressions used in these Articles referring to “writing” or “written” shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.

Unless the context otherwise requires, words or expressions used in these Articles shall have the same meaning as in the Ordinance or any statutory modification thereof in force at the date at which these Articles become binding on the Company.

The singular includes the plural and vice versa. Words importing any gender include the other genders.

The headings shall not affect the construction of these Articles.

### **Public Company**

- 3. The Company shall be a public company.

### **Shares**

- 4. (A) Subject to the provisions of the Ordinance (and in particular section 57B thereof) and of these Articles relating to new shares, all unissued shares in the Company including any new shares created upon an increase of capital shall be under the control of the Board who may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, on such terms and conditions and at such times as the Board shall in its sole and absolute discretion thinks fit, but so that no shares shall be issued at a discount, except in accordance with the provisions of the Ordinance.
- (B) No person shall become a Member until his name shall have been entered into the Register of the Company.

- (C) The Company may, subject to filing with the Registrar of Companies of any necessary statement of commission, 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 of the Company or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
5. (A) Subject to the provisions, if any, in the Articles, and without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred, or other special rights, or such restrictions, whether in regard to dividend, voting, return of share capital, or otherwise, and such other terms and conditions, as the Company may, subject to the Ordinance, from time to time by special resolution determine (or, in the absence of any such determination or so far as the same shall not make specific provision, as the Board may determine) and any preference share may, with the sanction of a special resolution, be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.
- (B) Subject to the Statutes and the Listing Rules from time to time, any share may be issued on terms that it is to be redeemed or is liable to be redeemed at the option of the Company or the holder.
- (C) The Board may issue warrants or other rights and grant options to subscribe for any class of shares or securities of the Company on such terms as it may from time to time determine. Where warrants are issued to bearer, no new warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed and the Company has received an indemnity in such form as the Board shall think fit with regard to the issue of any such new warrant.
6. (A) If at any time the share capital is divided into different classes of shares, the rights attaching to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Ordinance, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the relevant class. At every such separate general meeting the provisions of these Articles relating to general meetings shall apply, mutatis mutandis, but so that the necessary quorum at any such meeting (other than an adjourned meeting) shall be one or more persons holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the relevant class present in person or by proxy may demand a poll.
- (B) The rights conferred upon the holders of the shares of any class shall not, unless otherwise expressly provided by the terms of issue of the

App.3(6)(2)

shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

7. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
8. Subject always to the provisions of the Ordinance and the Listing Rules, the Board may exercise the power of the Company to purchase or otherwise acquire its own shares (including any redeemable shares) and/or warrants upon such terms and subject to such conditions as the Board may deem fit. Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price. If purchases are by tender, tenders shall be available to all Members alike. App.3(8)(1)  
App.3(8)(2)
9. Subject always to the provisions of the Ordinance, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of, or a subscription for, any shares or warrants in the capital of the Company, or for the purpose of or in connection with reducing or discharging any liability so incurred.

### **Register and Share Certificates**

10. The Board shall cause to be kept a Register and there shall be entered therein the particulars required under the Ordinance.
11. (A) Every person whose name is entered as a member in the register shall be entitled without payment to receive within two (2) months after allotment or within ten (10) business days after lodgement of a transfer (or within such other period as the conditions of issue shall provide) 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 such amount prescribed by the Stock Exchange or such lesser sum as the Board shall from time to time determine for every share certificate after the first, 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.

(B) Every certificate for shares or warrants or debentures or representing any other form of securities of the Company shall be issued under the Seal, which shall only be affixed with the authority of the Board, or in such other manner as the Board may authorise, having regard to the terms of the issue, the Statutes and the Listing Rules. Without limiting the generality of the foregoing, the Board may resolve that the Seal and/or signatures on any share certificates shall be applied to the certificates by mechanical means or shall be printed on them or that the certificates need not be signed at all. A share certificate shall specify the number and class of shares to which it relates. App.3(2)(1)

(C) If a share certificate or warrant is defaced, lost or destroyed, it may be replaced on payment of a fee, if any, not exceeding the amount as the Stock Exchange may from time to time permit, and on such terms, if any, as to evidence and indemnity, as the Board thinks fit. The Board can also require the member to pay the out-of-pocket expenses of the Company incurred in investigating any evidence and in preparing the form of indemnity as the Board thinks fit, provided always that where share warrants have been issued to bearer, no new share warrant shall be issued to replace one that has been lost, unless the Company is satisfied beyond reasonable doubt that the original has been destroyed. App.3(1)(1)  
App.3(2)(2)

12. (A) 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 the Articles, all or any other matters connected with the Company, except the transfer of such share.

(B) The Company shall not be bound to register more than four persons as joint holders of any share. App.3(1)(3)

(C) Joint holders of any Shares shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such Shares.

### **Lien**

13. 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 that share, and the Company shall also have a first and paramount lien on all shares (other than fully paid shares) standing registered in the name of a single person for all monies presently payable by him 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. Notwithstanding the foregoing, the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends, bonuses and distributions payable in respect thereof.

14. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen (14) days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of the death, mental disorder or bankruptcy of the registered holder.
15. For giving effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
16. The net proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale.

#### **Calls on Shares**

17. The Board may from time to time make such calls as it think fits upon the Members in respect of all or any part of the monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares and/or by way of premium) and not by the conditions of allotment thereof made payable at fixed times and each Member shall (subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call shall be deemed to have been made when the resolution of the Board authorising such call is passed and may be made payable by instalments. The non-receipt of a notice of any call by, or the accidental omission to give notice of a call to, any of the Members shall not invalidate the call. A call may be revoked or postponed as the Board may determine. A person upon whom a call is made shall remain liable on such call notwithstanding any subsequent transfer of the shares in respect of which the call was made.
18. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect of such share or other monies due in respect thereof.
19. (A) The Board may from time to time at its discretion extend the time fixed for any call and may extend such time as regards all or any of the Members whom, by reason of residence outside Hong Kong or other cause, the Board may deem entitled to any such extension.  
  
(B) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate not exceeding 20 per cent per annum as the Board may determine from the day appointed for the

payment thereof to the time of the actual payment, but the Board shall be at liberty to waive payment of that interest wholly or in part. The Member concerned shall also be liable to pay all expenses incurred by the Company as a result of the non-payment of the call.

20. No Member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another Member who is entitled) at any general meeting, either personally or by proxy or authorised representative or be reckoned in a quorum or to exercise any other privilege (whether alone or jointly with any other person) as a Member until all calls and instalments due from him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.
21. Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of the Articles be deemed to be a call duly made, notified 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 the Articles as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
22. The Board may make arrangements on the issue of shares for differences in the amount of calls to be paid and in the times of payment between one holder and another.
23. The Board may, if it thinks fit, receive from any Member willing to advance the same all or any part of the monies uncalled and unpaid upon any shares held by him and upon all or any of the monies so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding, without the sanction of the Company in general meeting, 6 per cent per annum) as may be agreed upon between the Member paying the sum in advance and the Board. Such payment in advance shall not entitle the holder of such share or shares to receive any dividend or privileges as a Member in respect of the share or shares or the due portion of the shares upon which payment has been advanced by such holder of share or shares before it is called up. The Board may at any time repay the amount so advanced or any part thereof upon giving to such Member not less than one (1) month's notice in writing of its intention to do so, unless before the expiration of such notice the amount proposed to be repaid shall have been called up on the shares in respect of which it was advanced in which event the same shall be applied in or towards satisfaction of the call under the applicable provisions of the Articles.
24. 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 (1) of the holders of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Member sued, in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

App.3(3)(1)



## **Forfeiture of Shares**

25. If a Member fails to pay in full any call or instalment of a call or any instalment on or before the day appointed for the payment thereof, the Board may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may accrue up to the date of payment and all other costs, charges and expenses incurred or suffered by the Company in connection with the failure to pay any call.
26. The notice shall name a further day (not earlier than fourteen (14) days after the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.
27. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares but not paid before forfeiture. The Board may accept a surrender of any share liable to be forfeited hereunder and, in such case, references in these Articles to forfeiture shall include surrender.
28. Until cancelled in accordance with the requirements of the Ordinance, any share so forfeited shall be deemed to be the property of the Company and may be sold, reallocated or otherwise disposed of either to the person who was, before the forfeiture, the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit and at any time before a sale or disposition thereof the forfeiture may be cancelled on such terms as the Board thinks fit.
29. 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 monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares together with interest thereon from the date of forfeiture until payment at such rate (not exceeding twenty (20) per cent. per annum) as the Board shall prescribe, and the Board may enforce payment of such interest and all other costs, charges and expenses incurred and suffered by the Company in connection with the failure to pay any call or instalment, but his liability shall cease if and when the Company shall receive payment in full of all such monies 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 which is subsequent to the date of forfeiture, whether on account of the nominal value of the share and/or by way of premium, shall, notwithstanding that such time has not yet arrived, be deemed to be payable at 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, if later, the date of actual payment.
30. A statutory declaration in writing from a Director or the Secretary that a share in the Company has been duly forfeited or surrendered on a date stated

in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may, subject to the restrictions contained in the Articles, execute a transfer of the share in favour of the person to whom the share is sold or disposed of, and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

31. When any share shall have been forfeited, notice of the resolution 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.
32. (A) Notwithstanding any such forfeiture as aforesaid, the Board may at any time, before any shares so forfeited shall have been sold, reallocated or otherwise disposed of, permit the shares forfeited to be 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 it thinks fit.
- (B) The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.
- (C) The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### **Transfer of Shares**

33. (A) The rights of Members to transfer their fully-paid shares shall not be restricted (except when permitted by the Stock Exchange) and shall also be free from all lien. App.3(1)(2)
- (B) All transfers of shares shall be effected by transfer in writing in any usual or common form or in any other form acceptable to the Board and may be under hand only or, if the transferor or transferee is a Clearing House (or its nominee), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time and shall be executed by or on behalf of the transferor and by or on behalf of the transferee.
- (C) The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register in respect thereof.



34. (A) The Board may in its absolute discretion and without giving any reason therefor decline to register any transfer of shares (not being a fully paid share) to any person provided that it shall register any transfer of shares for the purpose of enforcing a security interest over such shares.
- (B) The Board shall not register a transfer to a person who is known to them to be an infant or a person of unsound mind but the Board shall not be bound to enquire into the age or soundness of mind of any transferee.
- (C) In the case of a transfer to joint holders, the Board may also decline to register the transfer unless the number of transferees does not exceed four.
35. (A) The Board may also decline to recognise any instrument of transfer unless:
- (a) a fee of such maximum sum as the Stock Exchange may determine to be payable or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof;
  - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and is delivered to the Office;
  - (c) such other conditions as the Board may from time to time impose for the purpose of guarding against losses arising from forgery are satisfied;
  - (d) the instrument of transfer is in respect of only one (1) class of share;
  - (e) the shares concerned are free of any lien in favour of the Company; and
  - (f) if applicable, the instrument of transfer is duly and properly stamped.
- (B) Every instrument of transfer shall be left at the Office for registration (or at such other place as the Board may appoint for such purpose) accompanied by the certificate of the shares to be transferred and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the shares.
- (C) If the Board refuses to register a transfer it shall within two (2) months after the date on which the transfer was lodged with the Company send to the transferor and the transferee notice of the refusal.
- (D) All instruments of transfer which are registered may be retained by the Company but any instrument of transfer which the Board may decline to register shall (except in the case of fraud or suspected fraud) be returned to the person depositing the same together with the share certificate within two (2) months after the date on which the transfer was lodged with the Company.

36. There shall be paid to the Company in respect of the registration of a transfer and of any probate, letters of administration, certificate of death or marriage, power of attorney, or other instrument relating to or affecting the title to any share or for making of any entry in the Register affecting the title to any share such fee (if any) as the Board may from time to time require or prescribe (but not exceeding the maximum fees as the Stock Exchange may from time to time permit). App.3(1)(1)
37. The registration of transfers may be suspended and the Register may be closed at such times and for such periods as the Board may from time to time think fit 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 (30) days in any year or, with the approval of the Company by ordinary resolution, sixty (60) days in any year.

### **Untraced Members**

38. Without prejudice to the rights of the Company, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending such cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. App.3(13)(1)
39. (A) The Company may sell any shares of any Member or any share to which a person is entitled by transmission if:
- (a) during the relevant period at least three dividends or other distributions in respect of the shares in question have become payable and no dividend or distribution during that period has been claimed; App.3(13)(2a)
  - (b) the Company has given notice of its intention to sell the shares by way of an advertisement published in the newspapers in accordance with the requirements of the Listing Rules and has notified the Stock Exchange of such intention and a period of three (3) months or such shorter period as may be allowed by the Stock Exchange has elapsed since the date of such advertisement; App.3(13)(2b)
  - (c) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the Member or of any person who is entitled to such shares by death, bankruptcy or operation of law.

For the purpose of the foregoing, the “relevant period” means the period commencing twelve (12) months before the date of publication of the advertisement referred to in sub-paragraph (b) of paragraph (A) of this Article and ending at the expiry of the period referred to in that sub-paragraph.

- (B) To give effect to any such sale the Board may authorise any person to transfer the said shares and an instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase monies nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.
- (C) The net proceeds of such sale shall belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former Member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any monies earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Article shall include any additional shares which during the relevant period or during any period ending on the date when all the requirements of sub-paragraphs (a) to (c) of paragraph (A) of this Article have been satisfied have been issued in respect of those held at the beginning of such relevant period, and shall be valid and effective notwithstanding that the Member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

#### **Transmission of Shares**

- 40. In case of the death of a Member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, provided that nothing herein contained shall release the estate of the deceased (whether a sole or joint holder) from any liability in respect of any share which had been held by him solely or jointly with other persons.
- 41. Any person to whom the right to any share has been transmitted by operation of law may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Board shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before the event giving rise to the transmission. The merger of any two or more corporations under the laws of one or more foreign countries or states shall constitute a transmission by operation of law for the purposes of this Article.
- 42. If the person so becoming entitled shall elect to be registered himself, whether in whole or in part, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by executing to that person a transfer of the relevant shares. All the limitations, restrictions and provisions of the 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 transmission had not occurred and the notice or transfer were a transfer signed by the registered holder.

43. Any person to whom the right to any share has been transmitted by operation of law 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, provided always that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety (90) days the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with but, subject to the requirements of Article 68 being met, such person may vote at meetings of the Company.
44. Any person to whom the right to any shares in the Company has been transmitted by operation of law shall, if the Board refuses to register the transfer, be entitled to call on the Board to furnish within twenty-eight (28) days a statement of the reasons for the refusal.
45. (A) The Company may from time to time by ordinary resolution convert any fully paid-up shares into stock and may reconvert any stock into full paid-up shares of any denomination. After the passing of any resolution converting all the fully paid-up shares of any class in the capital of the Company into stock, any shares of that class which subsequently become fully paid-up and rank *pari passu* in all other respects which such shares shall, by virtue of this Article and such resolution, be converted into stock transferable in the same units as the shares already converted.
  - (B) The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as the shares from which the stock arose might prior to conversion have been transferred or as near thereto as circumstances admit. The Directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of such minimum, but the minimum shall not, without the sanction of an ordinary resolution of the Company, exceed the nominal amount of each of the shares from which the stocks arose. No warrants to bearer shall be issued in respect of any stock.
  - (C) The holders of stock shall, according to the amount of the stock held by them, have the same rights as regards dividends, participation in assets on a winding-up, voting at general meetings of the Company and other matters as if they held the shares from which the stock arose, but no such right (except as to participation in dividends, profits and assets on a reduction of capital or a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right.
  - (D) Such of these Articles as are applicable to fully paid-up shares shall apply *mutatis mutandis* to stock, and the words “share” and “shareholder” shall include “stock” and “stockholder”.

## **Alteration of Capital**

46. (A) The Company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
- (B) The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner prescribed by law and the Listing Rules.
47. Except so far as otherwise provided by the conditions of issue or by these Articles, any new shares issued as a consequence of an alteration of capital shall be subject to the same provisions with reference to the payments of calls and instalments, liens, transfer, transmission, forfeiture, cancellation, surrender, voting and otherwise as the shares in the original capital.
48. The Company may by ordinary resolution:
- (A) consolidate and divide all or any of its share capital into shares of larger or smaller amount than its existing shares; 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 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 rateable in accordance with their rights and interests or may be paid to the Company for the Company's benefit. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the title;
- (B) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled;
- (C) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Ordinance, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared

with the others as the Company has power to attach to unissued or new shares.

- (D) divide any shares into several classes and attach thereto respectively any preferred, deferred, qualified or other special rights, privileges, conditions or restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time determine, provided always that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting.”

App.3(10)(1)

App.3(10)(2)

### **General Meetings**

49. Subject to section 111(6) of the Ordinance, the Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and not more than fifteen (15) 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. All general meetings other than annual general meetings shall be called extraordinary general meetings.
50. The Board may, whenever it thinks fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by section 113 of the Ordinance. If at any time there are not within Hong Kong sufficient Directors capable of acting to form a quorum, any Director or any 2 Members who are entitled to attend and vote at a general meeting may convene an extraordinary general meeting in the same manner as nearly as possible as that in which a meeting may be convened by the Directors.



## Notice of General Meetings

51. An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty-one (21) clear days' notice in writing at the least, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by fourteen (14) clear days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such and the notice convening a meeting to pass a special resolution shall specify the intention to propose the relevant resolution as a special resolution. App.3(7)(3)

If the Board considers that it is impracticable or unreasonable to hold a general meeting on the date or at the time or place stated in the notice calling the meeting, it may move or postpone the meeting (or do both). If the Board does this, an announcement of the date, time and place of the rearranged meeting will, if practicable, be published in at least one (1) English language and one (1) Chinese language newspaper published daily and circulating in Hong Kong. Notice of the business of the meeting does not need to be given again. The Board must take reasonable steps to ensure that any Member trying to attend the meeting at the original time and place is informed of the new arrangements. If a meeting is rearranged in this way, proxy forms can be delivered as required by these Articles until forty-eight (48) hours before the time of the rearranged meeting.

52. Subject to the foregoing Article, the notice of every 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 the Articles, entitled to receive such notices from the Company, provided that 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 Article 51, be deemed to have been duly called if it is so agreed:
- (A) in the case of a meeting called as the annual general meeting, by all the Members entitled to attend and vote thereat; and
  - (B) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.
53. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at any meeting.
54. In cases where instruments of proxy are or are to be sent out with notices, the accidental omission to send such instruments of proxy to or the non-

receipt of such instruments of proxy by any person entitled to receive notice shall not invalidate any resolution passed or any proceedings at any such meeting.

### **Proceedings at General Meetings**

55. For all purposes the quorum for a general meeting shall be 2 Members entitled to vote present in person or by separate proxy or representative. If the Company has only one Member, the sole Member present in person or by proxy shall constitute a quorum. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the meeting, provided that the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting.
56. All business shall be deemed special that is transacted at an extraordinary general meeting and at an annual general meeting, with the exception of sanctioning a dividend, the reading, consideration and adoption of accounts, balance sheets, and the reports of the Directors and the auditors, the election of Directors in the place of those retiring at the meeting, the appointment of the auditors (where special notice of the resolution for such appointment is not required by the Ordinance) and the fixing, or the determination of the method of fixing, of the remuneration of the auditors.
57. If within fifteen (15) minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Board and if at the adjourned meeting a quorum is not present within fifteen (15) minutes from the time appointed for the meeting, the Member or Members present shall be a quorum and may transact the business for which the meeting was called.
58. Each Director shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the Company.
59. (A) The chairman, if any, of the Board shall preside as chairman at every general meeting of the Company. If there is no such chairman, or if at any meeting he is not present within fifteen (15) minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Members present shall choose one of their number to be chairman.  
  
(B) The chairman of a meeting may take any action he considers appropriate for proper and orderly conduct at a general meeting. The chairman's decision on matters of procedure or on matters that arise incidentally from the business of a meeting is final. The chairman's decision whether a matter is procedural or incidental is also final.
60. The chairman may, with the consent of any meeting at which a quorum is present and shall if so directed by the meeting, adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished



at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Board. When a meeting is adjourned for twenty-one (21) days or more, not less than seven (7) days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

61. (A) Subject to the rules prescribed by the Stock Exchange from time to time, at every general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or upon the declaration of the result of the show of hands) a poll be demanded by:

- (a) the chairman of the meeting;
- (b) at least three Members present in person or by proxy having the right to vote on the resolution;
- (c) a Member or Members present in person or by proxy representing in aggregate not less than one-tenth of the total voting rights of all the Members having the right to attend and vote at the meeting;
- (d) a Member or Members present in person or by proxy holding shares conferring the right to attend and vote at the meeting on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or
- (e) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five (5) per cent. or more of the total voting rights at such meeting;

R.13.39(3)

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

(B) A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the meeting and the demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

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

62. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith at the meeting and without adjournment. A poll demanded on any other question shall be taken at such time (being not later than thirty (30) days after the date of the demand) and place as the chairman of the meeting directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
63. (A) (a) Amendments can be proposed to any resolution if they are clerical amendments or amendments to correct some other obvious error in the resolution. No other amendments can be proposed to any special resolution.
- (b) Amendments to an ordinary resolution which are within the scope of the resolution can be proposed if:
- (i) notice of the proposed amendment is delivered to the Office at least two (2) working days before the date of the meeting, or adjourned meeting; or
  - (ii) the chairman of the meeting in his absolute discretion decides that the amendment is appropriate for consideration by the meeting.
- No other amendment can be proposed to an ordinary resolution.
- (B) If the chairman of a meeting, acting in good faith, rules that a proposed amendment to any resolution under consideration is out of order, any error in that ruling will not affect the validity of a vote on the original resolution.
64. All questions submitted to a meeting shall be decided by a majority of votes except where a greater majority is required by the Articles or by the Ordinance. In the event of an equality of votes, whether on a show of hands or on a poll, the chairman shall not have a casting vote.
65. (A) Subject to the provisions of the Ordinance, a resolution in writing signed by all Members for the time being entitled to receive notice of and attend and vote at general meetings (or being corporations, by a Director thereof or by their duly authorised representative) shall be treated as a resolution duly passed at a general meeting of the Company duly convened and held, and, where relevant, as a special resolution so passed. Any such resolution may consist of several documents in the like form, each signed by one or more persons.
- (B) Subject to the provisions of the Ordinance, all general meetings may be held by means of video conference or by other lawful electronic means and in such manner as may be agreed by the Company in general meeting. All the provisions in these Articles as to general meetings shall, mutatis mutandis, be applicable.

- (C) (a) Where the Company has only one Member and that Member takes any decision that may be taken by the Company in general meeting and that has effect as if agreed by the Company in general meeting, he shall (unless that decision is taken by way of a written resolution agreed in accordance with section 116B of the Ordinance) provide the Company with a written record of that decision within seven (7) days after the decision is made.
- (b) Where the sole Member provides the Company with a written record of a decision in accordance with Article 65(C)(a), that record shall be sufficient evidence of the decision having been taken by the sole Member.
- (c) The Company shall cause a record of all written records provided to the Company in accordance with this Article to be entered into a book kept for that purpose in the same way as minutes of proceedings of a general meeting of the Company.

### **Votes of Members**

- 66. (A) Subject to Article 78(B) and to the rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every Member present in person or by proxy or representative shall have one vote, and on a poll every Member present in person or by proxy or representative shall have one vote for each share of which he is the holder and which is fully paid up (but so that no amount paid up on a share in advance of calls or instalments shall be treated for the purpose of this Article as paid up on the share). A person entitled to cast more than one vote upon a poll need not use all his votes or cast all the votes he uses in the same way.
  - (B) No member shall, unless the Board otherwise determines, be entitled to attend and vote and be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares in the Company have been paid.
67. Where the Company has knowledge that any Member is required under the Listing Rules to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any vote(s) cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted. App.3(14)
68. Any person entitled under Article 42 to be registered as a Member 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 Board of his right to be registered as the holder of such shares or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

69. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy or by representative, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.
70. If (a) any objection shall be raised to the qualification of any voter or (b) any votes have been counted which ought not to have been counted or which might have been rejected or (c) any votes have not been counted which ought to have been counted, the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless 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 of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.
71. Any Member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy 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 of the Company. A Member may appoint more than one proxy to attend on the same occasion. Notwithstanding anything contained in these Articles, where a Member of the Company is a Clearing House (or its nominee(s)), a proxy or proxies appointed by such Member shall be entitled to separate vote on a show of hands.
72. 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. The signature on such instrument need not be witnessed. App.3(11)(2)
73. 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 not less than 48 hours before the meeting at the Office or at the place or one of such places (if any) as may be specified for the purpose in or by way of note to the notice convening the meeting or in any notice of any adjourned meeting or, in either case, in any document sent therewith or in the instrument of proxy issued by the Company. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting or poll concerned. If more than one valid proxy form is delivered in respect of the same share for use at the same meeting, the one delivered last (regardless of the date on which it is signed) shall be treated as the valid form. If it is not possible to determine the order of delivery, none of the forms will be treated as valid.
74. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date of its execution unless it states that it is valid for all meetings whatsoever until revoked, with the exception that any instrument may be used at any adjournment of the meeting for which it was originally intended.

75. The instrument appointing a proxy to vote at a general meeting shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit.
76. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or mental incapacity of the principal or the revocation of the proxy or transfer of the share in respect of which the proxy is given, provided that no intimation in writing of the death, mental incapacity, revocation or transfer has been received by the Company at the Office or such other place as was specified for the deposit of proxies or by the chairman of the meeting at least 48 hours before the vote is given.
77. An instrument appointing a proxy may be in any usual or common form or in any other form which the Board may approve and may be expressed to be valid for a particular meeting or generally until revoked. App.3(11)(1)
78. (A) Any corporation which is a Member may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members, 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. App.3(11)(2)
- (B) If a Clearing House (or its nominee(s)) is a Member of the Company, it (or, as the case may be, its nominee) may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any general meeting of the Company or at any meeting of any class of Members of the Company provided that, if more than one (1) person is so authorised, the authorisation or proxy form shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised under the provisions of these Articles shall be entitled to exercise the same rights and powers on behalf of the Clearing House (or its nominee(s)) which he represents as that Clearing House (or its nominee(s)) could exercise as if such person were an individual Member of the Company including the right to vote individually on a show of hands.
- (C) Any reference in these Articles to a duly authorised representative of a Member of the Company being a corporation or a duly authorised representative of a Clearing House (or its nominee(s)) shall mean a representative authorised under the provisions of these Articles.

### **Matters Requiring Special Majority Votes**

79. Notwithstanding anything contained in these Articles, if any resolution or other corporate action of the Company is proposed which may in any way affect, directly or indirectly, the Type B Shares Arrangement, a shareholders' meeting of the Company shall be held to consider the matter.

80. Without prejudice to the generality of the foregoing provision and without limitation, the following matters shall be deemed to be matters which may affect the Type B Shares Arrangement:
- (A) any decision by the Company (in its capacity as holder of Type A Shares) to propose or to vote for or against any resolution proposed to be passed at the shareholders' meeting of SJM:
    - (a) to issue any new Type B Shares or any securities exchangeable or convertible into Type B Shares, unless:
      - (i) the aggregate number of Type B Shares after such issue or upon exchange or conversion of such securities will not exceed ten (10) per cent. of the enlarged total issued share capital of SJM;
      - (ii) all the new Type B Shares to be issued are subject to the same rights and restrictions as the pre-existing Type B Shares; and
      - (iii) all the new Type B Shares are to be issued to the managing director of SJM in his capacity as such at par payable in cash, solely for the purpose of maintaining such managing director's shareholding in SJM for compliance with the applicable law;
    - (b) to issue any new shares of SJM with rights similar to Type B Shares;
    - (c) to amend any provision(s) of the SJM Articles which has or likely to have the effect of changing, varying, removing or otherwise altering the rights and restrictions of Type B Shares;
    - (d) that constitutes or could give rise to an alteration of any of the characteristics of the Type B Shares;
  - (B) any resolution proposed to be passed at the shareholders' meeting of the Company to change, amend or otherwise alter Articles 79 to 81 and Article 96(E) hereof or make any amendment and/or addition to these Articles which has or likely to have the effect of removing, overriding, by-passing or otherwise affecting the effectiveness and applicability of Articles 79 to 81 and Article 96(E).
81. All matters submitted to a shareholders' meeting of the Company pursuant to Article 79 shall be resolved and passed by a special majority vote where:
- (A) the following shareholders of the Company shall not be entitled to vote at any such shareholders' meeting or any adjournment thereof:



- (a) any shareholder of the Company who is, or any of whose associates is, solely or jointly with another person or persons a holder of Type B Shares;
- (b) any other person connected with holders of Type B Shares.

For the purpose of this provision, “any other person connected with holders of Type B Shares” means any person who is for that reason or otherwise directly or indirectly interested in the alteration of the rights, restrictions or any characteristics of Type B Shares or whose interests are different from the other shareholders of the Company and any such shareholders referred to in sub-paragraph (a) or (b) of Article 81(A) are together called the “**Interested Shareholders**”.

- (B) any such resolution shall be passed only if:
  - (a) such resolution is approved by no less than seventy-five (75) per cent. of the votes attaching to the shares held by the shareholders of the Company other than the Interested Shareholders (“**Independent Shareholders**”), voting in person or by proxy at a duly convened meeting of the Independent Shareholders present or represented at the meeting; and
  - (b) the number of votes cast against the relevant resolution at such meeting is not more than ten (10) per cent. of the votes attaching to all shares held by the Independent Shareholders present or represented at the meeting.

### **Directors**

- 82. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than the minimum required by the Ordinance nor more than 12. The first Directors shall be determined in writing by the subscriber to the Memorandum of Association. A Director shall not be required to hold any shares in the Company by way of qualification.
- 83. (A) The Company in general meeting may by ordinary resolution appoint any person to be a Director for such term as may be resolved or by ordinary resolution remove any existing Director (including a managing or other executive director) at any time before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) and may by ordinary resolution elect another person in his stead. The notice of any such meeting convened for the purposes of removing a Director shall contain a statement of the intention to do so and be served on such Director forthwith or twenty-eight (28) days before the meeting (whichever is earlier) and at such meeting, such Director shall be entitled to be heard on the motion for his removal. App.3(4)(3)

- (B) The Board may appoint any person to be a Director as an additional Director or to fill a casual vacancy, provided that any person so appointed shall hold office only until the conclusion of the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election.
- (C) Any appointment of a Director pursuant to this Article shall be ineffective if such appointment would have the result that the number of Directors exceeds the number fixed in accordance with Article 82.
84. The Directors shall be entitled to receive by way of remuneration for their services 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 the Directors may agree or, failing agreement, equally, except that if any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office.
85. Any Director who holds any executive office or who serves on any committee, or who otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Board may determine.
86. The Board may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Board or of any committee of the Board or general meetings or otherwise in or about the business of the Company.
87. The office of a Director shall be vacated if the Director:
- (a) becomes bankrupt or has a receiving order made against him or suspends payment or makes any arrangement or composition with his creditors generally;
  - (b) becomes a lunatic or of unsound mind or a patient for any purpose of any statute relating to mental health and the Board resolve that his office be vacated;
  - (c) (not being a Director appointed to an office in the management or business of the Company under Article 93(A) whose contract precludes resignation) resigns his office by notice in writing to the Company;
  - (d) is convicted of an indictable offence;
  - (e) has his office vacated or becomes prohibited from being a Director under any of the provisions of the Ordinance or any order made under the Ordinance;



- (f) absents himself from the meetings of the Board during a continuous period of six (6) months, without special leave for absence from the Board and his alternate Director (if any) shall not during such period have attended in his stead and the Board pass a resolution that his office be vacated by reason of such absence;
  - (g) shall be removed from office by notice in writing served upon him signed by all his co-directors provided that such co-directors shall not be less than 2 in number; or
  - (h) shall be removed from office by the Members in accordance with Article 83(A).
88. The Company may from time to time in general meeting by ordinary resolution fix, increase or reduce the maximum and minimum number of Directors but so that the number of Directors shall never be less than the minimum required by the Ordinance.
89. The Company shall keep a register in which there shall be entered the particulars required by the Ordinance in respect of the Directors and the Secretary and shall from time to time notify the Registrar of Companies of any change that takes place in such particulars as required by the Ordinance.

#### **Powers and Duties of Directors**

90. The business of the Company shall be managed by the Directors who, without limiting the generality of the foregoing, may pay all expenses incurred in setting up and registering the Company and may exercise all such powers of the Company as are not required, by the Ordinance or by these Articles, to be exercised by the Company in general meeting subject, nevertheless, to such regulations as may be prescribed by the Company in general meeting being not inconsistent with any of the Articles or the provisions of the Ordinance; but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article. A meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors. For the avoidance of doubt, the Directors are not entitled to exercise any powers which have been specifically given to the shareholders by Articles 79 to 81.
91. (A) The Directors may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds or death or disability benefits for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or service of the Company or of any company which is a subsidiary of the Company or is allied or associated with the Company or with any such subsidiary company or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid and holding or who have held any salaried employment or office in the Company or such other company and the wives, widows, families and dependants of any such persons.

- (B) 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 exhibition or for any public, general or useful object. The Directors may do all or any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid.
  - (C) 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.
92. (A) The Board may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under the Articles) and for such period and subject to such conditions as they may think fit.
- (B) Any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
93. (A) The Board may from time to time appoint one or more of their body to the office of managing director or joint managing director on such terms and for such period as they may determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment. Such appointment shall automatically determine if the holder ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- (B) The Board may entrust to and confer upon a managing director or joint managing director any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers. The managing director or joint managing directors shall receive such remuneration (either by way of salary, commission, participation in profits, or otherwise howsoever) as the Board may determine.
94. The Board shall cause minutes to be duly entered in books provided for the purpose:
- (a) of all appointments of officers made by the Board;

- (b) of the names of the Directors present at each meeting of the Board and of any committee of the Board;
- (c) of all declarations made or notices given by any Director (either generally or specially) of his interest in any contract or proposed contract or of his holding of any office or property whereby any conflict of duty or interest may arise; and
- (d) of all resolutions and proceedings of general meetings of the Company and of meetings of the Board and any committee of the Board;

and any such minutes of any general meeting of the Company or any meeting of the Board or of any committee of the Board shall be signed by the chairman of such meeting or by the chairman of the next succeeding meeting and if so signed shall be receivable as prima facie evidence of the matters stated therein.

### **Borrowing Powers**

95. (A) The Board may exercise all the powers of the Company to borrow money for the purposes of the Company, without limit and upon such terms as they may think fit, and to mortgage or charge its undertaking, property (both present and future) and uncalled capital, or any part thereof, and to issue bonds, debentures, debenture stock, and, subject to section 57B of the Ordinance, convertible debentures and convertible debenture stock and other securities whether outright or as a security for any debt, liability or obligation of the Company or of any third party.
- (B) Debentures, debenture stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- (C) Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.
- (D) If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board may, by instrument under the Seal, authorise the person in whose favour such mortgage or security is executed, or any other person in trust for him, to make calls on the Members in respect of such uncalled capital, and the provisions hereinbefore contained with regard to calls shall, mutatis mutandis, apply to calls made under such authority, and such authority may be made exercisable either conditionally or unconditionally, and either presently or contingently, and either to the exclusion of the Directors' powers or otherwise, and shall be assignable if expressed so to be.
- (E) Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to

such prior charge and shall not be entitled, by notice to the shareholders or otherwise, to obtain priority over such prior charge.

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

#### **Directors' Interests**

- 96. (A) A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as vendor, shareholder or otherwise and, subject to the Ordinance, no such Director shall be accountable to the Company for any remuneration or benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs.
- (B) A Director may hold other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms as to remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such office or place of profit or as vendor, purchaser or otherwise nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way, whether directly or indirectly, interested (whether or not such contract or arrangement is with any person, company or partnership of or in which any Director shall be a member), be liable to be avoided on that account nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, provided that such Director shall forthwith disclose the nature of his interest in any contract or arrangement in which he is interested as required by and subject to the provisions of the Ordinance and the Articles.
- (C) A Director shall not vote (or be counted in the quorum at a meeting) in respect of any resolution concerning his own appointment (including fixing or varying its terms), or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested but, where proposals are under consideration concerning the appointment (including fixing or varying its terms), or the termination of the appointment, of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, those proposals may be divided and a separate resolution may be put in relation to each Director and in that case each of the Directors concerned (if not

otherwise debarred from voting under this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution unless it concerns his own appointment or the termination of his own appointment.

(D) A Director who is in any way, whether directly or indirectly, materially interested in a contract, arrangement or transaction or proposed contract, arrangement or transaction with the Company and which is of significance in relation to the Company's business shall declare the nature of his interest at the earliest meeting of the Board at which it is practicable for him to do so, in accordance with the Ordinance. A general notice to the Board by a Director stating that, by reason of facts specified in the notice, he is to be regarded as interested in contracts, arrangements or transactions or proposed contracts, arrangements or transactions of any description which may subsequently be made or contemplated by the Company shall be deemed for the purposes of this Article to be a sufficient declaration of his interest, so far as attributable to those facts, in relation to any contract, arrangement or transaction or proposed contract, arrangement or transaction of that description which may subsequently be made or contemplated by the Company, but no such general notice shall have effect in relation to any contract, arrangement or transaction or proposed contract, arrangement or transaction unless it is given before the date on which the question of entering into the same is first taken into consideration on behalf of the Company.

(E) Save as otherwise provided by these Articles, a Director and his associates shall not vote on any resolution of the Board nor be counted in the quorum in respect of any contract, arrangement or any matters (including any of the matters referred to in Articles 79 to 81) which he or any of his associates, is/are to his knowledge materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply in respect of the following matters:

App.3(4)(1)

- (a) the giving of any security or indemnity either:
  - (i) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
  - (ii) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has/have himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (b) any contract, arrangement or proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or

his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

- (c) any contract, arrangement or proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in five (5) per cent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;
  - (d) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
    - (i) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or
    - (ii) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
  - (e) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.
- (F) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates (either directly or indirectly) are the holders of or beneficially interested in five (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 (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are 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(s) is/are interested only as a unit holder and



any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.

- (G) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (H) (a) If any question shall arise at any meeting as to the materiality of a Director's interest or the significance of a contract, arrangement or transaction or proposed contract, arrangement or transaction or as to the entitlement of any Director to vote or form part of a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any Director (other than himself) shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned as known to such Director have not been fairly disclosed.  
  
(b) 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 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.
- (I) The Company may by Ordinary Resolution suspend or relax the provisions of this Article (except Article 96(E), which shall be subject to the provisions set out in Articles 79 to 81) to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.
- (J) Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.
- (K) In each case where a Director cannot vote or be counted in the quorum at a meeting as provide in Article 96(E), he shall also be physically absent from the venue of the meeting during the time the relevant contract, arrangement or matter is being discussed and voted on by the other Directors.

#### **Retirement and re-election of Directors**

97. At each annual general meeting of the Company, one-third of the Directors at the start of business on the date of the notice which convenes the annual general meeting shall retire but shall be eligible for re-election. Where the number of Directors is not three (3) or a number divisible by three (3), the number of Directors to retire will be the number which is nearest to and not

less than one-third. If there are less than three (3) Directors, they shall all retire. The Directors to retire by rotation will be those Directors who have been Directors longest in office since they were last elected, or appointed by the Members (as the case may be). If there are Directors who were last elected, or appointed by the Members (as the case may be), on the same date, they can agree on who is to retire. If they do not agree, they must draw lots to decide. Every retiring Director shall be eligible for re-election.

98. No person (other than a Director retiring in accordance with these Articles) shall be appointed or re-appointed a Director at any general meeting unless:

(a) he is recommended by the Board; or

(b) not earlier than the day after the despatch of the notice of the meeting and not later than seven (7) days prior to the date appointed for the meeting there has been left at the Office a letter, signed by at least two (2) Members (other than the person to be proposed) entitled to vote at the meeting together holding not less than ten (10) per cent. of the entire issued share capital of the Company, notice of his intention to propose a resolution for the appointment or reappointment of that person and a notice executed by that person of his willingness to be appointed or re-appointed.

App.3(4)(4)

App.3(4)(5)

### **Proceedings of Directors**

99. The Directors may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings, as they think fit. At any time any Director may, and the Secretary on requisition of any Director shall, summon a meeting of Board. Any Director may waive notice of any meeting and any such waiver may be given prospectively or retrospectively.

100. Questions arising at any meeting of the Board shall be decided by a majority of votes and in the case of an equality of votes the chairman shall have a second or casting vote. A Director may (and the Secretary on the requisition of a Director shall) at any time summon a meeting of the Directors.

101. Unless otherwise determined by the Board, the quorum of a Board meeting shall be two. An alternate Director shall be counted in a quorum in the case of the absence of a Director for whom he is the alternate provided that he shall not be counted more than once for the purpose of determining whether or not a quorum is present. Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

102. 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 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.

103. The Board may elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within ten (10) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
104. The Board may from time to time appoint committees consisting of such member or members of their body and/or such other person(s) as they think fit, and may delegate any of their powers to any such committee, and from time to time revoke any such delegation and discharge any such committee wholly or in part. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board. Without limiting the generality of this Article 104, any committee so formed may be authorised by the Board to sub-delegate all or any of the powers, authorities or discretions for the time being vested in it. 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 Board and the Board shall have 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.
105. A committee may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within ten (10) minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.
106. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contain for regulating the meetings and proceedings of the Board including Articles 99, 107 and 108 so far as the same are applicable thereto and are not replaced by any regulations imposed by the Board pursuant to Article 104.
107. All or any of the Directors or members of any committee established in accordance with these Articles may take part in a meeting of the Board or a committee by way of a conference telephone or any communication equipment which allows everybody to take part in the meeting by being able to hear each of the other people at the meeting and by being able to speak to all of them at the same time. A person taking part in this way will be treated as being present at the meeting and will be entitled to vote and be counted in the quorum. Such meetings will be treated as taking place where most of the participants are or where the chairman of the meeting is if no more than one (1) is in each place.
108. A resolution in writing signed by all the Directors (or their respective alternate Directors as the case may be) for the time being entitled to receive notice of a meeting of the Board or of a committee of the Board shall be as valid and effective as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one (1) or more Directors (or alternate Directors as the case may be). A resolution

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

109. (A) All acts bona fide done by any meeting of the Board or of a committee of the Board or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them were or was 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.
- (B) 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.

#### **Alternate Directors**

110. (A) A Director may at any time by notice in writing delivered to the Office or at a meeting of the Board appoint any person (including another Director) to be an alternate Director in his place. If such person is not another Director, such appointment, unless previously approved by the Board, shall have effect only upon and subject to being so approved. Any person so appointed under this Article shall automatically vacate his office on the expiration of the term for or the happening of the event until which he is by the terms of his appointment to hold office or which, were he a Director, would cause him to vacate such office or if the appointor in writing revokes the appointment or himself ceases for any reason to hold office as a Director. An appointment of an alternate Director under this Article shall not prejudice the right of the appointor to receive notices of and to attend and vote at meetings of the Board and the powers of the alternate Director shall automatically be suspended during such time as the Director appointing him is himself present in person at a meeting of the Board.
- (B) An alternate Director shall (subject to his giving to the Company an address at which notices may be served on him) be entitled (in addition to his appointor) to receive and (in lieu of his appointor) to waive notices of meetings of the Board and of any committee of the Board of which his appointor is a member and shall be entitled to attend and vote as a Director and be counted in the quorum at any such meeting at which his appointor is not personally present and generally at such meeting to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director and shall attend any such meeting as an alternate for more than one Director, he shall be counted in the 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 the votes he uses in the same way. His signature to any resolution in writing of the Board or of any such committee and his attestation of the affixing of the Seal shall be as effective as the signature and attestation of his appointor. An alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.

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

111. Section 153B(1) of the Ordinance shall not apply to an alternate Director appointed pursuant to these Articles.

### **Secretary**

- 112. (A) The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit and any Secretary so appointed may be removed by the Board. Anything by the Ordinance or these Articles required or authorised to be done by or to the Secretary, 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 in that behalf by the Board. In the event that the Secretary appointed is a corporation, it may act and sign by the hand of any one or more of its Directors or officers duly authorised.
- (B) The Secretary shall, if an individual, ordinarily reside in Hong Kong and, if a body corporate, have its registered office or a place of business in Hong Kong.
- (C) A provision of the Ordinance or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

### **Cheques**

113. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

## **The Seal**

114. The Directors shall procure a common seal to be made for the Company, and shall provide for the safe custody thereof. The Seal shall not be affixed to any instrument except by the authority of the Directors or a committee authorised by the Board in that behalf, and every instrument to which the Seal shall be affixed shall be signed by one Director or some other person nominated by the Directors for the purpose, provided that the Board may either generally or in any particular case or cases resolve (subject to such restrictions as to the manner in which the Seal may be affixed as the Board may determine) that such signature may be affixed to certificates for shares or debentures or representing any other form of security by some mechanical means other than autographic to be specified in such resolution or that such certificates need not be signed by any person. Every instrument executed in the manner provided by this Article shall be deemed to be sealed and executed with the authority of the Directors previously given. App.3(2)(1)
115. The Company may have an official seal for use for sealing certificates for shares or other securities issued by the Company as permitted by section 73A of the Ordinance (and no signature of any Director, officer or other person and no mechanical reproduction thereof shall be required on any such certificates or other document to which such official seal is affixed and such certificates or other document shall be valid and deemed to have been sealed and executed with the authority of the Board notwithstanding the absence of any such signature or mechanical reproduction as aforesaid) and an official seal for use abroad under the provisions of the Ordinance where and as the Board shall determine, and the Company may by writing under the Seal appoint any 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 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.

## **Dividends and Reserves**

116. The Company in general meeting may declare dividends in any currency, but no dividend shall exceed the amount recommended by the Directors.
117. The Board may from time to time pay to Members such interim dividends as appear to the Directors to be justified by the profits of the Company.
118. No dividend shall be paid otherwise than out of net realised profits, or otherwise as allowed by the Ordinance.
119. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may from time to time think fit, and so

that it shall not be necessary to keep any investments constituting the reserve or reserve separate or distinct from any other investments of the Company. The Board may also, without placing the same to reserve, carry forward any profits which they may think prudent not to divide.

120. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
121. (A) The Board may deduct from any dividend payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise in relation to the shares of the Company.  
  
(B) The Board may retain any dividends or other monies 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.
122. Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets of any kind of the Company and in particular of paid-up shares, debentures, debenture stock or warrants to subscribed securities of any other company to which the Members are entitled, or in any one (1) or more of such ways, and the Board shall give effect to such resolution; and where any difficulty arises in regard to such distribution, the Board may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed or that fractions of less than one (1) dollar may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees as may seem expedient to the Board. Where required, a proper contract or written particulars thereof shall be filed in accordance with section 45 of the Ordinance; and in the case of a written contract the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.
123. Any dividend, bonus, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant or similar financial instrument sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent

and shall be sent at his or their risk and payment of the cheque and warrant by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one (1) of two (2) or more joint holders may give effectual receipts for any dividends, bonuses, interest or other monies payable in respect of the shares held by them as joint holders.

124. No dividend shall bear interest against the Company.

125. All dividends or bonuses unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividends or bonuses unclaimed after a period of six (6) years from the date of declaration shall be forfeited and shall revert to the Company. The payment by the Company of any unclaimed dividend or other sum payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

App.3(3)(2)

126. (A) Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on any class of the share capital of the Company, the Board may further resolve either:

(a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof if the Board so determines) in cash in lieu of such allotment. In such case, the following provisions shall apply:

(i) the basis of any such allotment shall be determined by the Board;

(ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

(iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and

(iv) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised (the "**non-elected shares**") and in satisfaction thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the



non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or

(b) that the shareholders entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:

(i) the basis of any such allotment shall be determined by the Board;

(ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

(iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and

(iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised (the "**elected shares**") and in lieu thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account or conversion rights reserve or capital redemption reserve fund (if there be any such reserves)) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the elected shares on such basis.

(B) (a) The shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank pari passu in all respects with shares of the same class (if any) then in issue save only as



regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub-paragraph (a) or (b) of paragraph (A) of this Article in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (A) of this Article shall rank for participation in such distribution, bonus or rights,

- (b) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Article, with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Board may authorise any person to enter into on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.
- (C) The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (A) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment. The Director can also decide that new shares will not be available in place of any cash dividend. They can decide this at any time before new shares are allotted in place of such dividend, whether before or after shareholders have opted to receive new shares.
- (D) The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (A) of this Article shall not be made available or made to any shareholders with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of such rights of election or the allotment of shares would or might, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.
- (E) Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the

Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Article shall mutatis mutandis apply to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the Members.

### **Capitalisation of Reserves**

127. The Company in general meeting may upon the recommendation of the Board resolve to capitalise any part of any money, investments or other assets for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares, debentures or debenture stock held by such Members respectively or paying up in full (either at par or at such premium as the resolution may provide) unissued shares or debentures or debenture stock of the Company to be allotted and distributed credited as fully paid-up to and amongst such Members in the proportions aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution, provided that a share premium account and a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be allotted to Members of the Company as fully-paid bonus shares.
128. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully-paid shares, debentures or debenture stock, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Board to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares, debentures or debenture stock becoming distributable in fractions, and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares, debentures or debenture stock to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.
129. The Board may by notice specify that Members entitled to an allotment or distribution of shares or debentures pursuant to any capitalisation sanctioned

under these Articles may elect that all or a specified number (of such shares) or value (of such debentures, being an integral multiple of the face amount of one of the relevant debentures) thereof shall be allotted or distributed to such person or persons as that Member shall specify by notice in writing to the Company. Any such notice may (in the discretion of the Board) be treated as void unless received at the place specified in the notice given by the Board before the resolution effecting such capitalisation is passed.

### **Record Dates**

130. (A) Notwithstanding any other provision of these Articles, the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.
- (B) In the absence of a record date being fixed, entitlement to any dividend, distribution, allotment or issue shall be determined by reference to the date on which the dividend is declared or the distribution, allotment or issue is made.

### **Accounts**

131. The Board shall cause proper books of account to be kept. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.
132. The books of account shall be kept at the Office or, subject to the Ordinance, at such other place or places as the Board thinks fit, and shall always be open to the inspection of any Director.
133. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or authorised by the Board or by the Company in general meeting.
134. The Board shall from time to time, in accordance with sections 122, 124 and 129D of the Ordinance, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in those sections.

135. Subject to section 129G of the Ordinance and to Article 136 below, a copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting, together with a copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting be sent to every Member, and every holder of debentures of the Company and to all persons other than Members or holders of debentures of the Company, being persons entitled to receive notices of general meetings of the Company, provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures, nor to any person to whom the Company has duly sent a copy of a summary financial report (as defined in the Ordinance) in accordance with the provisions of the Ordinance and Article 136(A). App.3(5)
136. (A) Subject to Article 136(B), a copy of a summary financial report in the form and containing the contents as required by the Ordinance shall be sent by the Company in accordance with the provisions of the Ordinance to a person who has been offered and agreed, in accordance with the provisions of the Ordinance, to be sent a copy of such summary financial report.
- (B) Where a member or debenture holder of the Company has, in accordance with the Statutes and the Listing Rules from time to time, consented to treat the publication of the relevant financial documents and/or the summary financial report (each as defined in the Ordinance) on the Company's computer network as discharging the Company's obligation under the Ordinance to send a copy of the relevant financial documents and/or the summary financial report, then subject to compliance with the publication and notification requirements of the Statutes and the Listing Rules 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 twenty-one (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 Article 135 above.

### **Branch Registers**

137. The Company may exercise the powers conferred by the Ordinance and may cause to be kept in any place outside Hong Kong a branch register of Members. The Board of Directors may, subject to the Ordinance, make or vary from time to time such provisions as it thinks fit respecting the keeping of any such branch register and the transfer of shares to, on or from any such branch register and shall comply with the requirements of any local law.

### **Audit**

138. (A) Auditors shall be appointed and their duties regulated in accordance with the Ordinance.

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

### **Notices**

139. Except where otherwise expressly stated, any notice to be given to or by any person pursuant to these Articles shall be in writing or, to the extent permitted by the Statutes and the Listing Rules from time to time and subject to Article 143(B), contained in an electronic communication. A notice calling a meeting of the Board need not be in writing.
140. (A) A notice or other document (including a share certificate) may be served on or delivered to any Member by the Company either personally or by sending it by mail, postage prepaid (and, in any case where the registered address of a Member is outside Hong Kong, by prepaid airmail), addressed to such Member at his registered address or by leaving it at that address addressed to the Member or by any other means authorised in writing by the Member concerned or by publishing it by way of advertisement in at least one English language newspaper and one Chinese language newspaper circulating in Hong Kong. Without limiting the generality of the foregoing but subject to the Statutes and the Listing Rules from time to time, a notice or other document may be served or delivered by the Company to any Member by electronic means to such address as may from time to time be authorised by the Member concerned or by publishing it on a computer network and notifying the Member concerned, in such manner as he may from time to time authorise, that it has been so published.
- (B) Any such notice or other document may be served or delivered by the Company by reference to the Register as it stands at any time not more than fifteen (15) days before the date of service or delivery. No change in the Register after that time shall invalidate that service or delivery. Where any notice or other document is served on or delivered to any person in respect of a share in accordance with these Articles, no person deriving any title or interest in that share shall be entitled to any further service or delivery of that notice or document.
141. Each Member shall, from time to time, notify in writing to the Company some place which shall be deemed his registered address for the purposes

App.3(7)(1)

of the last preceding Article. A Member who (having no registered address in Hong Kong) has not supplied to the Company an address or electronic address for the service of notices shall not be entitled to receive notices from the Company.

142. All notices directed to be given to the Members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register in respect of such share, and notice so given shall be sufficient notice to all the holders of such share.
143. (A) Any summons, notice, order or other document required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or sending it by mail, postage prepaid (and, if posted outside Hong Kong, by prepaid airmail), addressed to the Company or to such officer (as the case may be) at the Office.  
  
(B) The Board may from time to time specify the form and manner in which a notice may be given to the Company by electronic means, including one or more addresses for the receipt of an electronic communication, and may prescribe such procedures as they think fit for verifying the authenticity or integrity of any such electronic communication. A notice may be given to the Company by electronic means only if it is given in accordance with the requirements specified by the Board.
144. Any notice or other document, if sent by mail, postage prepaid, shall be deemed to have been served or delivered on the day following that on which the letter, envelope, or wrapper containing the same is put into the post. In proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice or document was properly addressed and put into the post as prepaid mail or prepaid airmail (as the case may be). Any notice or other document not sent by post but left by the Company at a registered address shall be deemed to have been served or delivered on the day it was so left. Any notice or other document, if sent by electronic means (including through any relevant system), shall be deemed to have been given on the day following that on which the electronic communication was sent by or on behalf of the Company. Any notice or other document served or delivered by the Company by any other means authorised in writing by the Member concerned shall be deemed to have been served when the Company has carried out the action it has been authorised to take for that purpose. Any notice or other document published by way of advertisement or on a computer network shall be deemed to have been served or delivered on the day it was so published.
145. Any Member present, either personally or by proxy, at any meeting of the Company or class of Members of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.
146. Every person who, by operation of law, transfer or any other means whatsoever, shall become entitled to any shares shall be bound by every



notice in respect of such shares which, prior to his name and address being entered in the Register, shall be duly given to the person from whom he derives his title to such shares.

147. Any notice or document served upon or sent to, or left at the registered address or notified facsimile transmission or telex number of, any Member in pursuance of these Articles, shall, notwithstanding that such Member be then deceased or bankrupt and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any share held by such Member, whether held solely or jointly with other persons, until some other person be registered instead of him as the holder or joint holder of such share, and such service shall, for all purposes of these Articles, be deemed a sufficient service of such notice or document on his executors, administrators or assigns, and all persons (if any) jointly interested with him in such share.
148. The signature on any notice to be given by the Company may be written or printed.

#### **Destruction of Documents**

149. The Company may destroy:
- (A) any share certificate which has been cancelled at any time after the expiry of one (1) year from the date of such cancellation;
  - (B) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two (2) years from the date of such mandate, variation, cancellation or notification was recorded by the Company;
  - (C) any instrument of transfer of shares which has been registered at any time after the expiry of six (6) years from the date of registration; and
  - (D) any other document on the basis of which any entry in the Register is made at any time after the expiry of six (6) years from the date 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 references to its disposal in any manner.

### **Winding Up**

150. If the Company is wound up and the assets available for distribution amongst the Members as such are insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. If in a winding up the assets available for distribution among the Members are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up paid up by them respectively. This Article shall not add to or detract from the rights of the holders of shares issued upon special terms and conditions.
151. No fee or commission shall be paid by the Company to any Director or liquidator upon any sale or realisation of the Company's undertaking or assets or any part thereof except with the sanction of a general meeting convened by notice specifying the fee or commission proposed to be paid.
152. If the Company shall be wound up (whether voluntarily or otherwise) the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Ordinance, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

### **Indemnity**

153. (A) Subject to the provisions of and so far as may be permitted by the Ordinance, the Company may indemnify any officer of the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur in or about the execution and discharge of his duties or in relation thereto including any liability incurred by him:
- (a) in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted; or

- (b) in connection with any application under section 358 of the Ordinance in which relief is granted to him by the court.
- (B) The Company may purchase and maintain for any officer of the Company:
  - (a) insurance against 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
  - (b) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.

Name, Address and Description of Subscriber

B. & McK. Nominees Limited  
1401 Hutchison House,  
10 Harcourt Road,  
Hong Kong.

Corporation

For and on behalf of  
B. & McK. Nominees Limited  
by

(Signed) Grace Kwok

Name: Grace Kwok

Capacity: Secretary

Date: 23 January 2006

Witness to the above signature:-

Name: (Signed) Wendy Lee  
Address: 1401 Hutchison House  
10 Harcourt Road, Hong Kong  
Occupation: Chartered Secretary