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LAI SUN DEVELOPMENT

Lai Sun Development Company Limited
(Incorporated in Hong Kong with limited liability)

(Stock Code: 488)

**PROPOSALS FOR GENERAL MANDATES
TO BUY BACK SHARES AND TO ISSUE SHARES
AND ADOPTION OF NEW ARTICLES OF ASSOCIATION**

The notice (“**Notice**”) convening the annual general meeting of the Company (“**AGM**”) to be held at Gloucester Room II, 3rd Floor, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 9 December 2014 at 11:00 a.m. (“**2014 AGM**”) is contained in the 2013-2014 Annual Report of the Company (“**Annual Report**”).

Shareholders are advised to read the Notice of the 2014 AGM and if you are not able to attend the 2014 AGM but wish to exercise your right as a Shareholder, please complete, sign and return the form of proxy enclosed with the Annual Report in accordance with the instructions printed thereon and deposit the same with the Company’s share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding the 2014 AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the 2014 AGM or any adjournment thereof (as the case may be) should you so wish.

10 November 2014

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This circular in both English and Chinese is available in printed form and published on the respective websites of the Company at “<http://www.laisun.com>” and Hong Kong Exchanges and Clearing Limited at “<http://www.hkexnews.hk>”. The English version will prevail in case of any inconsistency between the English and Chinese version of this circular.

DEFINITIONS

Unless the context otherwise requires, terms used in this circular shall have the following respective meanings:

“2014 AGM”	the AGM to be convened and held at Gloucester Room II, 3rd Floor, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 9 December 2014 at 11:00 a.m. or at any adjournment thereof;
“AGM”	annual general meeting of the Company;
“Articles of Association”	the Articles of Association of the Company;
“associate(s)”	has the same meaning ascribed thereto in Rule 1.01 of the Listing Rules;
“Board”	the board of Directors;
“Buy Back Mandate”	proposed general mandate to be granted at the 2014 AGM to the Directors to buyback Shares not exceeding 10% of the issued share capital of the Company as at the date of passing the resolution granting the general mandate;
“close associate(s)”	has the same meaning ascribed thereto in Rule 1.01 of the Listing Rules;
“Company”	Lai Sun Development Company Limited (麗新發展有限公司), a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 488);
“controlling shareholder(s)”	has the same meaning ascribed thereto in Rule 1.01 of the Listing Rules;
“core connected person(s)”	has the same meaning ascribed thereto in Rule 1.01 of the Listing Rules;
“Directors”	the director(s) of the Company;
“Dr. Peter Lam”	Dr. Lam Kin Ngok, Peter, an executive Director and the Chairman of the Board of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China;

DEFINITIONS

“Latest Practicable Date”	4 November 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time) ;
“LSG”	Lai Sun Garment (International) Limited (麗新製衣國際有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 191), and is the ultimate holding company of the Company;
“New Articles of Association”	the new articles of association of the Company proposed to be adopted at the 2014 AGM;
“New Companies Ordinance”	Companies Ordinance, Chapter 622 of the Laws of Hong Kong;
“Predecessor Companies Ordinance”	Companies Ordinance, Chapter 32 of the Laws of Hong Kong, which was in force immediately prior to 3 March 2014;
“Shares Issue Mandate”	proposed general mandate to be granted at the 2014 AGM to the Directors to allot, issue and deal in shares not exceeding 20% of the issued share capital of the Company as at the date of passing the resolution granting the general mandate;
“SFC”	Securities and Futures Commission in Hong Kong;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) in the capital of the Company;
“Shareholder(s)”	the duly registered holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Codes on Takeovers and Mergers issued by the SFC; and
“%”	per cent.

LETTER FROM THE BOARD



LAI SUN DEVELOPMENT

Lai Sun Development Company Limited
(Incorporated in Hong Kong with limited liability)

(Stock Code: 488)

Executive Directors:

Dr. Lam Kin Ngok, Peter (*Chairman*)
Mr. Chew Fook Aun (*Deputy Chairman*)
Mr. Lau Shu Yan, Julius (*Chief Executive Officer*)
Mr. Lam Hau Yin, Lester

Registered Office:

11th Floor
Lai Sun Commercial Centre
680 Cheung Sha Wan Road
Kowloon
Hong Kong

Non-executive Directors:

Dr. Lam Kin Ming
Madam U Po Chu

Independent Non-executive Directors:

Mr. Ip Shu Kwan, Stephen
Mr. Lam Bing Kwan
Mr. Leung Shu Yin, William

10 November 2014

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES
TO BUY BACK SHARES AND TO ISSUE SHARES
AND ADOPTION OF NEW ARTICLES OF ASSOCIATION**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the 2014 AGM relating to, among others, (i) the granting of general mandate to buy back Shares; and to issue, allot and deal with new additional Shares up to 10% and 20%, respectively of the Company's issued shares as at the date of passing the resolutions; and (ii) the adoption of New Articles of Association.

LETTER FROM THE BOARD

2. GENERAL MANDATE TO BUY BACK SHARES

At the last AGM held on 22 November 2013, a general mandate was granted to the Directors to exercise the powers of the Company to buy back Shares. This general mandate will lapse at the conclusion of the 2014 AGM.

At the 2014 AGM, an ordinary resolution will be proposed which, if passed, will grant the Directors a general and unconditional mandate to exercise all the powers of the Company to buy back not exceeding 10% of the aggregate number of the shares of the Company in issue as at the date of passing the resolution (“**Buy Back Mandate**”), for the period from the said date until the conclusion of the next AGM or such other period as stated in the ordinary resolution.

An explanatory statement, as required under the Listing Rules to be given to the Shareholders concerning the Buy Back Mandate, is set out in Appendix I to this circular and contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution relating to the Buy Back Mandate.

3. GENERAL MANDATE TO ISSUE SHARES

At the last AGM held on 22 November 2013, a general mandate was granted to the Directors to issue, allot and deal with additional Shares not exceeding 20% of the aggregate number of shares of the Company in issue. Such general mandate will lapse at the conclusion of the 2014 AGM.

It will be proposed at the 2014 AGM an ordinary resolution granting to the Directors a general and unconditional mandate to allot, issue and deal with additional Shares representing up to 20% of the aggregate number of shares of the Company in issue as at the date of passing the resolution, for the period from the said date until the conclusion of the next AGM or such other period as stated in the ordinary resolution and adding to such mandate so granted to the Directors any Shares bought back by the Company under the Buy Back Mandate (“**Shares Issue Mandate**”).

Subject to the passing of the ordinary resolutions granting the Shares Issue Mandate and on the basis that no further Shares are issued or bought back prior to the 2014 AGM, the Company would be allowed under the Shares Issue Mandate to issue a maximum of 4,012,578,657 Shares representing 20% of the issued share capital of the Company as at the date of passing the resolutions.

The Company has no immediate plans to allot and issue new additional Shares under the Shares Issue Mandate.

LETTER FROM THE BOARD

4. ADOPTION OF NEW ARTICLES OF ASSOCIATION

The New Companies Ordinance came into effect on 3 March 2014. A special resolution will be proposed at the 2014 AGM to adopt the New Articles of Association with a view to bringing the Company's existing articles of association in line with the changes made by the new companies law and recent changes to the Listing Rules. It is also proposed that the Company can take this opportunity to update certain other provisions, to remove certain outdated provisions and consolidate all the previous amendments to the Articles of Association.

A summary of the proposed changes to the Articles of Association are set out below:

- (a) To remove the memorandum of association of the Company and to migrate the mandatory clauses from the memorandum of association (including the Company's name, the limited liability of its shareholders and its initial share capital and shareholdings) to the Articles of Association as required by the New Companies Ordinance;
- (b) To remove all references to par value, nominal share capital, authorised share capital, unissued shares, share premium and/or capital redemption reserve, as such concepts ceased to be relevant after the abolition of par value under the New Companies Ordinance;
- (c) To remove the provisions relating to the non-voting cumulative participating redeemable preference shares as no such shares are in issue and, as mentioned above, the concept of an authorised share capital (i.e. a reserve of unissued shares) no longer applies after the abolition of par value;
- (d) To remove the provisions relating to the issue of bearer warrants, conversion of shares into stock and a subscription right reserve due to the repeal of such powers to issue bearer warrants and stock and the abolition of par value under the New Companies Ordinance;
- (e) To simplify the provisions relating to alteration of share capital by stating that the Company may alter its share capital in any way permitted by the New Companies Ordinance;
- (f) To remove the obsolete provision relating to the loan of unpaid amounts on shares in advance;
- (g) For any transfer involving partly paid shares, to provide that a statement of reasons for refusal to register any transfer of shares shall be given upon request of the transferor or transferee as required by the New Companies Ordinance;
- (h) To allow the Company to hold general meetings in more than one location using any technology that enables the members to listen, speak and vote at the different venues;

LETTER FROM THE BOARD

- (i) To update the provisions relating to general meetings and to revise the minimum notice period for convening a general meeting (other than an annual general meeting) for passing a special resolution from 21 days to 14 days in accordance with the New Companies Ordinance;
- (j) To revise the thresholds necessary for demanding a poll from three to five members present in person or by proxy for the time being entitled to vote at a general meeting and from 10% to 5% of the total voting rights of the members having the right to vote at a general meeting to align the Articles of Association with the New Companies Ordinance;
- (k) To provide that the chairman of a general meeting shall demand a poll if he, before or on the declaration of the result on a show of hands, knows from the proxies received by the Company that the result on a show of hands will be different from that on a poll as required by the New Companies Ordinance;
- (l) To include the following provisions in respect of proxies:
 - a. To allow multiple proxies in respect of different tranches of shares held by one shareholder and to permit a proxy to exercise all or any of the member's rights to attend and vote at a general meeting including voting on a show of hands. However where multiple proxies are appointed, the proxies so appointed are not entitled to vote on a show of hands;
 - b. To give flexibility for return of a proxy form by various means including electronic means (if so desired by the Company) and to prescribe the statutory period in various situations for the return of proxy form; and
 - c. To set out the notice requirement in the case of revocation of proxy's authority;
- (m) To revise the provisions relating to Directors' remuneration (fees) so that the Board, if previously authorised by the Company in a general meeting, may determine the same;
- (n) To incorporate certain provisions to provide flexibility to the Directors in giving their agreement to written resolutions of the Directors, for example, allowing their electronic signatures and written notification of confirmation of the resolutions of the Directors to signify their agreement to such written resolutions;
- (o) To remove the provision stating that Directors absent from Hong Kong need not be given such notice (i.e. with the effect that the Directors will receive notice of board meetings whether or not they are in Hong Kong);
- (p) To update the provisions relating to disclosure of a Director's interest in a proposed transaction and his right to vote in respect thereof to reflect the changes under the New Companies Ordinance;

LETTER FROM THE BOARD

- (q) To remove the obsolete provision giving the Chairman certain express authority powers in relation to certain transactions;
- (r) To allow the Company to execute a document as a deed without using its common seal as permitted under the New Companies Ordinance;
- (s) To remove the obsolete requirement to file contracts for allotment with the Companies Registry in Hong Kong;
- (t) To remove the obsolete provision in relation to the distribution of realised capital profits;
- (u) To incorporate certain provisions to facilitate the use of electronic communications by the Company subject to compliance with the requirements under the Listing Rules and the New Companies Ordinance;
- (v) To revise the provisions relating to indemnity for liability of Directors and officers, including to disclose any permitted indemnity provisions in the relevant Directors' report, to align the Articles of Association with the New Companies Ordinance;
- (w) To replace the obsolete terms with the new terms used in the New Companies Ordinance and the section references in the Predecessor Companies Ordinance with the corresponding section references to the New Companies Ordinance;
- (x) To make other miscellaneous amendments to update, modernise or clarify provisions of the Articles of Association where it is considered desirable; and
- (y) To reflect the recent amendments to the Listing Rules relating to connected transaction requirements and definitions of connected persons, close associates and associates.

The full text of the New Articles of Association (marked-up against the Articles of Association currently in force) is set out in Appendix II of this circular. The Chinese translation of the New Articles of Association set out in the Chinese version of this circular is for reference only. In the case of any discrepancy or inconsistency between the English and Chinese versions, the English version shall prevail.

5. 2014 AGM

The resolutions in relation to the above proposed Buy Back Mandate and Shares Issue Mandate as well as the adoption of the New Articles of Association are proposed in the Notice convening the 2014 AGM which is contained in the Annual Report. Shareholders are advised to read the Notice of the 2014 AGM and if you are not able to attend the 2014 AGM but wish to exercise your right as a Shareholder, please complete, sign and return the form of proxy enclosed with the Annual Report in accordance with the instructions printed thereon and deposit the same with the Company's share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding the 2014 AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the 2014 AGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the 2014 AGM.

6. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, save for resolutions which relate purely to procedure or administrative matter to be voted by a show of hands, any vote of the Shareholders at a general meeting of the Company must be taken by way of a poll. Accordingly, each of the resolutions to be considered and, if thought fit, passed at the 2014 AGM will be voted by way of poll by the Shareholders. Article 79 of the Articles of Association provides that on a poll, every Shareholder present in person or by proxy shall have one vote for every Share held by that Shareholder. An explanation of the procedures of conducting a poll is provided in the notes to the Notice of the 2014 AGM and details will be conveyed to the Shareholders at the 2014 AGM. The Company will publish an announcement on the poll results of the resolutions on the respective websites of the Company at "www.laisun.com" and the Stock Exchange at "www.hkexnews.hk" promptly after the conclusion of the 2014 AGM.

7. RECOMMENDATION

The Directors consider that the proposed Buy Back Mandate and the Shares Issue Mandate as well as the adoption of the New Articles of Association as mentioned above are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the relevant resolutions to be proposed at the 2014 AGM.

8. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I and Appendix II to this circular.

Yours faithfully,
For and on behalf of the Board of
Lai Sun Development Company Limited
Lam Kin Ngok, Peter
Chairman

This explanatory statement contains all the information required by Rule 10.06(1)(b) of the Listing Rules to be given to the Shareholders reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution(s) relating to the Buy Back Mandate.

1. EXERCISE OF THE BUY BACK MANDATE

As at the Latest Practicable Date, the issued share capital of the Company comprised 20,062,893,286 Shares and there were outstanding options granted under the Share Option Scheme to subscribe for 702,823,903 Shares.

Subject to the passing of the ordinary resolution granting the Buy Back Mandate and on the basis that no further Shares will be issued (whether generally or pursuant to the exercise of the subscription rights attaching to the outstanding options) prior to the date of the 2014 AGM, exercise in full of the Buy Back Mandate would result in up to a maximum of 2,006,289,328 Shares representing 10% of the existing issued share capital of the Company as at the Latest Practicable Date being bought back by the Company during the relevant period.

2. REASONS FOR BUY BACK

Although the Directors have no present intention of buying back any Shares, they believe that the flexibility afforded by the Buy Back Mandate will be in the best interests of the Company and the Shareholders as a whole. Such buy back may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net assets value and/or earnings per Share and will only be made when the Directors believe that such buy back will benefit the Company and the Shareholders as a whole (e.g. if there are occasions in the future when depressed market conditions arise and Shares are trading at a discount to their underlying value).

3. FUNDING OF BUY BACK

Pursuant to the Buy Back Mandate, the Company may only apply funds legally available for buy back in accordance with the laws of Hong Kong in which the Company is incorporated and the existing Articles of Association of the Company. The finance for such buy back may include the Company's available internal resources and/or the legally available funding facilities.

If the Buy Back Mandate is to be exercised in full at any time during the proposed buy back period, there may be a material adverse effect on the working capital or gearing position of the Group (as compared with the position disclosed in the published audited consolidated financial statements of the Company for the year ended 31 July 2014). However, the Directors do not propose to exercise the Buy Back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which are, in the opinion of the Directors, appropriate for the Company from time to time.

4. SHARE PRICES

The highest and lowest prices per Share at which the Shares had been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

Month	Highest HK\$	Lowest HK\$
2013		
November	0.236	0.217
December	0.232	0.207
2014		
January	0.211	0.183
February	0.209	0.187
March	0.196	0.174
April	0.189	0.179
May	0.195	0.174
June	0.195	0.183
July	0.199	0.176
August	0.237	0.188
September	0.225	0.183
October	0.205	0.183
November (up to the Latest Practicable Date)	0.202	0.198

5. BUY BACK BY THE COMPANY

The Company had not made any buy back of Shares (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.

6. INTENTION AND UNDERTAKING

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their respective close associates (as defined under the Listing Rules) have any present intention to sell any Shares held by them to the Company under the Buy Back Mandate if such Buy Back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that so far as the same may be applicable, they will exercise the Buy Back Mandate in accordance with the Listing Rules, the Articles of Association and the relevant laws in Hong Kong applicable to the Company.

No core connected person (as defined under the Listing Rules) has notified the Company that he has a present intention to sell the Shares held by him to the Company, or has undertaken not to do so, in the event that the Buy Back Mandate is approved by the Shareholders.

7. IMPLICATIONS OF THE TAKEOVERS CODE AND THE LISTING RULES

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of a share buy back by the Company, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code and Rule 6 of the Code on Share Buy-Backs. Accordingly, a Shareholder or a group of Shareholders acting in concert could, depending on the level of increase in their shareholding interest(s), obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer for Shares in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the controlling shareholders (as defined under the Listing Rules) of the Company named below were interested or were deemed to be interested under the SFO in the issued Shares as follows:

Name	Capacity	Nature of interests	Number of issued Shares	Approximate % of Shares in issue
Lam Kin Ngok, Peter ("Dr. Peter Lam")	Beneficial owner/ Owner of controlled corporations	Personal and corporate	10,460,069,991	52.14% (Note)
LSG	Beneficial owner	Corporate	10,425,699,353	51.97%

Note:

LSG and two of its wholly-owned subsidiaries, namely Zimba International Limited and Joy Mind Limited, beneficially owned 10,425,699,353 Shares, representing approximately 51.97% of the issued share capital of the Company. Dr. Peter Lam was deemed to be interested in the same 10,425,699,353 Shares by virtue of, in aggregate, his personal and deemed interests of approximately 42.74% in the issued share capital of LSG. Dr. Peter Lam is an executive director of LSG.

In the event that the Company exercises the Buy Back Mandate in full and taking no account of the issue of new Shares by the Company pursuant to any general or specific mandate given by the Shareholders at any general meeting and the existing Share Option Scheme or any other scheme or otherwise, the aggregate beneficial shareholding interests and deemed shareholding interests of Dr. Peter Lam and LSG in the Company will be (for illustration) as follows:

Name	Approximate Percentage of issued share capital
Dr. Peter Lam	57.93%
LSG	57.74%

In the opinion of the Directors, the controlling shareholders of the Company would not be obliged to make a mandatory offer under Rule 26 and Rule 32 of the Takeovers Code as a result of such increase.

Assuming that there is no change in the issued Shares between the Latest Practicable Date and the date of buy back, the exercise of the Buy Back Mandate whether in whole or in part will not result in less than 25% of the total issued Shares being held by the public as required by Rule 8.08 of the Listing Rules. However, the Directors have no present intention to exercise the Buy Back Mandate to such an extent as would result in a public shareholding of less than such prescribed minimum percentage.

This is a marked-up version which shows the differences between the Articles of Association and the New Articles of Association. The English version shall always prevail in the case of any discrepancy or inconsistency between the English version and its Chinese translation.

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

(Incorporating all amendments up to and including 18 December 2012)

OF

LAI SUN DEVELOPMENT COMPANY LIMITED

麗新發展有限公司

(As adopted by Special Resolution passed on 9 December 2014)

Incorporated the 29th day of June, 1959.

No. 5532
編號

(COPY)
CERTIFICATE OF INCORPORATION
公司更改名稱
ON CHANGE OF NAME
註冊證書

Whereas LAI SUN GARMENT COMPANY, LIMITED (麗新製衣有限公司) was incorporated
查 已在香港依
in Hong Kong as a limited company under the Companies Ordinance on the Twenty-ninth day of
據公司條例註冊成為有限公司，其註冊日期為一九五九年六月
June, 1959;
二十九日；

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

Now therefore I hereby certify that the Company is a limited company incorporated under
本人茲證明該公司現為一有限公司，其註冊名稱為
the name of LAI SUN DEVELOPMENT COMPANY LIMITED 麗新發展有限公司。

Given under my hand this Nineteenth day of January One Thousand Nine Hundred and
簽署於一九八八年一月十九日。
Eighty-eight.

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

File No.: 5532

[COPY]

CERTIFICATE OF INCORPORATION

I HEREBY CERTIFY that

LAI SUN GARMENT COMPANY, LIMITED
(麗新製衣有限公司)

is this day incorporated in Hong Kong under the Companies Ordinance (Chapter 32 of the Revised Edition, 1950, of the Laws of Hong Kong), and that this company is limited.

GIVEN under my hand and seal of office this Twenty-ninth day of June, One Thousand Nine Hundred and Fifty-nine.

(Signed) W.K. THOMSON
for Registrar of Companies,
Hong Kong.

~~THE COMPANIES ORDINANCE (CHAPTER 32)~~

~~Company Limited by Shares~~

~~MEMORANDUM OF ASSOCIATION
OF
LAI SUN DEVELOPMENT COMPANY LIMITED
麗新發展有限公司~~

First:—*The name of the Company is “~~LAI SUN DEVELOPMENT COMPANY LIMITED~~
~~麗新發展有限公司~~”.

Second:—The Registered Office of the Company will be situate in the Colony of Hong Kong.

Third:—The objects for which the Company is established are:—

- (1) ~~To carry on the business of a holding company in all its branches and to co-ordinate the policy and administration of any subsidiary company or companies or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled by the Company.~~
- (2) ~~To purchase for investment or resale, and to traffic in land and house and other property of any tenure and any interest therein, and to create, sell, and deal in, and to make advances upon the security of land or house, or other property, or any interest therein, and generally to deal in, traffic by way of sale, lease, exchange, or otherwise with land and house property whether real or personal.~~
- (3) ~~To carry on all or any of the business usually carried on by Land Companies, Land Investment Companies, Land Mortgage Companies, Construction and Building Estate Companies in all their several branches.~~
- (4) ~~To purchase, take on lease, or in exchange, or otherwise acquire any estate or interest, lands or hereditaments of any tenure.~~
- (5) ~~To obtain vacant possession of any buildings on lands belonging to the Company, to pay compensation therefor, to demolish the same and to lay out and prepare for building purposes any lands belonging to or in which the Company is interested, either as owners, lessees, contractors or otherwise.~~

*—*The name of the Company was changed on 19 January 1988.*

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- (6) ~~To construct or procure the construction of buildings of all kinds, upon any lands belonging to or in which the Company is interested, either as owners, lessees, contractors or otherwise, and in particular dwelling houses, shops, and warehouses, and to alter, pull down, improve, decorate, maintain, and furnish buildings situate on any such lands.~~
- (7) ~~To construct and maintain or contribute to or procure the construction or maintenance of roads, tramways, embankments, bridges, sewers, parks, pleasure-grounds, schools, churches, markets, factories workshops, reading-rooms, baths, and other buildings, works and conveniences which the company may think directly or indirectly conducive to the development of any property in which it is interested either as owners, lessees, contractors or otherwise.~~
- (8) ~~To carry on all or any of the following business namely, builders and contractors, decorators, stone merchants, brick and tile makers, quarry masters, lime burners, timber merchants, hotel keepers, licensed victuallers, house and estate agents and other businesses the carrying on of which the Company may think directly or indirectly conducive to the development of any property in which it is interested, either as owners, lessees, contractors or otherwise.~~
- (9) ~~To enter into any arrangements with any Governments or authorities (supreme, municipal, local or otherwise) or any corporations, companies or persons that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such Government, authority, corporation, company, or person any charters, contracts, decrees, rights, privileges, and concessions which the Company may think desirable, and to carry out, exercise and comply with any such charters, decrees, rights, privileges and concessions.~~
- (10) ~~To carry on the business or businesses of literary, theatrical, advertising, publicity, press and employment agents and to undertake and execute any agency or agencies, and in particular for authors, dramatists, composers, actors, musicians, singers, entertainers, theatre proprietors and managers, film and television producers or others, as may be thought desirable.~~
- (11) ~~To carry on the business or businesses of producers and presenters of and dealers in plays, revues, opera, ballet, pantomimes, pageants, musical and dramatic works, and amusements and entertainments of all kinds in connection with the theatre, cinema, ice rinks, variety stage, music halls, radio, television, and other means of transmitting sound or pictorial effects, and to enter into any arrangements for the management, conduct, control and carrying on of any such business or businesses, and for the supply of plays, opera and ballet works, arrangements, dances, ensembles, scripts, librettos, music, artists, performers, musicians, materials and all other things connected therewith.~~

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- (12) ~~To carry on the business or businesses of proprietors, lessees, licencees and managers of theatres, cinemas, ice rinks, studios and other buildings and property; and to let and sub-let accommodation therein and to provide for the tenants, hirers and users thereof, upon such terms as may seem to the company expedient, all or any of the machinery, equipment, power, light, heat, gas, chattels, effects, raw and other materials, facilities and conveniences necessary or desirable for the purpose to which any such buildings or property or any part thereof may for the time being and from time to time be used by such tenants, hirers and users thereof.~~
- (13) ~~To acquire any such shares, stock, debentures, debenture stock, bonds, notes, obligations or securities of any kind by original subscription, contract, tender, purchase, exchange, underwriting, participation in syndicate or otherwise and whether or not fully paid-up and to subscribe for the same subject to such terms and conditions, if any, as may be thought fit.~~
- (14) ~~To carry on the business of an investment company and for that purpose to acquire and hold either in the name of the Company or in that of any nominee shares, stocks, debentures, debenture stock, bonds, notes, obligations and securities of any kind issued or guaranteed by any company wherever incorporated or carrying on business and debentures, debenture stock, bonds, notes, obligations and securities of any kind issued or guaranteed by any government, sovereign ruler, commissioners, public body or authority (supreme, dependant, municipal, local or otherwise) in any part of the world.~~
- (15) ~~To exercise and enforce all rights and powers conferred by or incident to the ownership of any such shares, stock, obligations or other securities including, without prejudice to the generality of the foregoing, all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special proportion of the issued or nominal amount thereof, and to provide managerial and other executive, supervisory and consultant services for or in relation to any company in which the Company is interested upon such terms as may be thought fit.~~
- (16) ~~To carry on business as proprietors of restaurants, hotels, refreshment and tea rooms, cafes and milk and snack bars, tavern, beer-house, and lodging-house keepers, licensed victuallers, wine, beer, and spirit merchants, brewers, maltsters, distillers, importers and manufacturers of aerated, mineral and artificial waters and other drinks, and as caterers and contractors in all their respective branches.~~
- (17) ~~To carry on business as bakers, confectioners, tobacconists, butchers, fishmongers, dairymen, grocers, poulterers, greengrocers, farmers, ice merchants and ice-cream manufacturers, and to manufacture, buy, sell, refine, prepare, grow, import, export and deal in provisions of all kinds, both wholesale and retail and whether solid or liquid.~~

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- (18) ~~To establish and provide all kinds of facilities and attractions for customers and others, and in particular, reading, writing and smoke rooms, lockers and safe deposits, telephones, telegraphs, clubs, stores, shops and lavatories:~~
- (19) ~~To manufacture, construct, assemble, design, repair, refine, develop, alter, convert, refit, prepare, treat, render marketable, process and otherwise produce materials, fuels, chemicals, substances and industrial, commercial and consumer products of all kinds:~~
- (20) ~~To acquire, sell, own, lease, let out on hire, administer, manage, control, operate, construct, repair, alter, equip, furnish, fit out, decorate, improve and otherwise undertake and deal in engineering and construction works, buildings, projects, offices, and structures of all kinds:~~
- (21) ~~To promote, purchase or otherwise acquire and undertake the whole or any part of the business, goodwill, assets and liabilities of any person, firm or company; to acquire an interest in, amalgamate with or enter into partnership, union of interest, joint-venture, or co-operation with any person, firm or company; to promote, sponsor, establish, constitute, form, participate in, organise, manage, supervise and control any corporation, company, syndicate, fund, trust, business or institution:~~
- (22) ~~To purchase or otherwise acquire and to hold, own, licence, maintain, work, exploit, farm, cultivate, use, develop, improve, sell, let, surrender, exchange, hire, convey or otherwise deal in lands, mines, natural resources, and mineral, timber and water rights, wheresoever situated, and any interest, estate and rights in any real, personal or mixed property and any franchises, rights, licences or privileges, and to collect, manage, invest, reinvest, adjust, and in any manner to dispose of the income, profits, and any interest arising therefrom:~~
- (23) ~~To improve, manage, develop, sell, let, exchange, invest, reinvest, settle, grant licences, easements, options, servitudes and rights over, or otherwise deal with all or any part of the Company's property, undertaking and assets (present and future) including uncalled capital, and any of the Company's rights, interests and privileges:~~
- (24) ~~To carry on business as auctioneers, appraisers, valuers, surveyors, land and estate agents:~~
- (25) ~~To carry on all or any of the businesses of ship-owners, shippers, ship and boat-builders, charterers, shipping and forwarding agents, ship managers, wharfingers, lightermen, stevedores, packers, storers, fishermen and trawlers, and to establish, maintain, and operate sea, air, inland waterway enterprises (public and private) and all ancillary services:~~

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- ~~(26) To purchase or otherwise acquire, take in exchange, charter, hire, build, construct, own, work, manage, operate and otherwise deal with any ship, boat, barge or other waterborne vessel, hovercraft, balloon, aircraft, helicopter or other flying machine, coach, wagon, carriage (however powered) or other vehicle, or any share or interest therein.~~
- ~~(27) To carry on business as consulting engineers in all fields including without limitation civil, mechanical, chemical, structural, marine, mining, industrial, aeronautical, electronic and electrical engineering, and to provide architectural, design and other consultancy services of all kinds.~~
- ~~(28) To apply for, purchase, or otherwise acquire any brevets d'invention, patents, patent rights, copyrights, trade marks, formulas, licences, concessions, intellectual and industrial property and technology, protections, and the like, conferring any exclusive or non-exclusive or limited privilege or right to use, or any secret or other information as to, any invention, know-how, device, secret, system, process, information, discovery or development and to use, exercise, develop, or grant licences in respect of, or otherwise turn to account, the property, rights, technology, or information so acquired.~~
- ~~(29) To carry on the business of advisers, consultants, researchers, analysts and brokers of whatsoever kind or nature in all branches of trade, commerce, industry and finance, and to provide or procure the provision of every and any service or facility required by any person, firm or company.~~
- ~~(30) To carry on business as insurance brokers and agents, and underwriting agents in all classes of insurance and as insurance advisers and consultants, pensions and investment advisers, consultant assessors, average adjusters and mortgage brokers; to carry on the business of an insurance and guarantee company in all its branches (excluding fire, life and marine insurance).~~
- ~~(31) To carry on all or any of the businesses of hoteliers and restaurateurs, and proprietors, sponsors and managers of clubs, marinas, stadia and all kinds of sporting, competitive and leisure activities.~~
- ~~(32) To carry on business as farmers, graziers, dealers in and breeders of livestock, horticulturists and market gardeners.~~
- ~~(33) To carry on all or any of the businesses of printers, publishers, designers, draughtsmen, journalists, press and literary agents, tourist and travel agents and operators, advertisers, advertising and marketing agents and contractors, personal and promotional representative, artists, sculptors, decorators, illustrators, photographers, film makers, producers and distributors, publicity agents and display specialists.~~

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- ~~(34) To enter into, carry on and participate in financial transactions and operations of all kinds.~~
- ~~(35) To carry on any other business or activity and do any act or thing which in the opinion of the directors of the Company is or may be capable of being conveniently carried on or done in connection with any of the above, or likely directly or indirectly to enhance the value of or render more profitable all or any part of the Company's property or assets or otherwise to advance the interests of the Company or its Members.~~
- ~~(36) To provide agency, corporate, office, secretarial and business services to any person, firm or company, and to act as nominee, director, officer, manager, custodian and trustee of any kind and to undertake and execute any trust.~~
- ~~(37) To enter into any commercial or other arrangements with any government or authority, supreme, municipal, local or otherwise, also with any corporation, company or person and to obtain or enter into any legislation, orders, charters, contracts, decrees, rights, privileges, licences, franchises, permits and concessions for any purpose and to carry out, exercise and comply with the same and to make, execute, enter into, commence, carry on, prosecute and defend all steps, contracts, agreements, negotiations, legal and other proceedings, compromises, arrangements and schemes and to do all other acts, matters and things which shall at any time appear conducive or expedient for the advantage or protection of the Company.~~
- ~~(38) To invest in, lend and advance money and grant and provide credit and financial or other accommodation to any person, firm or company.~~
- ~~(39) To borrow or raise money in such manner as the Company shall think fit and in particular by the issue (whether at par or at a premium or discount and for such consideration as the Company may think fit) of bonds, debentures or debenture stock (payable to bearer or otherwise), mortgages or charges, perpetual or otherwise, and if the Company thinks fit charged upon all or any of the Company's property (both present and future) and undertaking including its uncalled capital and further, if so thought fit, convertible into any stock or shares of the Company or any other company, and collaterally or further to secure any obligations of the Company by a trust deed or other assurance.~~

- ~~(40) To guarantee or give indemnities or provide security, whether by personal covenant or by mortgage or charge upon all or any part of the undertaking, property and assets (present and future) and the uncalled capital of the Company, or by all or any such methods, and whether with or without consideration, for the performance of any contracts or obligations, and the payment of capital or principal (together with any premium) and dividends or interest on any shares, debentures, or other securities, of, and otherwise to support and assist, any person, firm or company including (without limiting the generality of the foregoing) any company which is for the time being a holding company of the Company or another subsidiary of any such holding company or is otherwise allied to or associated with the Company or any such subsidiary or holding company in business or otherwise, but so that nothing in this Clause shall authorise the carrying on by the Company of an insurance business and so that (without prejudice to the construction of any other Clause hereof) this Clause shall be construed both as a separate and independent object of the Company and as a power ancillary to the other objects of the Company.~~
- ~~(41) To take out insurance in respect of any and all insurable risks which may affect the Company or any other company or person and to effect insurance (and to pay the premiums therefor) in respect of the life of any person and to effect re-insurance and counter-insurance, but no business amounting to fire, life or marine insurance business may be undertaken.~~
- ~~(42) To draw, make, accept, endorse, negotiate, discount, execute, issue, purchase or otherwise acquire, exchange, surrender, convert, make advances upon, hold, charge, sell and otherwise deal in bills of exchange, cheques, promissory notes, and other negotiable instruments and bills of lading, warrants, and other instruments relating to goods.~~
- ~~(43) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts, and conveniences calculated to benefit employees or directors or past employees or directors of the Company or of its predecessors in business, or the dependants or connexions of any such persons; and to subscribe or guarantee money for charitable or benevolent object, or for any exhibition, or for any public, general, or useful object.~~
- ~~(44) To give any remuneration or other compensation or reward (in cash or securities or in any other manner the Directors may think fit) to any person for services rendered or to be rendered in the conduct or course of the Company's business or in placing or procuring subscriptions of or otherwise assisting in the issue of any securities of the Company or any other company formed or promoted by the Company or in which the Company may be interested or in or about the formation or promotion of the Company or any other company as aforesaid.~~

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- ~~(45) To grant or procure pensions, allowances, gratuities and other payments and benefits of whatsoever nature to or for any person and to make payments towards insurances or other arrangements likely to benefit any person or advance the interests of the Company or of its members.~~
- ~~(46) To pay all expenses preliminary or incidental to the formation and promotion of the Company or any other company and the conduct of the business of the Company or any other company.~~
- ~~(47) To procure the Company to be registered or recognised in any territory.~~
- ~~(48) To cease carrying on and winding up any business or activity of the Company, and to cancel any registration of and to wind up and procure the dissolution of the Company in any territory.~~
- ~~(49) To distribute and part of the undertaking, property and assets of the Company among its creditors and members in specie or in kind but so that no distribution amounting to a reduction of capital may be made without the sanction (if any) for the time being required by law.~~
- ~~(50) To appoint agents, experts and attorneys to do all or any of the above matters and things on behalf of the Company or any thing or matter for which the Company acts as agent or is in any other way whatsoever interested or concerned in any part of the world.~~
- ~~(51) To do all and any of the above matters or things in any part of the world and either as principal, agent, contractors, trustee or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others, and generally upon such terms and in such manner and for such consideration and security (if any) as the Company shall think fit including the issue and allotment of securities of the Company in payment or part payment for any property acquired by the Company or any services rendered to the Company or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose.~~
- ~~(52) To do all such acts or things as are incidental or conducive to the attainment of the above objects or any of them.~~

~~And it is hereby declared that the intention is that the objects specified in each paragraph of this clause shall except where otherwise expressed in such paragraph be independent main object and shall be in nowise limited or restricted by reference to or inference from the terms of any other paragraph.~~

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Fourth:— The liability of the members of the Company is limited.

*Fifth:— The Capital of the Company is HK\$1,470,000,000.00 divided into 27,000,000,000 Ordinary Shares of HK\$0.01 each and 1,200,000,000 10% Non-Voting Cumulative Participating Redeemable Preference Shares of HK\$1.00 each.

*Notes:—

- (1) — *By an Ordinary Resolution passed on 24 July 1962, the share capital of the Company was increased to HK\$3,000,000.00 by the creation of an additional 2,000 shares of HK\$1,000.00 each.*
- (2) — *By an Ordinary Resolution passed on 27 February 1970, the share capital of the Company was increased to HK\$15,000,000.00 by the creation of an additional 12,000 shares of HK\$1,000.00 each.*
- (3) — *By an Ordinary Resolution No.1 passed on 30 October 1972 the share capital of the Company was increased to HK\$60,000,000.00 by the creation of an additional 45,000 shares of HK\$1,000.00 each.*
- (4) — *By an Ordinary Resolution No.3 passed on 30 October 1972, each of the existing shares of HK\$1,000.00 each in the authorised share capital of the Company was subdivided into and redesignated as 1,000 shares of HK\$1.00 each.*
- (5) — *By an Ordinary Resolution No.1 passed on 12 March 1987, the share capital of the Company was increased to HK\$100,000,000.00 by the creation of an additional 40,000,000 shares of HK\$1.00 each.*
- (6) — *By an Ordinary Resolution No.4 passed on 12 March 1987, each of the existing issued and unissued shares of HK\$1.00 each was subdivided into and redesignated as 10 shares of HK\$0.10 each.*
- (7) — *By a Special Resolution passed on 12 November 1987, and with the sanction of an Order of the Supreme Court dated 26 November 1987, the share capital of the Company was reduced to HK\$20,150,000.00 with effect from 27 November 1987 by the cancellation and extinguishment of 798,500,000 issued shares of HK\$0.10 each and upon the reduction of share capital, the capital of the Company was increased to its former amount of HK\$100,000,000.00 by the addition of 798,500,000 new shares of HK\$0.10 each.*
- (8) — *By a Special Resolution No.1 passed on 6 February 1988, each of the 1,000,000,000 issued or unissued shares of HK\$0.10 each of the Company was converted into and redesignated as an Ordinary Share of HK\$0.10 each.*
- (9) — *By a Special Resolution No.1 passed on 6 February 1988, the authorised share capital of the Company was increased from HK\$100,000,000.00 to HK\$1,550,000,000.00 by the creation of an additional 2,500,000,000 Ordinary Shares of HK\$0.10 each and 1,200,000,000 10% Non-Voting Cumulative Participating Redeemable Preference Shares of HK\$1.00 each.*
- (10) — *By an Ordinary Resolution No.2 passed on 6 December 1989, the authorised share capital of the Company was increased from HK\$1,550,000,000.00 (divided into 3,500,000,000 Ordinary Shares of HK\$0.10 each and 1,200,000,000 Preference Shares of HK\$1.00 each) to HK\$1,700,000,000.00 by the creation of an additional 1,500,000,000 Ordinary Shares of HK\$0.10 each.*
- (11) — *By an Ordinary Resolution passed on 5 September 1996, with effect from 6 September 1996, 5,000,000,000 ordinary shares of HK\$0.10 each in the share capital of the Company were consolidated into 1,000,000,000 ordinary shares of HK\$0.50 each by consolidating every five issued and unissued ordinary shares of HK\$0.10 each into one ordinary share of HK\$0.50 each.*

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- (12) — *By an Ordinary Resolution No.2 passed on 10 February 1997, the authorised ordinary share capital of the Company was increased from HK\$500,000,000.00 to HK\$750,000,000.00 by the creation of an additional 500,000,000 ordinary shares of HK\$0.50 each.*
- (13) — *By an Ordinary Resolution No.1 passed on 30 July 1997, the authorised ordinary share capital of the Company was increased from HK\$750,000,000.00 to HK\$850,000,000.00 by the creation of an additional 200,000,000 ordinary shares of HK\$0.50 each.*
- (14) — *By an Ordinary Resolution No.1 passed on 8 July 1998, the authorised ordinary share capital of the Company was increased from HK\$850 million to HK\$2,500 million by the creation of an additional 3,300 million ordinary shares of HK\$0.50 each.*
- (15) — *By an Ordinary Resolution No.1 passed on 7 January 1999, the authorised ordinary share capital of the Company was increased from HK\$2,500 million to HK\$5,000 million by the creation of an additional 5,000 million ordinary shares of HK\$0.50 each.*
- (16) — *By an Ordinary Resolution passed on 13 October 2004, the authorised share capital of the Company was increased to HK\$9,200 million by the creation of an additional 6,000 million ordinary shares of HK\$0.50 each.*
- (17) — *By a Special Resolution passed on 24 July 2006 and with the sanction of an Order of the High Court dated 17 October 2006 and on registration of a copy of the Order and of the Minute approved by the Court by the Registrar of Companies on 18 October 2006, the share capital of the Company was reduced to HK\$1,360,000,000.00 divided into 16,000,000,000 ordinary shares of HK\$0.01 each and 1,200,000,000 10% Non-Voting Cumulative Participating Redeemable Preference Shares of HK\$1.00 each.*
- (18) — *By an Ordinary Resolution passed on 23 December 2008, the authorised ordinary share capital of the Company was increased from HK\$160,000,000.00 to HK\$172,000,000.00 by the creation of an additional 1,200,000,000 ordinary shares of HK\$0.01 each.*
- (19) — *By an Ordinary Resolution No.2 passed on 22 September 2011, the authorised ordinary share capital of the Company was increased from HK\$172,000,000.00 to HK\$270,000,000.00 by the creation of an additional 9,800,000,000 ordinary shares of HK\$0.01 each.*
- (20) — *By an Ordinary Resolution passed on 18 December 2012, the authorised ordinary share capital of the Company was increased from HK\$270,000,000.00 to HK\$380,000,000.00 by the creation of an additional 11,000,000,000 ordinary shares of HK\$0.01 each.*

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

Names, Addresses and Descriptions of Subscribers	Number of Shares taken by each Subscriber
林百欣 No. 156 Austin Road; Garden Mansion; 8th Floor, D Block; Merchant	One
林建名 No. 156 Austin Road; Garden Mansion; 8th Floor, D Block; Merchant	One
Total Number of Share Taken	Two

~~Dated this 17th day of June, 1959:~~

~~WITNESS to the above signatures:~~

(Signed) **E.S.C. BROOKS**
Solicitor,
HONG KONG.

THE COMPANIES ORDINANCE (CHAPTER 32622)

Company Limited by Shares

ARTICLES OF ASSOCIATION

(Incorporating all amendments up to and including 23 December 2008 As adopted by Special Resolution passed on 9 December 2014)

OF

LAI SUN DEVELOPMENT COMPANY LIMITED

麗新發展有限公司

Table A Model Articles

1. The ~~regulations provisions~~ contained in ~~Table A in the First Schedule to the Companies Ordinance~~ Schedule 1 to the Companies (Model Articles) Notice (Chapter 622H of the laws of Hong Kong) shall not apply to the Company. Other regulations
Excluded

Interpretation

2. The marginal notes to these Articles shall not be deemed to be part of these Articles and shall not affect their interpretation and in the interpretation of these Articles, unless there be something in the subject or context inconsistent therewith:— Interpretation
- “these Articles” or “these presents” shall mean these Articles of Association in their present form and all supplementary, amended or substituted articles for the time being in force; these Articles.
these presents
- *“associate” shall have the meaning ascribed to it by the Listing Rules; associate
- “associated company” shall have the meaning given to it under Section 2 of the Companies Ordinance; Auditors
- “Auditors” shall mean the persons for the time being performing the duties of that office; Board

*—amended on 29th December, 2004

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

“the Board” shall mean the Directors from time to time of the Company or (as the context may require) the majority of Directors present and voting at a meeting of the Directors;	call capital
<u>“business day” shall mean a day that is not (a) a general holiday, (b) a Saturday or, a Sunday, or a black rainstorm warning day or gale warning day in Hong Kong as defined in Section 71(2) of the Interpretation and General Clauses Ordinance (Chapter 1 of the laws of Hong Kong);</u>	Chairman the Company
“call” shall include any instalment of a call;	Companies Ordinance.
“capital” shall mean the share capital from time to time of the Company;	the Ordinance
“the Chairman” shall mean the Chairman presiding at any meeting of members or of the Board;	
<u>“close associate” in relation to a Director, shall have the meaning given to it under the Listing Rules;</u>	dividend
“the Company” or “this Company” shall mean the abovenamed Company;	
“the Companies Ordinance” or “the Ordinance” shall mean the Companies Ordinance (Chapter 32 <u>622</u> of the laws of Hong Kong) and any amendments thereto or re-enactment thereof for the time being in force and includes every other ordinance incorporated therewith or substituted therefor and in the case of any such substitution the references in these Articles to the provisions of the Ordinance shall be read as references to the provisions substituted therefor in the new Ordinance;	dollars Hong Kong Listing Rules month
<u>“the Companies (Winding Up and Miscellaneous Provisions) Ordinance” shall mean the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong) and any amendments thereto or re-enactment thereof for the time being in force and includes every other ordinance incorporated therewith or substituted therefor;</u>	newspaper
“ <u>Company Secretary</u> ” shall mean the person or corporation for the time being performing the duties of that office;	
<u>“Deputy Chairman” shall mean the deputy Chairman of the Company appointed by the Board;</u>	recognised clearing house
<u>““Director” or “Directors” shall mean the directors for the time being of the Company;</u>	the register

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

“dividend” shall include scrip dividends, distributions in specie or in kind, capital distributions and capitalisation issues, if not inconsistent with the subject or context; seat

“dollars” shall mean dollars in the lawful currency of Hong Kong;

“Hong Kong” shall mean ~~the Hong Kong and its dependencies~~ Special Administrative Region of the People’s Republic of China; Secretary

* “Listing Rules” shall mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time; share

“month” shall mean a calendar month; shareholders
members

“ordinary resolution” shall have the meaning given to it under Section 563 of the Companies Ordinance; t
writing
printing

*“newspaper” shall mean a newspaper published daily and circulating generally in Hong Kong; singular and
plural

~~“and specified in the list of newspapers issued and published in the Gazette for the purposes of Section 71A of the Companies Ordinance by the Chief Secretary for Administration~~;

*“recognised clearing house” shall mean a clearing house within the meaning of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong) and any amendments thereto or re-enactments thereof for the time being in force; gender
persons
companies

“the register” shall mean the register of members and includes any branch register to be kept pursuant to the provisions of the Companies Ordinance; Ordinance to
bear same
meaning in
Articles

“reporting documents” shall have the meaning given to it under Section 357(2) of the Companies Ordinance;

“seal” shall mean the common seal from time to time of the Company and includes, unless the context otherwise requires, any official seal that the Company may have as permitted by these Articles and the Ordinance;

“%” shall mean per cent;

*—amended on 29th December, 2004

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

~~“share” shall mean share in the capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied~~the existing ordinary shares in the capital of the Company and shall include, where applicable, all such additional shares of the Company in the same, or different class, issued, allotted or otherwise converted from time to time in accordance with these Articles;

“shareholders” or “members” shall mean the duly registered holders from time to time of the shares in the capital of the Company; Share Capital

“special resolution” shall have the meaning given to it under section 564 of the Companies Ordinance;

“Statutes” mean the Companies Ordinance and the Companies (Winding Up and Miscellaneous Provisions) Ordinance and any amendments thereto or re-enactment thereof and any subsidiary legislation thereto for the time being in force and every other ordinance for the time being in force concerning companies and affecting the Company;

“summary financial report” shall have the meaning given to it under Section 357 of the Companies Ordinance;

*“writing” or “printing” shall include writing, printing, lithography, photography, typewriting and every other mode of representing words or figures in a legible and non-transitory form including where the representation takes the form of electronic display;

words denoting the singular shall include the plural and words denoting the plural shall include the singular;

words importing any gender shall include every gender; and

words importing person shall include partnerships, firms, companies and corporations.

Subject as aforesaid, any words or expressions defined in the Ordinance (except any statutory modification thereof not in force when these Articles become binding on the Company) shall, if not inconsistent with the subject and/or context, bear the same meaning in these Articles, save that “company” shall where the context permits include any company incorporated in Hong Kong or elsewhere.

**—amended on 29th December, 2004*

References to any Article by number are to the particular Article of these Articles.

*References to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.

Company Name

2A. The name of the Company is “Lai Sun Development Company Limited” in the English language and “麗新發展有限公司” in the Chinese language.

Liability of Members

2B. The liability of the members of the Company is limited.

Share Capital and Modification of Rights

~~3. (A) The share capital of the Company at the date of adoption of this Article† is \$1,700,000,000.00 divided into 1,200,000,000 10 per cent. Non-Voting Cumulative Participating Redeemable Preference Shares of \$1.00 each (hereinafter called “the Original First Preference Shares”) and 5,000,000,000 Ordinary Shares of \$0.10 each (“Ordinary Shares”). The rights, and regards participation in the profits and assets of the Company, attaching to these shares shall be as follows:—~~

~~(1) The Original First Preference Shares shall confer on the holders thereof the right to receive in respect of each Preference Share (*pari passu* with any payment of dividend on any additional First Preference Shares (as defined in paragraph (B) of this Article) for the time being in issue) out of the profits of the Company available for distribution and resolved to be distributed:—~~

~~*—amended on 29th December, 2004~~

~~†—6th December, 1989~~

- (a) — ~~in priority to any payment of dividend on any other class of shares, a fixed cumulative preferential dividend (“the fixed dividend”) at the rate of 10 per cent. per annum to be paid half-yearly on 31st January and 31st July in every year in respect of the half-years ending on those respective dates provided that the first such payment will be made on 31st July, 1988 being calculated on a daily basis in respect of the period from (but not including) the date (hereinafter called “the Issue Date”) the Original First Preference Shares are issued up to (and including) 31st July, 1988; and~~
- (b) — ~~an additional dividend (“the additional dividend”) payable in respect of each occasion on which any cash dividend (whether final, interim or otherwise and whatever the nature of the profits or reserves giving rise to such dividend, but not being a Capital Distribution as defined in (vi) below) is paid in respect of any financial year or other period of the Company commencing on or after 1st August, 1988 on Ordinary Share Capital of the Company and calculated by multiplying the amount of such dividend paid on \$0.10 nominal of Ordinary Share Capital by the Applicable Percentage (as hereinafter defined).~~

~~Fractions of one cent in respect of the fixed dividend or the additional dividend which would, but for this provision, be payable in respect of any shareholding shall be ignored.~~

~~Subject to the rights of the holders of the Original First Preference Shares and any additional First Preference Shares and to any special rights which may be attached to any other class of shares, the profits of the Company available for dividend and resolved to be distributed will be distributed by way of dividend among the holders of the Ordinary Shares. The following provisions shall apply to the additional dividend:—~~

- (i) — ~~If the Company introduces a scrip dividend scheme, or other arrangements are made, the effect of which is that all or any of the holders of Ordinary Share Capital of the Company are given the right to elect either to receive a cash dividend or to receive an allotment of Ordinary Share Capital by way of capitalisation of profits or reserves (including share premium account and capital redemption reserve fund) then for the purpose of the~~

calculation of the additional dividend the amount of the cash dividend per \$0.10 nominal amount of Ordinary Share Capital for which a holder of Ordinary Share Capital is entitled to elect shall be taken into account as a dividend paid on the date on which the cash dividend is payable to holders of Ordinary Share Capital electing for the same.

- ~~(ii) The Applicable Percentage shall be 10 per cent. or such other percentage as may be applicable as at the record date for entitlement to the relevant dividend on Ordinary Shares, after adjustment in accordance with the following provisions:~~

- ~~(iii) If and whenever the Company makes to holders of its Ordinary Share Capital any allotment of Ordinary Share Capital credited as fully paid by way of capitalisation of profits or reserves (including share premium account and capital redemption reserve fund), the Applicable Percentage shall, with effect from the record date for such allotment (or, if the new Ordinary Share Capital is allotted on terms that it does not rank for a specific dividend or for dividends in respect of a specific period; with effect from the date on which such new Ordinary Share Capital ranks *pari passu* for the payment of dividends with Ordinary Share Capital in issue prior to such capitalisation issue), be adjusted by multiplying it by a fraction of which the numerator shall be the aggregate of the nominal amount of the issued and paid up Ordinary Share Capital immediately before such allotment by way of capitalisation of profits or reserves and of the nominal amount of Ordinary Share Capital allotted on such capitalisation and the denominator shall be the nominal amount of the issued and paid up Ordinary Share Capital immediately before such allotment. Provided that the provisions of this (iii) shall only be applied in respect of any such allotment as is herein mentioned in connection with such a scrip dividend scheme or other arrangements as are referred to in (i) above if and to the extent that the provisions of (iv) below shall apply.~~

- ~~(iv) — The provisions of (iii) above shall only apply in respect of an allotment of Ordinary Share Capital pursuant to any such scrip dividend scheme or other arrangements as are referred to in (i) above if and to the extent that the market value of such Ordinary Share Capital is more than the amount of dividend which holders of Ordinary Share Capital could elect to receive in cash (“the relevant excess”). For this purpose:—~~
- ~~(a) — the market value of Ordinary Share Capital shall be ascertained by reference to the average of the last dealt prices as recorded by The Stock Exchange of Hong Kong Limited (or other principal stock exchange on which the Ordinary Share Capital of the Company is for the time being listed, as determined by its Directors) for any five consecutive business days on which such Ordinary Share Capital is quoted, selected by the Directors of the Company, within one month prior to the allotment of such Ordinary Shares; and~~
- ~~(b) — the calculation provided in (iii) above shall be effected on the basis that the nominal amount of Ordinary Share Capital which would be represented by the relevant excess on the basis of the said market value of Ordinary Share Capital were allotted by way of capitalisation of profits or reserves.~~
- ~~(v) — If and whenever:—~~
- ~~(a) — the company makes to holders of its Ordinary Share Capital (otherwise than by way of such a capitalisation as is mentioned in (iii) above) any allotment of shares or securities of the Company on the basis that their holdings of Ordinary Share Capital are a condition of entitlement to such allotment; or~~
- ~~(b) — the Company makes to holders of its Ordinary Share Capital any offer or invitation whereunder they may acquire Ordinary Share Capital on the basis that their holdings of Ordinary Share Capital are a condition of entitlement to the receipt of such offer or invitation; or~~

- (c) — the Company or any of its subsidiaries makes to holders of Ordinary Share Capital of the Company any other offer or invitation on the basis that their holdings of Ordinary Share Capital are a condition of entitlement to the receipt of such offer or invitation, or
- (d) — the Company makes a Capital Distribution (as defined below) to holders of its Ordinary Share Capital:

the Applicable Percentage shall, with effect from the record date for such allotment, offer, invitation or Capital Distribution (or, in the case of any such offer or invitation as is mentioned in (b) of this (v) where the Ordinary Share Capital the subject thereof is issued on terms that it does not rank for a specific dividend or for dividends in respect of a specific period, with effect from the date on which such new Ordinary Share Capital ranks *pari passu* for the payment of dividends with Ordinary Share Capital in issue prior to such offer or invitation), be adjusted by multiplying it by a fraction of which the numerator shall be the average of the last dealt prices as recorded by The Stock Exchange of Hong Kong Limited (or other principal stock exchange on which the Ordinary Share Capital of the Company is for the time listed, as determined by its Directors) of \$0.10 nominal of Ordinary Capital of the Company on the five business days on which such Ordinary Share Capital shall be quoted on the said stock exchange immediately prior to the first date on which such capital shall be quoted on the said stock exchange ex the benefit of the allotment, offer, invitation or Capital Distribution and the denominator shall be the average of the last dealt prices of \$0.10 nominal of such capital as recorded as aforesaid on the first five business days on which such capital shall be quoted on the said stock exchange ex the said benefit.

- ~~(vi) For the purposes of (v) above “Capital Distribution” shall mean any distribution in specie (not being such a capitalisation as is mentioned in (iii) above) and any return of cash or other assets on a reduction of capital in respect of Ordinary Share Capital. The provisions of (v) above shall not apply to an allotment of Ordinary Share Capital pursuant to any such scrip dividend scheme or other arrangements as are mentioned in (i) above.~~
- ~~(vii) Notwithstanding the provisions of (iii) to (vi) above, upon the making of any such allotment, offer, invitation or Capital Distribution as is mentioned in (v) above, or in any other circumstances where the Directors of the Company shall consider that an adjustment to the Applicable Percentage provided under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Applicable Percentage should be made notwithstanding that no such adjustment is required under the said provisions, the Directors of the Company may appoint a merchant bank or other reputable financial institution in Hong Kong to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) is inequitable and, if such merchant bank or financial institution shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner as shall be certified by such merchant bank or financial institution to be in its opinion appropriate.~~
- ~~(viii) No adjustment shall be made to the Applicable Percentage unless the adjustment would result in the Applicable Percentage (as adjusted) being increased by more than 0.1 per cent. or an integral multiple of 0.1 per cent. Adjustments which would otherwise result in an increase in the Applicable Percentage by other than 0.1 per cent. or an integral multiple of 0.1 per cent shall be rounded to zero (in the case of an adjustment which would otherwise increase the Applicable Percentage by less than 0.05 per cent.) or to the nearest 0.1 per cent. or multiple of 0.1 per cent. as appropriate (adjustments which would otherwise increase the Applicable Percentage by 0.05 per cent., 0.15 per cent., 0.25 per cent. and so on shall be rounded up to the nearest 0.1 per cent. or integral multiple of 0.1 per cent.).~~

~~The percentages mentioned in this (viii) are each percentage to which the Applicable Percentage may be adjusted (so that, for instance, if the initial Applicable Percentage were to be increased by 0.1 per cent. as a result of an adjustment then the resulting Applicable Percentage would be 10.1 per cent.). In no event shall any of the foregoing provisions set out in (i) to (vii) above or this (viii) result in an adjustment reducing the Applicable Percentage.~~

- ~~(ix) Subject to profits being available for distribution and resolved to be distributed, each additional dividend shall be payable as follows:—~~
- ~~(a) the same shall be paid on the half-yearly payment date (31st January or 31st July) for the fixed dividend which next follows the date (“the additional dividend accrual date”) on which is paid the cash dividend on Ordinary Share Capital by reference to which the relevant additional dividend is calculated, together with the relevant half-yearly payment of the fixed dividend; or~~
 - ~~(b) if the said half-yearly payment date for the fixed dividend would fall more than 3 months after the additional dividend accrual date, the same shall be paid contemporaneously with (or, if the Directors of the Company shall so decide, within one month after) the relevant payment of the cash dividend on Ordinary Share Capital.~~

~~For the purpose of ascertaining whether (a) or (b) of this (ix) applies (but for no other purpose and, in particular, if (b) applies then not for the purpose of ascertaining the date of the relevant payment of the cash dividend on Ordinary Share Capital) a final dividend on Ordinary Share Capital shall be deemed to be paid when declared.~~

- (x) ~~Subject to sub-paragraph (2) of this paragraph (A) and to paragraph (D) of this Article, the additional dividend shall be payable in respect of those Original First Preference Shares in issue as at the record date for payment thereof. The record date for payment of each additional dividend shall, in the case of an additional dividend paid on a half-yearly payment date for the fixed dividend, be such relevant half-yearly payment date and, in the case of an additional dividend paid contemporaneously with or within one month after the relevant payment of the cash dividend on Ordinary Share Capital, be the same record date as that for said cash dividend on Ordinary Share Capital.~~
- (xi) ~~As soon as practicable after any adjustment of the Applicable Percentage the Company shall cause to be published in one leading English language and one leading Chinese language newspaper in Hong Kong a notice setting out the circumstances giving rise to the adjustment and the new Applicable Percentage.~~
- (2) ~~On a return of assets on a winding up the assets of the Company available for distribution among the members shall be applied first (but *pari passu* with any payments falling to be made in respect of any additional First Preference Shares for the time being in issue) in repaying to the holders of the Original First Preference Shares the amounts paid up on such shares together with the premium hereinafter provided and also a sum equal to the amount of any arrears or deficiency of the fixed dividend thereon (to be calculated down to the date of the return of capital) and/or of the additional dividend and in each case to be payable irrespective of whether or not such dividend has been declared or earned (and additional dividends shall for the purpose of computing the entitlement of the holders of the Original First Preference Shares on a return of assets on a winding up be deemed to be payable on the relevant additional dividend accrual date). The balance of such assets, subject to any special rights which may be attached to any other class of shares, shall be applied in repaying to the holders of the Ordinary Shares the amounts paid up on such shares and subject thereto will belong to and be distributed among such holders rateably according to the number of such shares held by them respectively.~~

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The premium payable on repaying the Original First Preference Shares shall be calculated by reference to the nominal amount of the Original First Preference Shares repaid depending on the year in which repayment takes place:—

Year of repayment	Premium per \$1.00 nominal of the Original First Preference Shares
Up to and including	
1991	\$0.03
1992	\$0.02
1993	\$0.01
1994 and thereafter	nil

- (B) Subject as mentioned in paragraph (E) of this Article, the Company may from time to time create and issue further Preference Shares (herein called “additional First Preference Shares” and together with the Original First Preference Shares called “the First Preference Shares”) ranking as regards participation in the profits and assets of the Company *pari passu* with (but not in priority to) the Original First Preference Shares and so that any such additional First Preference Shares may either carry as regards participation in the profits and assets of the Company, rights identical in all respects with the Original First Preference Shares or with any other series of the First Preference Shares previously created or carry rights differing therefrom in that:—
- (i) the rate of dividend (and the basis for calculation of any dividend, whether at a fixed rate and/or related to the profits earned or dividends paid by the Company) may differ;
 - (ii) the additional First Preference Shares may rank for dividend as from such date as may be provided by the terms of issue thereof and the dates for payment of dividend may differ;
 - (iii) the additional First Preference Shares may be redeemable on such terms and conditions as may be prescribed by the terms of issue thereof; and

- (iv) ~~the additional First Preference Shares may be convertible into Ordinary Shares or any other class of shares ranking as regards participation in the profits and assets of the Company after the First Preference Shares.~~
- (C) ~~Except as hereinbefore provided the issue of further shares ranking as regards participation in the profits or assets of the Company in any respect in priority to or *pari passu* with the First Preference Shares shall be deemed to be a variation of the special rights attached to such shares.~~
- (D) ~~The following provisions apply in regard to the redemption of the Original First Preference Shares:—~~
- (a) ~~The Company has the right (subject to the provision of the Companies Ordinance) to redeem Original First Preference Shares upon causing to be published in one leading English language and one leading Chinese language newspaper in Hong Kong not less than three months prior to the date for redemption (which shall be 31st January in 1991 or in any year thereafter) a notice stating the nominal amount of the shares to be redeemed, the due date for redemption and the amount of the premium (if any) payable on such redemption provided always that the nominal amounts of the Original First Preference Shares redeemed pursuant to this (a) on 31st January of each of the calendar years 1991, 1992, 1993 and 1994 shall not exceed \$300,000,000.00 in nominal amount. In the case of partial redemption as aforesaid, the same shall be effected by redeeming an appropriate proportion, as at the relevant 31st January, of each holding of Original First appropriate Preference Shares provided that the Directors shall be empowered to make such arrangements as regards fractions as they may think fit.~~
- (b) ~~The Company shall on 31st July, 1994 (or so soon thereafter as the Company shall be able to comply with the provisions of the Companies Ordinance for the time being affecting the redemption of redeemable preference shares) redeem the whole of the Original First Preference Shares then issued and outstanding. Not less than one month's previous notice in writing of such redemption shall be given to the holders of the Original First Preference Shares.~~

(c) ~~There will be paid on each Original First Preference Share redeemed the amount paid up thereon together with the premium hereinafter provided and also a sum equal to the amount of any arrears or deficiency of the fixed dividend thereon (to be calculated down to the date fixed for redemption) and/or of the additional dividend and in each case to be payable irrespective of whether or not such dividend has been declared or earned (and additional dividends shall, for the purpose of computing the entitlement of the holders of the Original First Preference Shares on a redemption, be deemed to be payable on the relevant additional dividend accrual date). The premium payable on redemption of the Original First Preference Shares shall be calculated by reference to the nominal amount of the Original First Preference Shares redeemed depending on the calendar year in which the redemption takes place, as follows:—~~

Year of redemption	Premium per \$1.00 nominal amount of the Original First Preference Shares
1991	\$0.03
1992	\$0.02
1993	\$0.01
1994	and thereafter nil

(d) ~~Any notice of redemption given pursuant to (b) above shall specify the proportion of each holding of Original First Preference Shares on the record date for such redemption which are to be redeemed. The Directors of the Company may require that the certificates for such shares are to be presented for redemption and in that event (i) such notice shall state that upon the date fixed for redemption each of the holders of the shares concerned shall be bound to deliver to the Company at such place as is specified in the notice the certificates for such of the shares concerned as are held by him in order that the same may be cancelled, (ii) upon such delivery the Company shall pay to such holder the amount due to him in respect of such redemption and (iii) if any certificate so delivered to the Company includes any shares not redeemable on that occasion, a fresh certificate for such shares shall be issued to the holder without charge.~~

~~(e) — As from the date fixed for redemption of any Original First Preference Share dividends shall cease to accrue thereon and such share shall be treated as having been redeemed, whether or not the redemption moneys shall have been paid, and such redemption moneys, if remaining unpaid, shall constitute a debt of the Company subject to all the provisions of these presents relating to moneys payable on or in respect of a share.~~

~~As an alternative to the foregoing the Directors may dispose with the presentation of such certificates for redemption and in that event (i) such notice shall state that upon the date fixed for redemption the certificates for the shares concerned shall become invalid and of no effect and cheques or warrants and, if any such certificate includes any shares not redeemable on that occasion, a fresh certificate for such shares will be despatched at the risk of the person entitled thereto, (ii) upon such date the Company shall make payment to the holders concerned in manner provided in Article 156, (iii) the certificates for the shares concerned shall become invalid on such date and (iv) if any such certificate includes any share not redeemable on that occasion, a fresh certificate for such shares shall be despatched on such date to the holder in manner provided in Article 156 at the risk of the person entitled thereto.~~

~~(E) — Except with such consent or sanction on the part of the holders of the First Preference Shares as is required for a variation of the special rights attached to such shares:—~~

~~(a) — No share (including additional First Preference Shares) ranking as regards participation in the profits or assets of the Company in any respect *pari passu* with the First Preference Shares and no debentures, debenture stock, loan capital or other indebtedness will be paid up in whole or in part by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund).~~

~~(b) — No reduction of the share capital, share premium account or capital redemption reserve fund of the Company which involves a return of capital in whole or in part on any shares ranking after the First Preference Shares and would require the consent of the Court (and no redemption of redeemable preference shares ranking after the First Preference Shares) shall be effected.~~

Issue of shares

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- (c) ~~The Company shall not modify or vary the rights attaching to the Ordinary Share Capital nor make any offer or invitation or allot, in each case to holders of its Ordinary Share Capital (on the basis that their holdings of Ordinary Share Capital are a condition of entitlement to such offer, invitation or allotment); any share capital (being share capital which, either as respects dividends or as respects capital, carries any right to participate beyond a specified amount in a distribution) which as regards voting, dividends or capital has more favourable rights than those attached to its Ordinary Share Capital unless (in each of such cases) a merchant bank or other reputable financial institution appointed by the Directors of the Company as mentioned in (vii) of paragraph (A) of this Article shall have certified either that:—~~ Warrants
- How rights of shares may be modified
- (i) ~~an adjustment is capable of being made to the Applicable Percentage to compensate the holders of the First Preference Shares for the effect of such modification; variation, offer, invitation or allotment and the adjustment of the Applicable Percentage required to compensate the said holders as aforesaid; or~~
- (ii) ~~the relevant modification, variation, offer, invitation or allotment is such that no adjustment is required to compensate the holders of the First Preference Shares therefor.~~
- (F) ~~If at any time all the First Preference Shares in issue are not identical in all respects then each series of First Preference Shares which are in all respects identical will (subject as provided below) be deemed to constitute a separate class of shares for the purposes of Article 5 which shall have effect as regards the First Preference Shares subject to the following provisions:—~~
- (a) ~~The variation of the rate of dividend or basis of calculation of the dividend payable on a single series or (if such series is redeemable) of the provisions of the Articles of Association as to the redemption thereof or (if such series is convertible) of the terms of conversion thereof will not be deemed to be a modification of the special rights attached to any other series.~~

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

~~(b) If any proposed variation or abrogation of rights affects each or more than one series and the Directors are of the opinion that there is no conflict of interests between the holders of any of the series so affected all such series will be deemed to constitute a single class in respect of which a single consent or sanction is required.~~

~~(c) If any proposed variation or abrogation of rights affects each or more than one series and the Directors are of the opinion that there is or might be a conflict of interests between the holders of one series or group of series so affected and another series or group of series so affected, each series or group of series so affected which, in the opinion of the Directors, should be treated separately will be deemed to constitute a separate single class in respect of which a separate consent or sanction is required.~~

Company to
finance purchase
of own shares

3A. Subject to these ~~provisions of Article 3j~~ and without prejudice to any special rights or restrictions for the time being attaching to any shares or any class of shares, any share may be issued upon such terms and conditions and with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination or so far as the same may 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 or the holder thereof is liable, to be redeemed.

Power to
increase capital

4. The Board may issue warrants 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.~~

On what
conditions new
shares may be
issued

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

5. (A) Without prejudice to any special rights conferred on the holders of any existing shares, the shares in the original or any increased capital of the Company may, subject to the provisions of the Companies Ordinance, be divided into different classes of shares as the Company may from time to time determine by a special resolution ~~in an extraordinary general meeting.~~

When to be offered to existing members

(B) All or any of the special rights (unless otherwise provided for by the terms of issue) attached to the shares or any class of the shares (if the capital is divided into different classes of shares) may, subject to the provisions of Section ~~64~~182 of the Companies Ordinance, be varied or abrogated either with the consent in writing of the holders of not less than ~~three-fourths~~75% ~~in nominal value of the issued shares or (if the capital is divided into different classes of shares) issued shares of~~ the total voting rights attaching to the shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares or (if the capital is divided into different classes of shares) shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be not less than two persons holding or representing by proxy ~~one-third in nominal value of the~~ of the total voting rights attaching to the shares of issued shares of that class, and at an adjourned meeting one person holding shares of that class or his proxy, and that any holder of shares of the class present in person or by proxy may demand a poll.

New shares to form part of original capital

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

Shares at the disposal of the Board

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

Company may pay commission

Shares and Increase of Capital

6. The Company may exercise any powers conferred or permitted by the Ordinance or any other ordinance from time to time to acquire its own shares or to give directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company and should the Company acquire its own shares neither the Company nor the Board shall be required to select the shares to be acquired rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such acquisition or financial assistance shall only be made or given in accordance with the Statutes and/or any relevant rules of regulations issued in force by The Stock Exchange of Hong Kong Limited or the Securities and Futures Commission in Hong Kong from time to time. For the purpose of this Article, “shares” includes ordinary shares, preference shares, warrants and any other securities convertible into shares which are issued from time to time by the Company.
- Power to charge interest to capital
7. The Company in general meeting may from time to time, ~~whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up,~~ by Ordinary Resolution increase its share capital by the creation of new shares, ~~such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.~~
- Company not to recognise trusts in respect of shares
8. Without prejudice to any special rights previously conferred upon the holders of existing shares, any new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, subject to the provisions of the Companies Ordinance and of these Articles, as the Board shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a special or without any right of voting.
- Share register

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- 9. The Company may by ordinary resolution, before the issue of any new shares, determine that the same, or any of them, shall be offered in the first instance, ~~and either at par or at a premium,~~ to all the existing holders of any class of shares in proportion as nearly as may be to the number of shares of such class held by them respectively, or make any other provisions as to the issue and allotment of such shares, ~~but in default of any such determination or so far as the same shall not extend, such shares may be dealt with as if they formed part of the capital of the Company existing prior to the issue of the same.~~ Share certificates

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

- 11. Subject to the provisions of the Companies Ordinance (and in particular Section ~~57B-140~~ thereof) and of these Articles ~~relating to new shares,~~ Share certificates
to be sealed ~~all unissued shares in the Company shall be at the disposal of and any resolution of the Company relating thereto,~~ the Board, ~~which may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of any share of the Company them~~ to such persons, at such times, for such consideration and generally on such terms as the Board shall in its absolute discretion think fit, ~~but so that no shares shall be issued at a discount, except in accordance with the provisions of the Companies Ordinance.~~ Every certificate
to specify
number and class
of shares

- 12. The Company may at any time pay a commission to any person for subscribing for or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that the conditions and requirements of the Companies Ordinance shall be observed and complied with, and in each case the commission shall not exceed ~~ten per cent.~~ 10% of the price at which the shares are issued. Joint holders

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

13. If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in the Companies Ordinance, and may charge the sum so paid by way of interest to capital as part of the cost of construction of the works or buildings or the provision of plant.

Replacement
of share
certificates

14. Except as otherwise expressly provided by these Articles or as required by law or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any share upon any trust and, except as aforesaid, the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or any other right or claim to or in respect of any share except an absolute right to the entirety thereof of the registered holder.

Company's lien

Register of Members and Share Certificates

- 15. (A) The Board shall cause to be kept a register of the members and there shall be entered therein the particulars required under the Companies Ordinance.
- (B) Subject to the provisions of the Companies Ordinance, if the Board considers it necessary or appropriate, the Company may establish and maintain a branch register of members at such location outside Hong Kong as the Board thinks fit.

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

16. Every person whose name is entered as a member in the register shall be entitled to receive within ~~twenty-one~~ten ~~10~~ business days after allotment ~~or the~~ lodgment of a transfer or within two ~~2~~ months after allotment (or within such shorter period as may be prescribed by ~~the~~The Stock Exchange of Hong Kong Limited 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 sum as The Stock Exchange of Hong Kong Limited may determine to be the maximum payable for every certificate after the first or such lesser sum as the Board shall from time to time determine, such number of certificates for shares in stock exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that in 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.
17. Every certificate for shares, warrants or debentures or representing any other form of securities of the Company shall be issued under the seal of the Company, which for this purpose may be any official seal as permitted by Section ~~73A~~126 of the Ordinance.
18. Every share certificate hereafter issued shall specify the number and class and distinguishing numbers (if any) of the shares in respect of which it is issued ~~and the amount paid thereon~~ and may otherwise be in such form as the Board may from time to time prescribe and as the Statutes and the Listing Rules permit. If at any time the share capital of the Company is divided into different classes of shares, every share certificate shall comply with Section ~~57A~~179 of the Ordinance. A share certificate shall relate to only one class of shares.
19. (A) The Company shall not be bound to register more than ~~four~~4 persons as joint holders of any share.
- (B) If any share shall stand in the names of ~~two~~2 or more persons, the person first named in the register shall be deemed the sole holder thereof as regards service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the share.

Lien extends to dividends and bonuses

Sale of shares subject to lien

Application of proceeds of such sale

Calls

Instalments

Notice of call

20. If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, not exceeding such sum as The Stock Exchange of Hong Kong Limited may determine to be the maximum payable or such lesser sum as the Board may determine and on such terms and conditions, if any, as to publication of notices, evidence and indemnity as the Board thinks fit and in the case of wearing out or defacement, after delivery up of the old certificate. In the case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Company any exceptional costs and the reasonable out-of-pocket expenses incidental to the investigation by the Company of the evidence of such destruction or loss and of such indemnity.

Copy of notice to be sent to members

Notice of call may be advertised

Lien

Every member liable to pay call at appointed time and place

21. The Company shall have a first and paramount lien on every share (not being a fully paid up share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share; and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid up shares) standing registered in the name of a member, whether singly or jointly with any other person or persons, for all the debts and liabilities of such member or his estate owed 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 of the Company or not. The Company's lien (if any) on a share shall extend to all dividends and bonuses declared in respect thereof. The Board may at any time either generally or in any particular case waive any lien that has arisen, or declare any share to be exempt wholly or partially from the provisions of this Article.

When call deemed to have been made

Liability of joint holders

Board may extend time fixed for call

Interest on unpaid calls

22. 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 or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, nor until the expiration of ~~fourteen~~ 14 days after a notice in writing, stating and demanding payment of the sum presently payable or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the shares or the person entitled by reason of such holder's death, bankruptcy or winding-up to the shares.

Suspension of privileges while call unpaid

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- 30. The joint holders of a share shall be severally as well as jointly liable for the payment of all calls and instalments due in respect of such share or other moneys due in respect thereof.

- 31. The Board may, subject to the Companies Ordinance, from time to time at ~~its~~^{their} discretion extend the time fixed for any call, and may extend such time as regards all or any of the members, whom due to residence outside Hong Kong or other cause the Board may deem entitled to any such extension but no member shall be entitled to any such extension except as a matter of grace and favour. Directors may refuse to register a transfer

- 32. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest for the same at such rate not exceeding ~~twenty per cent.~~ 20% per annum as the Board shall fix from the day appointed for the payment thereof to the time of the actual payment, but the Board may waive payment of such interest wholly or in part. Requirements as to transfer

- 33. No member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another member) at any general meeting, either personally, or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member until all calls or instalments due from him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.

- 34. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register as the holder, or one of the holders, of the shares in respect of which such debt accrued; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the member sued, in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Board who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. No transfer to an infant etc

Notice of refusal

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

35. Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date, ~~whether on account of the nominal value of the share and/or by way of premium,~~ shall for all purposes of these Articles be deemed to be a call duly made, notified, and payable on the date fixed for payment, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture and the like, shall apply as if such sums had become payable by virtue of a call duly made and notified.

Certificate to be given upon transfer

36. ~~The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the moneys so advanced the Company may pay interest at such rate (if any) not exceeding twenty per cent. per annum as the Board may decide provided that not until a call is made any payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the shares or the due portion of the shares upon which payment has been advanced by such member before it is called up. The Board may at any time repay the amount so advanced upon giving to such member not less than one month's notice in writing of their its intention in that behalf to do so, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced.~~ ~~(Removed)~~

When transfer books and register may be closed

Death of registered holder or of joint holder of shares

Transfer of Shares

37. All transfers of shares may be effected by transfer in writing in the usual common form or in such other form as the Board may accept and may be under hand only. All instruments of transfer must be left at the registered office of the Company or at such other place as the Board may appoint.

Registration of personal representatives and trustees in bankruptcy

38. The instrument of transfer of any share shall be executed by or on behalf of the transferor and by or on behalf of the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so. The Board may also resolve, either generally or in any particular case, upon request by the transferor and/or transferee, to accept machine imprinted signature(s) on the instrument of transfer. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect thereof. Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.

Notice of election to be registered

Registration of nominee

Retention of dividends, etc., until transfer or transmission of shares of a deceased or bankrupt member

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

39. The Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, and it may also refuse to register any transfer of any share to more than ~~four~~ 4 joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.
40. (a) The Board may also ~~decline to recognise any instrument of transfer~~ refuse to register any transfer unless:–
- (i) a fee of such sum as The Stock Exchange of Hong Kong Limited may determine to be the maximum payable or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof ;
 - (ii) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
 - (iii) ~~t~~The instrument of transfer is in respect of only one class of share;
 - (iv) the shares concerned are free of any lien in favour of the Company; and
 - (v) the instrument of transfer is properly stamped.
- (b) No transfer of a share (not being a fully paid up share) shall be made to an infant or to a person of unsound mind or under other legal disability.
41. If the Board shall refuse to register a transfer of any share, it shall, within ~~two~~ 2 months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal. Upon request by the transferor or transferee, the Board shall, within 28 days after receiving the request, send to the transferor or transferee (as the case may be) a statement of the reason(s) of refusal.

If call or
instalment not
paid notice may
be given

Form of notice

If notice not
complied with
shares may be
forfeited

Forfeited shares
to become
property of
Company

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

42. Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued to the transferee in respect of the shares transferred to him, and if any of the shares included in the certificate so given up shall be retained by the transferor a new certificate in respect thereof shall be issued to him without charge. The Company shall also retain the transfer.

Arrears to be
paid notwith-
standing
forfeiture

43. The registration of transfers may be suspended and the register closed at such times and for such periods as the Board may from time to time determine and either generally, or in respect of any class of shares, provided always that such registration shall not be suspended or the register closed for more than ~~thirty~~ 30 days in any year or, with the approval of the Company in general meeting, ~~sixty~~ 60 days in any year.

43A. The Company may in respect of the registration of any grant of probate, letters of administration, certificate of marriage or death, power of attorney, stop notice, order of court or other document relating to or affecting the title to any share charge a fee as the Board may determine (which shall not exceed the maximum fees as may be prescribed by The Stock Exchange of Hong Kong Limited from time to time).

Evidence of
forfeiture and
transfer of
forfeited share

Transmission of Shares

44. In the 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; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.

45. Any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a member may, upon such evidence as to his title being produced as may from time to time be required by the 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.

Notice after
forfeiture

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

46. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall testify his election by executing a transfer of such share to his nominee. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death, bankruptcy or winding-up of the member had not occurred and the notice or transfer were a transfer executed by such member.
47. A person becoming entitled to a share by reason of the death, bankruptcy or winding-up of the holders shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually-effectively transferred such share, but, subject to the requirements of Article 80 being met, such a person may vote at meetings.

Power to redeem
forfeited shares

Forfeiture not to
prejudice
Company's right
to call or
instalment

Forfeiture for
non-payment of
any sum due on
shares

Forfeiture of Shares

48. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, without prejudice to the provisions of Article 33, 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 still accrue up to the date of actual payment.
49. The notice shall name a further day (not earlier than the expiration of ~~fourteen~~ 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and it shall also name the place where payment is to be made, such place being either the registered office of the Company, or some other place at which calls of the Company are usually made payable. The notice shall also state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

Power to convert
into stock

Transfer of stock

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

50. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture. The Directors may accept the surrender of any shares liable to be forfeited hereunder and in such cases references in these Articles to forfeiture shall include surrender.

Rights of
stockholders

51. Any share so forfeited shall be deemed to be the property of the Company, and may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Board thinks fit.

Interpretation

52. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding ~~twenty per cent.~~ 20% per annum as the Board may prescribe and expenses incurred in respect thereof, and the Board may enforce the payment thereof if it thinks fit, and without any deduction or allowance for the value of the shares, at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Article any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, ~~whether on account of the nominal value of the share or by way of premium,~~ shall notwithstanding that that 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 the date of actual payment.

Consolidation
and division of
capital and
sub-division and
cancellation of
shares

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

53. A statutory declaration in writing that the declarant is a Director or the ~~Secretary of the Company~~ Company Secretary, and that a share in the Company has been duly forfeited or surrendered or sold to satisfy a lien of the Company pursuant to these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
54. 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, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry. Reduction of capital
55. Notwithstanding any such forfeiture as aforesaid the Board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, cancel the forfeiture on such terms as the Board thinks fit or permit the share so forfeited to be bought back or redeemed upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit. When annual general meeting to be held
56. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.
57. 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. Extraordinary general meeting
Convening of extraordinary general meeting
58. (Removed)
59. (Removed) Notice of meetings
60. (Removed)

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

61. ~~(Removed)~~Stock

~~58.— The Company may by ordinary resolution convert any fully paid up shares into stock, and may from time to time by like resolution reconvert any stock into fully paid up shares of any denomination. After the passing of any resolution converting all the fully paid up shares of any class into stock any shares of that class which subsequently become fully paid up and rank *pari passu* in all other respects with such share shall, by virtue of this Article and such resolution, be converted into stock transferable in the same units as the shares already converted.~~

~~59.— The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations as and subject to which the shares from which the stock arose might prior to conversion have been transferred or as near thereto as circumstances admit, but the Board may from time to time, if it thinks fit, fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum; but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose. No warrants to bearer shall be issued in respect of any stock.~~

Omission to give
notice

~~60.— The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding up, voting at meetings, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits and in the assets on winding up of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.~~

~~61.— Such of the provisions of these presents as are applicable to paid up shares shall apply to stock, and the words “share” and “shareholder” therein shall include “stock” and “stockholder”.~~

Special business

Alteration of Capital

- | | | |
|---------|--|---|
| 62. (A) | <p>The Company may from time to time <u>alter its capital by any one or more ways as permitted by the Statutes</u> by Ordinary Resolution.</p> <p>(i) Consolidate or 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 rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;</p> <p>(ii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled; and</p> <p>(iii) 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 Companies 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;</p> | <p>Business of annual general meeting</p> <p>Quorum</p> <p>When if quorum not present meeting to be dissolved and when to be adjourned</p> <p>Chairman of general meeting</p> |
| (B) | <p>The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner authorised and subject to any conditions prescribed by <u>law</u> the Statutes.</p> | <p>Power to adjourn general meeting</p> <p>Business of adjourned meeting</p> |

General Meetings

- 63. The Company shall in each financial year hold ~~a general meeting as its~~ annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it in accordance with the requirements of the Statutes; ~~and not more than fifteen months or such longer period as the Registrar of Companies may in any particular case authorise in writing shall elapse between the date of one annual general meeting of the Company and that of the next.~~ The annual general meeting shall, subject to the Statutes and these Articles, be held at such time and place as the Board shall appoint. What is to be evidence of the passing of a resolution where poll not demanded

- 64. ~~All general meetings other than annual general meetings shall be called extraordinary general meetings~~ Any general meeting may be held at more than one place provided that such technology is used which enables the members in different places to listen, speak and vote at the meeting. The meeting shall be deemed to take place at the meeting location which the Chairman is present at.

- 65. The Board may, whenever it thinks fit, convene ~~an extraordinary~~ a general meeting;. ~~The Board may also and extraordinary general meetings shall also be convened~~ a general meeting upon ~~on~~ any requisition from the members made in accordance with, ~~as provided by the Companies Ordinance, or, in default, a general meeting may be convened by the requisitionists in accordance with the Companies Ordinance.~~

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

66. An annual general meeting and a meeting called for the passing of a special resolution shall be called by ~~twenty-one~~ 21 days' notice in writing at the least, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by at least ~~fourteen~~ 14 days' notice in writing. 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 the meeting is called convened, and shall specify the place, the ~~day~~ te and the hour of meeting and, ~~in case of special business~~, the general nature of ~~that~~ business to be dealt with in the meeting, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company, provided that subject to the provisions of the Companies Ordinance, a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed:

Poll

- (i) in the case of ~~a meeting called as the~~ an annual general meeting, by all the members entitled to attend and vote thereat; and
- ~~(ii)~~ (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together ~~holding representing~~ not less than ninety-five per cent. 95% in nominal value of the shares giving that right of the total voting rights attaching to the shares of all the members having the right to vote at the meeting.

In what case poll taken without adjournment

Chairman to have casting vote

If the meeting is to be held at more than one place, the notice of meeting shall specify the principal place of the meeting and the other place or places of the meeting.

- 67. (A) The accidental omission to give any notice to, or the non-receipt of any notice by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.
- (B) In cases where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the non-receipt of such instrument of proxy by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.

Business may proceed notwithstanding demand for poll

Resolution in writing of members

Proceedings at General Meetings

68. ~~(Removed) All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting with the exception of sanctioning dividends, the reading, considering and adopting of the account and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the election of Directors and appointment of Auditors and other officers in the place of those retiring, the fixing of the remuneration of the Auditors, and the voting of remuneration or extra remuneration to the Directors.~~ Votes of members
69. For all purposes the quorum for a general meeting shall be ~~two~~ 2 members present in person or by proxy and entitled to vote. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business.
70. 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, but in any other case it shall be 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 such adjourned meeting a quorum is not present within ~~fifteen~~ 15 minutes from the time appointed for holding the meeting, the member or members present in person shall be a quorum and may transact the business for which the meeting was called.
71. The Chairman (if any) of the Directors or, if he is absent or declines to take the chair at such meeting, the Deputy Chairman (if any) shall take the chair at every general meeting, or, if there be no such Chairman or Deputy Chairman, or, if at any general meeting neither of such Chairman or Deputy Chairman, is present within ~~fifteen~~ 15 minutes after the ~~appointed time~~ fixed for holding such meeting, or both such persons decline to take the chair at such meeting, the members present shall choose another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair or if the Chairman chosen shall retire from the chair, then the members present shall choose one of ~~their own number~~ them to be Chairman. Votes in respect of deceased and bankrupt members

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

72. The Chairman may at any time; ~~with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting,~~ adjourn any meeting ~~from time to to another time and from place to and/or place as the meeting shall determine if he considers that it would facilitate the conduct of the business of the meeting.~~ Whenever a meeting is adjourned for ~~fourteen~~ 14 days or more, at least ~~seven~~ 7 clear days' notice, specifying ~~the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.~~ Joint holders
- *73. Save that a poll is required by the Listing Rules or the Companies Ordinance or any other applicable laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:– Votes of member of unsound mind
- (i) by the Chairman of the ~~M~~meeting; or
- (ii) by at least ~~three~~ five ~~5~~ members present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person or by proxy and representing not less than ~~one-tenth~~ five percent ~~5%~~ of the total voting rights attaching to the shares of all the members having the right to vote at the meeting of all the members having the right to vote at the meeting.; or Qualification for voting

Provided that if the Chairman, before or on the declaration of the result of a show of hands, knows from the proxies received by the Company that the result on a show of hands will be different from that on a poll, the chairman shall demand a poll.

*—amended on 29th December, 2004

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

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

*74. If a poll is demanded as aforesaid, it shall (subject as provided in Article 75) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than ~~thirty~~ 30 days from the date of the meeting or adjourned meeting at which the poll was demanded, as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll so demanded pursuant to these Articles or required by the Listing Rules or any other applicable laws shall be deemed to be the resolution of the meeting at which the poll was demanded or required. The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting or the taking of the poll, whichever is the earlier. Appointment of proxy must be deposited

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

*76. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded or required, shall be entitled to a second or casting vote. In case of any dispute as to the admission or rejection of any vote the Chairman shall determine the same, and such determination shall be final and conclusive. Form of proxy Authority under instrument appointing proxy

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

**—amended on 29th December, 2004*

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

78. A resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. A written notice of confirmation of such resolution in writing signed by or on behalf of a member shall be deemed to be his signature to such resolution in writing for the purposes of this Article. Such resolution in writing may consist of several documents each signed by or on behalf of one or more members.

When vote by
proxy valid
though authority
revoked

Votes of Members

- *79. Subject to Article 90A and any special right, privileges or restrictions as to voting for the time being attached by or in accordance with ~~these presents to any class or classes of shares, and subject to the provisions of the Statutes and Listing Rules,~~ at any general meeting on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative duly authorised under Section ~~H5606~~ of the Companies Ordinance or by proxy shall have one vote and on a poll every member who is present in person or by proxy or (being a corporation) present by a representative duly authorised under Section ~~606 H5~~ of the Companies Ordinance or by proxy shall have one vote for every fully paid share of which he is the holder but no amount paid or credited as paid up on a share in advance of calls shall be treated for the foregoing purposes as ~~paid up on the~~ qualifying share. If a member appoints more than one proxy, the proxies so appointed are not entitled to vote on a resolution on a show of hands. ~~The Original First Preference Shares shall not entitle the holders (i) to vote upon any resolution (other than a resolution for winding up the Company or reducing its share capital or a resolution varying or abrogating any of the special rights attached to such shares) unless at the date of the notice convening the meeting at which such resolution is to be proposed the dividend on such shares is ninety days in arrears (and so that for this purpose fixed dividends shall be deemed to be payable half-yearly on the dates and in respect of the periods mentioned in sub-paragraph (1)(a) of paragraph (A) of Article 3 and additional dividends shall be deemed to be payable on the date applicable from the application of sub-paragraph (1)(ix)(a) or, as the case may be, sub-paragraph (1)(ix)(b) of paragraph (A) of Article 3), or (ii) to receive notice of or to attend at any General Meeting unless the business of the meeting includes the consideration of a resolution upon which such holders are entitled to vote.~~

Corporation
acting by
representatives at
meetings

*—amended on 29th December, 2004

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- 80. Any person entitled to be registered as the holder of any shares under Article 45 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.

- 81. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto: but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. 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. Registered Office

- 82. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee, receiver, *curator bonis* or other person in the nature of a committee, receiver or *curator bonis* appointed by that court, and any such committee, receiver, *curator bonis* or other person may on a poll vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be delivered to the registered office of the Company, or to such other place as is specified in accordance with these Articles for the deposit of instruments of proxy, not less than the last time at which a valid instrument of proxy could be so delivered. Constitution of Board
Board may fill vacancies

- 83. (A) Save as expressly provided in these Articles, no person other than a member duly registered and who shall have paid everything for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member) either personally or by proxy, or to be reckoned in a quorum, at any general meeting. Alternate Directors

- (B) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman, whose decision shall be final and conclusive.

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

84. Any member of the Company entitled to attend and vote at a meeting of the Company or a meeting of the holders of any class of shares in the Company shall be entitled to appoint 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 one or more proxy/proxies to attend on the same occasion. ~~more than one proxy to attend on the same occasion.~~

85. 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.

86. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place as is specified in the notice of meeting or in the instrument of proxy issued by the Company, or delivered by electronic means to the Company in the manner specified by the Company (if applicable), not less than forty-eight 48 hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or in the case of a poll (as the case may be) to be taken more than forty-eight 48 hours after it is demanded, not less than twenty-four 24 hours before the time appointed for taking the poll at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after expiration of ~~twelve~~ 12 months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within ~~twelve~~ 12 months from such date. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

No qualification
shares for
Directors

87. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve.

Directors²
remuneration

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- 88. The instrument appointing a proxy to vote at a general meeting shall: (i) be deemed to confer authority upon the proxy to demand or join in demanding a poll and to vote on any resolution (or amendment thereto) put to the meeting for which it is given as the proxy thinks fit provided that any form issued to a member for use by him for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the member, according to his intention, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business; and (ii) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

Directors²
expenses
- 89. A vote given in accordance with the terms of an instrument of proxy or power of attorney or by the duly authorised representative of a corporation shall be valid notwithstanding the previous death or insanity of the principal or the previous termination or other revocation of the proxy or power of attorney or other authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its registered office, or at such other place as is referred to in Article 86, at least ~~two~~2 hours before the commencement of the meeting or adjourned meeting at which the proxy is used, or in the case of a poll taken more than ~~forty-eight~~ 48 hours after it is demanded, before the time appointed for taking the poll.

Special
remuneration

Remuneration
of Managing
Directors, etc
- *90. (1) Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company, references in these Articles to a member present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a member represented at the meeting by such duly authorised representative.

When office of
Director to be
vacated

**—amended on 29th December, 2004*

* (2) If a recognised clearing house (or its nominee) is a member of the Company, it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. The person so authorised shall be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise in respect of such number and class of shares so specified if it were an individual member of the Company.

*90A. Where the Company is aware that any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

Directors²
Interest

Registered Office

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

Board of Directors

92. The number of Directors shall not be less than two. The Board shall cause to be kept a register of the Directors ~~and Secretaries~~ in accordance with these Articles, and there shall be entered therein the particulars required by the Companies Ordinance.

93. The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following ~~annual~~ 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, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

* ~~amended on 29th December, 2004~~

94. (A) A Director may at any time, by notice in writing signed by him delivered to the registered office of the Company or at a meeting of the Board, appoint any person (including another Director) to act as alternate Director in his place during his absence and may in like manner at any time determine such appointment. If such person is not another Director, such appointment, unless previously approved by the Board, shall have effect only upon and subject to being so approved.
- (B) The appointment of an alternate Director shall determine on the happening of any event which, were he a Director, would cause him to vacate such office or if his appointor ceases to be a Director.
- (C) An alternate Director shall (except when absent from Hong Kong) be entitled to receive notices of meetings of the Board and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these presents shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative. If his appointor is for the time being absent from Hong Kong or otherwise not available or unable to act, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Board may from time to time determine in relation to any committee of the Board, the foregoing provisions of this paragraph shall also apply *mutatis mutandis* to any meeting of any such committee of which his appointor is a member. 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.
- (D) 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.

95. A Director shall not be required to hold any qualification shares but shall nevertheless be entitled to attend and speak at all general meetings of the Company and of any class of members of the Company.
96. 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 or by the Board, with the prior authorisation of 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 Board may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. The foregoing provisions shall not apply to a Director who holds any salaried employment or office in the Company except in the case of sums paid in respect of Directors' fees.
97. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses reasonably incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.
98. The Board may grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be arranged.
99. Notwithstanding Articles 96, 97 and 98, the remuneration of a Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Board and may be by way of salary, commission, or participation in profits or otherwise or by all or any of those modes and with such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his remuneration as a Director.

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

100. (A) A Director shall vacate his office:–
- (i) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
 - (ii) if he becomes a lunatic or of unsound mind;
 - (iii) if he absents himself from the meetings of the Board during a continuous period of ~~six~~ 6 months, without special leave of absence from the Board, and his alternate Director (if any) shall not during such period have attended in his stead, and the Board passes a resolution that he has by reason of such absence vacated his office;
 - (iv) if he becomes prohibited from being a Director by reason of any order made under any provision of the ~~Companies Ordinance~~ Statutes;
 - (v) if by notice in writing delivered to the Company at its registered office that he resigns his office;
 - (vi) if he shall be removed from office by notice in writing served upon him signed by all ~~his co-~~other Directors; or
 - *~~(vii)~~ if he shall be removed from office by an ordinary resolution of the Company under Article 108.
- (B) No person shall be required to vacate office or be ineligible for re-election or re-appointment as a Director, and no person shall be ineligible for appointment as a Director, by reason only of his having attained any particular age.
101. (A) Subject to the provisions of the Statutes, ~~A~~ Director may hold any other office or place of profit with the Company (except that of the Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.

*—*amended on 29th December, 2004*

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- (B) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as the Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (C) A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other Company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.
- (D) A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).
- (E) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution ~~may~~ shall be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director together with any of his close associate(s) (and if required by the Listing Rules, his other associate(s)) ~~his associates own 5 per cent. %~~ or more (as defined in paragraph (I) of this Article).

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- (F) Subject to the Ordinance and to the next paragraph of this Article, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- (G) A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company, which is significant to the business of the Company and the interest of the Director is material, shall declare the nature and extent of his interest in accordance with the Statutes and the Listing Rules and these Articles at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested as soon as reasonably practicable and before the Company enters into the transaction.

~~For this purpose, a general notice to the Board by a Director to the effect that:—~~

Notice to be given when person proposed for election

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

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

Register of
Directors and
notification of
changes to
Registrar

(H) Subject to the Listing Rules, A Director shall not vote or be counted in the quorum in respect of any contract or arrangement or proposal in which he or any of his close associate(s) (and if required by the Listing Rules, his other associate(s)) has/have a material interest, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to, and a Director may vote and be counted as quorum in respect of, any or more of the following matters:

Power to remove
Director by
ordinary resolution

Power to borrow

(i) the giving to him or any of his close associate(s) (and if required by the Listing Rules, his other associate(s)) of any guarantee, indemnity or security in respect of money lent or obligations undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

**—amended on 29th December, 2004*

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to the Directors, their close associate(s) (and if required by the Listing Rules, their other associate(s)) ~~associate(s)~~ and employees of the Company or any of its subsidiaries

Removal of
Managing
Directors, etc

- and does not provide in respect of any Director or his close associate(s) (and if required by the Listing Rules, his other associate(s)) ~~his associate(s)~~, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates;

Cessation of
appointment

- (vi) any contract or arrangement or proposal in which he or his close associate(s) (and if required by the Listing Rules, his other associate(s)) ~~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;

Powers may be
delegated

- (vii) any contract for the benefit of employees of the Company or of any of its subsidiaries under which the Director or any of his associate(s) his close associate(s) (and if required by the Listing Rules, his other associate(s)) ~~his associate(s)~~ benefit(s) in a similar manner to the employees and which does not accord to any Director or any of his associate(s) his close associate(s) (and if required by the Listing Rules, his other associate(s)) ~~his associate(s)~~ as such any privilege or advantage not accorded to the employees to whom the contract relates; and

General powers
of Company
vested in Board

- (viii) any contract for the purchase or maintenance for any Director or Directors of insurance against any liability.

For the purpose of this Article 101(H), “subsidiary” shall have the meaning as defined in the Listing Rules.

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

*(I) A company shall be deemed to be a company in which a Director and/or any of his close associate(s) (and if required by the Listing Rules, his other associate(s)) ~~his associate(s)~~ own(s) ~~five (5) per cent 5%~~, or more of the issued shares of any class of the equity share capital of such company or of the voting rights of any class of shares of such company if and so long as (but only if and so long as) he and/or his close associate(s) (and if required by the Listing Rules, his other associate(s)) ~~his associate(s)~~ is/are (either directly or indirectly) the holder(s) of or beneficially interested in ~~five (5) per cent 5%~~, or more of any class of the equity share capital of such company (or of any third company through which the interest of the Director and/or that of his close associate(s) (and if required by the Listing Rules, his other associate(s)) ~~his associate(s)~~ is derived) or of the voting rights of any class of shares available to shareholders of the company. For the purpose of this paragraph there shall be disregarded any shares held by a Director or any of his close associate(s) (and if required by the Listing Rules, his other associate(s)) ~~his associate(s)~~ as bare or custodian trustee and in which he or his close associate(s) (and if required by the Listing Rules, his other associate(s)) ~~his associate(s)~~ has/have no beneficial interest, any shares comprised in a trust in which the interest of the Director or that of his close associate(s) (and if required by the Listing Rules, his other associate(s)) ~~his associate(s)~~ is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorized unit trust scheme in which the Director or any of his close associate(s) (and if required by the Listing Rules, his other associate(s)) ~~his associate(s)~~ is/are interested only as a unit holder.

Appointment and remuneration of managers

*(J) Where a company in which a Director and/or any of his close associate(s) (and if required by the Listing Rules, his other associate(s)) ~~or any entity connected with him~~ his associate(s) hold(s) ~~five (5) per cent 5%~~, or more of any class of the equity share capital of such company or of the voting rights of any class of shares available to shareholders of such company is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.

Tenure of office and powers

*—*amended on 29th December, 2004*

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- ~~*(K)~~ If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the Chairman) and/or any of his close associate(s) (and if required by the Listing Rules, his other associate(s)) ~~his associate(s)~~ or as to the entitlement of any Director (other than such Chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or any of ~~his associate(s))~~ his close associate(s) (and if required by the Listing Rules, his other associate(s)) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the Chairman and/or any of his close associate(s) (and if required by the Listing Rules, his other associate(s)) ~~his associate(s)~~ such question shall be decided by a resolution of the Board (for which purpose such Chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Chairman and/or any of ~~his associate(s))~~ his close associate(s) (and if required by the Listing Rules, his other associate(s)) as known to him has not been fairly disclosed to the Board.
- (L) The Company may by ordinary resolution ratify any transaction not duly authorised by reason of a contravention of this Article provided that no Director who is materially interested in such transaction, together with any of his close associate(s) (and if required by the Listing Rules, his other associate(s)) ~~associates~~, shall vote upon such ordinary resolution in respect of any shares in the Company in which he is interested and shall not be counted in the quorum of the meeting approving such ordinary resolution.
- ~~(M)~~ For the purpose of this Article, any reference to an entity connected with a Director shall be construed in accordance with Section 486 of the Companies Ordinance and any reference to a contract, transaction or arrangement shall include a proposed contract, transaction or arrangement.

Terms and
conditions of
appointment

Chairman

Meeting of the
Board quorum;
etc

Convening of
Board meeting

**—amended on 29th December, 2004*

Rotation of Directors

- 102.† (A) Notwithstanding any contractual or other terms on which any Director may be appointed or engaged, at each annual general meeting, the Directors for the time being shall retire from office by rotation once every three years since their last election provided always that they shall retire in accordance with the manner of retirement by rotation of Directors required by the Statutes, Listing Rules or other codes, rules and regulations as may be prescribed by the applicable regulatory authority from time to time. A retiring Director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election thereat. Any Director appointed pursuant to Article 93 or 105 shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.
- (B) The Company at any general meeting at which any Directors retires in manner aforesaid may fill the vacated office by electing a like number of persons to be Directors.
103. If at any general meeting at which an election of Directors ought to take place, the places of the retiring Directors are not filled, the retiring Directors or such of them as have not had their places filled shall be deemed to have been re-elected and shall, if willing, continue in office until the next annual general meeting and so on from year to year until their places are filled, unless:—
- (i) it shall be determined at such meeting to reduce the number of Directors; or
- (ii) it is expressly resolved at such meeting not to fill up such vacated offices; or
- (iii) in any such case the resolution for re-election of a Director is put to the Meeting and lost.
104. 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 ~~two~~ 2.
- How questions to be decided
- Powers of meeting
- Power to appoint committee and to delegate
- Acts of committee to be of same effect as acts of Board
- Proceedings of committee
- When acts of Board of committee to be valid notwithstanding defects

†—amended on 23rd December, 2005

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

105. (A) The Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the Board. Any Director so elected shall hold office only until the following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Directors²
powers when
vacancies exist

(B) Except so far as the Statutes otherwise allow, at a general meeting the appointment of Directors shall be voted on individually.

Resolution in
writing of
Directors

*106. No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been delivered to the Company at its registered office provided that the minimum length of the period during which such notices are given, shall be at least ~~seven (7)~~ 7 days and that the period for lodgment of the notices shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than ~~seven (7)~~ 7 days prior to the date of such meeting.

Minutes of
proceedings of
meetings and
Directors

107. (A) The Company shall keep ~~in accordance with the Ordinance~~ a register containing the names and addresses and occupations of its Directors at its registered office or such prescribed place in accordance with the Statutes and shall from time to time notify the Registrar of Companies of any change ~~that takes place in such Directors~~ as required by the ~~Companies Ordinance~~ Statutes. The Company shall make available for inspection such register as required by the Statutes.

(B) The Company shall keep a register of Directors' and chief executive's interests and short positions and a register of interests in shares and short positions in accordance with the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Appointment of
Secretary

*—amended on 29th December, 2004

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

Residence

Same person not to act in two capacities at once

Borrowing Powers

109. The Board may from time to time at ~~their~~its discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and uncalled capital or any part thereof.

Custody of seal

110. The Board may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and, in particular by the issue of debentures, debenture stock, bonds or other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

111. Debentures, debenture stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

112. 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.

Official seal

**—amended on 29th December, 2004*

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- 113. (A) The Board shall cause a proper register to be kept, in accordance with the provisions of the Companies Ordinance, of all mortgages and charges specifically affecting the property of the Company and of all floating charges on the whole or part of the Company's property or undertaking and shall duly comply with the requirements of the Companies Ordinance in regard to the registration of mortgages and charges therein specified and otherwise.

- (B) If the Company issues a series of debentures or debenture stock not transferable by delivery, the Board shall cause a proper register to be kept of the holders of such debentures in accordance with the provisions of the Companies Ordinance.

114. 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 members or otherwise, to obtain priority over such prior charge.

Cheques and
banking
arrangements

Managing Directors, etc.

- 115. Subject to the Statutes and the Listing Rules, ~~t~~The Board may from time to time appoint any one or more of its ~~body to the office of~~ the Directors as Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director and/or to such other executive office in the management of the business of the Company as it may decide for such period and upon such terms (including directors' fees) as it thinks fit and upon such terms as to remuneration as it may decide in accordance with Article 99.

- 116. Every Director appointed to an office under Article 115 hereof shall, but without prejudice to any claim for damages for breach of any contract of service between himself and the Company and subject to any other terms of such contract of service, be liable to be dismissed or removed therefrom by the Board at any time.

- 117. A Director appointed to an office under Article 115 shall be subject to the same provisions as to rotation, resignation and removal as the other Directors of the Company, and he shall *ipso facto* and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.

Power to appoint
attorney

Execution of
deeds by attorney

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

Management

119. (A)—Subject to any exercise by the Board of the powers conferred by Articles 120 to 122, the management of the business of the Company shall be vested in the Board who, in addition to the powers and authorities by these Articles expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Companies Ordinance expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies Ordinance and of these Articles and to any regulations from time to time made by the Company in general meeting not being inconsistent with such provisions or these Articles, provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. Power to
establish pension
funds

~~(B)—Without prejudice to the general powers conferred by these Articles, it is hereby expressly declared that the Board shall have the following powers:—~~

~~(i)—to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed; and~~

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

(C) ~~Notwithstanding any provisions to the contrary in these Articles, the Company shall not, save with the approval of the Board, incur or assume or agree to incur or assume liabilities or obligations (whether actual, contingent or otherwise) in respect of any transaction (or any series of related transactions) having an aggregate amount or value exceeding HK\$100,000,000.00 provided however that in case of emergencies the Chairman of the Board may approve or sanction such a transaction on behalf of the Company.~~

Power to capitalise

Managers

120. The Board may from time to time appoint a general manager, manager or managers of the business of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits of the Company or by a combination of ~~two~~2 or more of these modes and pay the working expenses of any of the staff of the general manager, manager or managers who may be employed by him or them upon the business of the Company.
121. The appointment of such general manager, manager or managers may be for such period as the Board may decide and the Board may confer upon him or them all or any of the powers of the Board and such title or titles as ~~they~~it may think fit.
- Effect of resolution to capitalise
122. The Board may enter into such agreement or agreements with any such general manager, manager or managers upon such terms and conditions in all respects as the Board may in ~~their~~its absolute discretion think fit, including a power for such general manager, manager or managers to appoint an assistant manager or managers or other employees whatsoever under them for the purpose of carrying on the business of the Company.

Proceedings of the Directors

- *123. The Board may from time to time elect or otherwise appoint a Director to be Chairman or Deputy Chairman and determine the period for which each of them is to hold office. The Chairman or, in his absence, the Deputy Chairman shall preside at meetings of the Board, but if no such Chairman or Deputy Chairman be elected or appointed, or if at any meeting the Chairman or Deputy Chairman is not present within ~~five~~5 minutes after the time appointed for holding ~~the same~~such meeting, the Directors present shall choose one of their number to be Chairman of such meetings.
- Subscription Right Reserve

**—amended on 29th December, 2004*

- *124. The Board may meet together for the despatch of business, adjourn and otherwise regulate ~~their~~its meetings and the proceedings as ~~they~~it thinks fit. Two (2) Directors (or alternate Directors) present at the meeting shall form a quorum. For the purpose of this Article an alternate Director shall be counted in a quorum if his appointor is not present but, notwithstanding that an alternate Director is also a Director or is an alternate for more than one Director, he shall for quorum purposes count as only one Director. The Board or any committee of the Board may participate in a meeting of the Board or such committee by means of a conference telephone or ~~similar~~other communications equipment or electronic means by ~~means of which~~ all persons participating in the meeting are capable of hearing~~can hear and speak to~~ each other throughout the meeting.
125. A Director may, and on request of a Director and/or the Company Secretary shall, at any time summon a meeting of the Board. Notice thereof shall be given to each Director and alternate Director either in writing or by facsimile transmission or by electronic means or by telephone or by telex or telegram at the address from time to time notified to the Company by such Director~~otherwise orally~~ or in such other manner as the Board may from time to time determine, ~~provided that notice need not be given to any Director or alternate Director for the time being absent from Hong Kong.~~ A Director may waive notice of any meeting and any such waiver may be prospective or retrospective.
126. Questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall have a second or casting vote.
127. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board generally.
128. The Board may delegate any of ~~their~~its powers to committees consisting of such member or members of ~~their~~its body and such other persons, as the Directors think fit, and ~~they~~it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every 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.

*—*amended on 29th December, 2004*

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

129. 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.
130. The meetings and proceedings of any such committee consisting of ~~two~~2 or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto and are not replaced by any regulations imposed by the Board pursuant to Article 128.
131. All acts *bona fide* done by any meeting of the Board or by any ~~such~~ committee of the Board or by any person acting as a Director or a member of a committee of the Board shall, notwithstanding that it shall be afterwards discovered that there was some defect in the appointment of such Director or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or member of such committee.
132. The continuing Directors or sole continuing Director may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company but for no other purpose.
133. (A) A resolution in writing signed by all the Directors (or their respective alternate Directors) or members of a committee of the Board shall be as valid and ~~as effective~~ effective as if it had been passed at a meeting of the Board or committee of the Board duly convened, held and constituted. Any such resolution in writing may consist of several documents in like form each signed by ~~one~~1 or more of the Directors and, for the avoidance of doubt, may be sent to the Company by facsimile or other electronic means.

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

(B) Without prejudice to the provisions of the preceding paragraph, a Director or (as the case may be) a member of a committee of the Board may sign or otherwise signify his agreement to a resolution in writing of Directors or members of a committee. A Director or (as the case may be) a member of a committee of the Board signifies agreement to a written resolution of Directors when the Company receives from that Director or member of a committee a document or notification in hard copy form or in electronic form as authenticated by that Director or member of a committee in a manner previously agreed between that Director and the Company:–

(i) identifying the resolution to which it relates; and

(ii) indicating that Director or member of the committee’s agreement to the resolution.

(C) Notwithstanding any contrary provisions contained in these Articles and subject to the Statutes:–

(i) any signature of a Director or (as the case may be) a member of a committee of the Board to any resolution in writing may be made electronically, and any such resolution bearing the electronic signature of any Director or (as the case may be) any member of a committee of the Board shall be as valid and as effective as if it were bearing the handwritten signature of the relevant Director or member; and

Power to declare dividends

Board’s power to pay interim dividends

(ii) any signification of agreement to a resolution in writing by a Director or (as the case may be) a member of a committee of the Board authenticated as aforesaid shall be as valid and as effective as if the resolution had been signed by such Director or member of a committee, and a certificate by a Director or the Company Secretary of such signification and authentication shall be sufficient evidence without further proof thereof.

Minutes

134. (A) The Board shall cause minutes to be made of:–

(i) all appointments of officers made by the Board;

(ii) the names of the Directors or (as the case may be) members of a committee of the Board present at each meeting of the Board and of committees appointed pursuant to Article 128; and

Dividends not to be paid out of capital

(iii) all resolutions and proceedings at all meetings of the Company and of the Board and of such committees. Dividend in specie

(B) Any such minutes shall be conclusive evidence of any such proceedings and the facts stated therein if they purport to be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

Company Secretary

135. The Company Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Company Secretary so appointed may be removed by the Board. The Board may also appoint from time to time for such term, at such remuneration and upon such conditions as it may think fit any assistant or deputy Company Secretary. Anything by the Companies Ordinance or these Articles required or authorised to be done by or to the Company Secretary, if the office is vacant or there is for any other reason no Company Secretary capable of acting, may be done by or to any assistant or deputy Company Secretary, or if there is no assistant or deputy Company Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Board. ~~If the Secretary appointed is a corporation or other body, it may act and sign by the hand of any one or more of its directors or officers duly authorised.~~ Scrip dividends
136. The Company Secretary shall, ~~if be~~ an individual, ordinarily reside in Hong Kong and, if a body corporate, have its registered office or a place of business in Hong Kong. A register of company secretaries shall be kept and be entered therein the particulars required by the Companies Ordinance.
137. A provision of the Companies Ordinance or of these Articles requiring or authorising a thing to be done by or to a Director and the Company 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 Company Secretary.

General Management and Use of the Seal

138. (A) The Board shall provide for the safe custody of the seal which shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf, and every instrument to which the seal shall be affixed shall be signed by any two members of the Board or any two persons appointed by the Board 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 signatures or any of them may be affixed to certificates for shares or debentures or representing any other form of security by ~~some any~~ mechanical means or other than autographic means to be specified in such resolution or that such certificates need not be signed by any person. Every instrument executed in manner provided by this Article shall be deemed to be sealed and executed with the authority of the Directors previously given.
- (B) The Company may have an official seal for use for sealing certificates for shares, debentures or other securities issued by the Company as permitted by Section ~~73A-126~~ of the Ordinance (and no signature of any Director, officer or other person and no mechanical reproduction thereof shall be required on any such certificates or other document and any such certificates or other document to which such official seal is affixed shall be valid and deemed to have been sealed and executed with the authority of the Board notwithstanding the absence of any such signature or mechanical reproduction as aforesaid) and an official seal for use abroad under the provisions of the Companies Ordinance where and as the Board shall determine, and the Company may by writing under the seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company for the purpose of affixing and using such official seal and ~~they~~ it 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.

(C) A document signed by one Director and the Company Secretary or by two Directors and expressed (in whatever words) to be executed by the Company as a deed shall have the same effect as if executed under seal.

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

140. (A) The Board may from time to time and at any time, by power of attorney ~~under the seal or other instrument executed as a deed~~, appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

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

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

142. The Board may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or is allied or associated with the Company or with any such subsidiary company, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and holding or who have held any salaried employment or office in the Company or such other company, and the wives, widows, families and dependants of any such persons. The Board may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid, and may make payments for or towards the insurance of any such persons as aforesaid, and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. The Board may do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

Capitalisation of Reserves

143. (A) The Company in general meeting may, upon the recommendation of the Board, resolve to capitalise any part of the Company's reserves or undivided profits not required for the payment or provision of the dividend on any shares with a preferential right to dividend, and accordingly that such part be sub-divided 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 held by such members respectively or paying up in full shares or unissued shares or debentures~~ or other securities of the Company to be allotted and distributed credited as fully paid to and amongst such members in the proportion aforesaid, or partly in one way and partly in the other; ~~provided that for the purpose of this Article, any amount standing to the credit of share premium account may only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid up shares.~~

(B) Whenever such a resolution as aforesaid shall have been passed the Board shall make all appropriations and applications of the reserves or profits and undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, debentures, or other securities and generally shall do all acts and things required to give effect thereto. For the purpose of giving effect to any resolution under this Article, the Board may settle any difficulty which may arise in regard to a capitalisation issue as ~~it~~ they think fit, and in particular may, determine that cash payments shall be made to any members in respect of fractional entitlements or that fractions of such value (as the Board may determine) may be disregarded in order to adjust the rights of all parties or that fractional entitlements shall be aggregated and sold and the benefit shall accrue to the Company rather than to the members concerned. ~~The provisions of the Ordinance in relation to the filing of contracts for allotment shall be observed and, the~~ The Board may appoint any person to sign on behalf of the persons entitled to share in a capitalisation issue and such appointment shall be effective and binding upon all concerned, ~~and the contract may provide for the acceptance by such persons of the shares, debentures or other securities to be allotted and distributed to them respectively in satisfaction of their claims in respect of the sum so capitalised.~~

Reserves

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

<p>(C) <u>The Board may on any occasion determine that the allotment of shares or other securities 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 or the allotment of shares or other securities would or might be unlawful, or if it considers such exclusion to be necessary or expedient, and in such event the provisions aforesaid shall be read and construed subject to such determination.</u></p>	<p>Dividends to be paid in proportion to paid-up capital</p> <p>Retention of dividends etc</p>
<p>144. (A) If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions applicable under the terms and conditions of the warrants, would reduce the subscription price to below the par value of a share, then the following provisions shall apply:—</p>	<p>Deduction of debts</p> <p>Dividend and call together</p>
<p>(i) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Article) maintain in accordance with the provisions of this Article a reserve (the “Subscription Right Reserve”) the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub-paragraph (iii) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Right Reserve in paying up in full such difference in respect of such additional shares as and when the same are allotted;</p>	<p>Effect of transfer</p> <p>Receipt for dividends by joint holders of share</p> <p>Payment by post</p>
<p>(ii) the Subscription Right Reserve shall not be used for any purpose other than that specified above unless all other reserves of the Company (other than share premium account and capital redemption reserve fund) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by law;</p>	

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

Unclaimed
dividend

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

Record dates

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

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

Company may
cease sending
dividend
warrants

~~(iv) — if upon the exercise of the subscription rights represented by any warrant the amount standing to the credit of the Subscription Right Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such difference as aforesaid to which the exercising warrant holder is entitled, the Board shall apply any profits or reserves then or thereafter becoming available (including, to the extent permitted by law, share premium account and capital redemption reserve fund) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until then no dividend or other distribution shall be paid or made on the fully paid shares of the Company then in issue. Pending such payment up and allotment, the exercising warrant holder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being are transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Board may think fit and adequate particulars thereof shall be made known to each relevant exercising warrant holder upon the issue of such certificate.~~

Company may
sell shares of
untraceable
members

~~(B) — Shares allotted pursuant to the provisions of this Article shall rank *pari passu* in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned. Notwithstanding anything contained in paragraph (A) of this Article, no fraction of any share shall be allotted on exercise of the subscription rights.~~

~~(C) — A certificate or report by the auditors for the time being of the Company as to whether or not the Subscription Right Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Right Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to exercising warrant holders credited as fully paid, and as to any other matter concerning the Subscription Right Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and shareholders.~~

144. (Removed)

Dividends and Reserves

- 145. The Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board. Distribution of realised capital profits

- 146. (A) Subject to the provisions of the Statutes, the Board may from time to time declare and pay to the members such interim dividends as appear to the Board to be justified by the position of the Company and, in particular (but without prejudice to the generality of the foregoing), if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights. Annual returns

- (B) The Board may also pay half-yearly or at other suitable intervals as may be settled by them determined by the Board any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits justify the payment. Accounts to be kept

- 147. No dividend shall be payable except out of the profits of the Company. No dividend shall carry interest.

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

148. (A) Whenever the Board or the Company in general meeting have resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, with or without offering any rights to shareholders to elect to receive such dividend in cash, and where any difficulty arises in regard to the distribution the Board may settle the same as ~~they~~it thinks expedient, and in particular may disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may determine that fractional entitlements shall be aggregated and sold and the benefit shall accrue to the Company rather than to the members concerned, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. Where requisite, a contract shall be filed in accordance with the provisions of the Companies Ordinance and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective.
- Where accounts
to be kept
- Inspection by
members
- Annual profit
and loss account
and balance sheet
- Annual report of
Directors and
balance sheet to
be sent to
members
- (B) The Board may on any occasion determine that the distribution of specific assets 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 or the distribution of shares or other securities would or might be unlawful, or if it considers such exclusion to be necessary or expedient, and in such event the provisions aforesaid shall be read and construed subject to such determination.

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

149. (A) Whenever the Board or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve:–

Summary
financial
report

either (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted shall be of the same class or classes as the class or classes already held by the allottee, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply:–

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

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

Publication
in-electronic
format

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

(d) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised (“the non-election shares”) and in lieu and in satisfaction thereof shares shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company’s reserve accounts ~~(including any special account, share premium account and capital redemption reserve fund (if there be any such reserve))~~ as the Board may determine, a sum equal to the ~~aggregate nominal amount of the shares to be allotted on such basis~~ amount of cash dividend which would otherwise have been distributed in respect of the elected shares and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis.

Auditors

Remuneration
of AuditorsWhen Accounts
to be deemed
finally settled

or (ii) that 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 Directors may think fit on the basis that the shares so allotted shall be of the same class or classes as the class or classes of shares already held by the allottee. In such case, the following provisions shall apply:–

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

Service of
notices

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

- (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has accorded; and
- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised (“the elected shares”) and in lieu thereof shares 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 or any part of any of the Company’s reserve accounts (~~including any special account, share premium account and capital redemption reserve fund (if there be any such reserve))~~ as the Board may determine, a sum equal to the ~~aggregate nominal amount of the shares to be allotted on such basis~~ amount of cash dividend which would otherwise have been distributed in respect of the non-elected shares and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.
- (B) The shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank *pari passu* in all respects with the shares then in issue save only as regards participation:–
- (i) in the relevant dividend (or the right to receive or to elect to receive an allotment of shares in lieu thereof as aforesaid); or
- (ii) in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend

Members out of
Hong Kong

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

When notice
deemed to
be served

- (C) The Board may do all acts and things that it may 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 ~~they~~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.

- (D) The Company may upon the recommendation of the Board by special resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (A) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

- (E) 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 be unlawful, or if it considers such exclusion to be necessary or expedient, and in such event the provisions aforesaid shall be read and construed subject to such determination.

Services of notice
to persons
entitled on death;
mental disorder
or bankruptcy of
a member

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- 150. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (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 reserves 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 it may think prudent not to distribute by way of dividend.
Transferee to be bound by prior notices

- 151. Subject to the rights of any persons, if any, entitled to shares with special rights as to dividend (if any), all dividends shall be declared and paid according to the ~~amounts paid or credited as paid up on the~~ number of shares held in respect whereof the dividend is paid, but no amount paid up or credited as paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share.
Notice valid though member deceased bankrupt

- 152. (A) The Board may retain any dividends or other moneys payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
How notice to be signed

- (B) The Board may deduct from any dividend or bonus payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.
Member not entitled to information

- 153. Any general meeting sanctioning a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call shall be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the member, be set off against the call.

- 154. A transfer of shares shall not pass the right to any dividend or bonus declared thereon before the registration of the transfer.
Destruction of documents

- 155. If two or more persons are registered as joint holders of any share, any one of such persons, may give ~~effectual~~ receipts for any dividends, interim dividends or bonuses and other moneys payable in respect of such shares.

156. Unless otherwise directed by the Board, any dividend or bonus or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member entitled, or, in case of joint holders, to the registered address of that one whose name stands first in the register in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent, and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend and/or bonus and/or other moneys represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged.
157. All dividends or bonuses or other moneys unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses or other moneys unclaimed for six years after having been declared may be forfeited by the Board and shall revert to the Company.
158. 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 on a particular date or at a point of time on a particular date, and notwithstanding any other provisions 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 but shall not be earlier than the date of announcement of such dividend, distribution, allotment or issue. 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 issue, distributions of realised capital profits or offers or grants made by the Company to the members.

Untraceable Members

159. Without prejudice to the rights of the Company under Article 157 and the provisions of Article 160, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

160. (A) The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a member who is untraceable, but no such sale shall be made unless:– Assets may be distributed in specie

(i) all cheques or warrants, being not less than ~~three~~ 3 in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Articles of the Company have remained uncashed;

(ii) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and

(iii) the Company has caused an advertisement to be inserted in an English language newspaper and a Chinese language newspaper giving notice of its intention to sell such shares and has notified The Stock Exchange of Hong Kong Limited of such intention and a period of three months has elapsed since the date of such advertisement. Service of process

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

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

Indemnity

~~Distribution of Realised Capital Profits~~

161. ~~(Removed) The Company in general meeting may at any time and from time to time resolve that any surplus moneys in the hands of the Company representing capital profits arising from moneys received or recovered in respect of or arising from the realisation of any capital assets of the Company or any investments representing the same and not required for the payment or provision of any fixed preferential dividend instead of being applied in the purchase of any other capital assets or for other capital purposes be distributed amongst the ordinary shareholders on the footing that they receive the same as capital and in the shares and proportions in which they would have been entitled to receive the same if it had been distributed by way of dividend, provided that no such profits as aforesaid shall be so distributed unless there shall remain in the hands of the Company a sufficiency of other assets to answer in full the whole of the liabilities and paid-up share capital of the Company for the time being.~~

Annual Returns

162. The Board shall make the requisite annual returns in accordance with the Companies Ordinance.

Accounts

163. The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Ordinance or necessary to give a true and fair view of the state of Company's affairs and to show and explain its transactions.
164. The books of account shall be kept at the registered office or at such other place or places as the Board thinks fit and shall always be open to the inspection of the Directors.
165. The Board shall from time to time determine whether and to what extent, 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 the 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 the Companies Ordinance or authorised by the Board or by the Company in general meeting.
166. (A) The Board shall from time to time in accordance with the provisions of the Companies Ordinance cause to be prepared and laid before the Company at its annual general meeting ~~such profit and loss accounts, balance sheets, group accounts (if any)~~ a copy of the reporting documents for the financial year as and reports as are required by the Companies Ordinance. The Board may also cause to be prepared any summary financial report as it may think fit in accordance with the provisions of the Statutes.

(B) ~~Every balance sheet of the Company shall be signed pursuant to the provisions of the Companies Ordinance, and a printed copy of every balance sheet (including every document required by law to be annexed thereto) and profit and loss account which is to be laid before the Company at its annual general meeting, together with a printed copy of the Directors' report and a printed copy of the Auditors' report, A printed copy of the reporting documents or the summary financial report shall, not less than twenty-one-21 days before the date of the meeting, be sent to every member of, and every holder of debentures of, the Company and every person registered under Article 45 and every other person entitled to receive notices of general meetings of the Company, provided that this Article shall not require a printed 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. No accidental non-compliance with the provisions of this Article shall invalidate the proceedings at the meeting.~~

*^(C) To the extent permitted by and subject to due compliance with all applicable laws and the Listing Rules, and to obtaining all necessary consents, if any, required thereunder, the requirements of subparagraph (B) of this Article ~~166~~ shall be deemed to be satisfied in relation to any person by sending to the person in any manner not prohibited by the applicable laws or the Listing Rules, a summary financial statement derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws or the Listing Rules, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

**—amended on 29th December, 2004*

*(D) The requirement to send to a person the documents referred to in sub-paragraph (B) of ~~Article 166~~of this Article or a summary financial report in accordance with sub-paragraph (C) of ~~Article 166~~this Article shall be deemed to be satisfied where, in accordance with all applicable laws, the Statutes and the Listing Rules, the Company publishes copies of the documents referred to in sub-paragraph (B) of ~~Article 166~~this Article and, if applicable, a summary financial report complying with sub-paragraph (C) of ~~Article 166~~this Article, on the Company's ~~computer network~~website or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

Audit

167. Auditors shall be appointed and their duties regulated in accordance within the provisions of the Companies Ordinance. Subject to the Statutes, all acts done by any person acting as an Auditor shall, as regards to all persons dealing in good faith with the Company, be valid notwithstanding that there was some defect in his appointment or he was at the time of appointment not qualified or subsequently became disqualified.
168. Subject as otherwise provided by the Companies 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 remunerations to the Board.
169. ~~Every statement of accounts~~The reporting documents or summary financial report when audited by the Company's Auditors and presented by the Board at an annual 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.

**—amended on 29th December, 2004*

Notices

*170. Any notice or document (including any “corporate communication” within the meaning ascribed thereto under the Listing Rules) may, in accordance with these Articles and subject to the Statutes and the Listing Rules, be served or delivered or made available to be given or issued under these Articles, shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such notice and document may be served or delivered by the Company on or to any member:

(i) either personally; or

(ii) by sending it through the prepaid post in a prepaid letter, envelope or wrapper addressed to such member at his registered address as appearing in the register; or

(iii) by delivering or leaving it at such registered address as aforesaid; or

(iv) (in the case of a notice) by advertisement in an English language newspaper and a Chinese language newspaper; or

(v) Bby sending it in electronic form or by electronic means to such person at the address specified by him to the Company for such purpose; or

(vi) , as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of notice to him or which the person transmitting the notice reasonably and *bona fide* believes at the relevant time will result in the notice being duly received by the member by making it available on the Company’s website; or

; to the extent permitted by the applicable laws and the Listing Rules, by placing it on the Company’s website and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the member by any of the means set out above.

(vii) by any other means as permitted by the Statutes and the Listing Rules from times to time.

*—amended on 29th December, 2004

Provided that in case of paragraphs (v) and (vi) above, such member has consented or deemed to have consented in the manner permitted in the Statutes and the Listing Rules to the Company communicating with him in such form or manner.

In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be deemed to be a sufficient service on or delivery to all the joint holders.

For the purposes of making available any notices or documents to a member on the Company's website, the Company shall notify such member that the notice or document has been made available on the Company's website in the manner prescribed by the Statutes and the Listing Rules (a "notice of availability").

171. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who does not notify the Company of an address in Hong Kong may notify the Company of an address outside Hong Kong and the Company may serve notices on him at such overseas address. In the absence of notification by a member of an address in Hong Kong for the purpose of service of notice, such member shall be deemed to have received any notice which shall have been displayed at the registered office of the Company and shall have been remained there for the space of ~~twenty-four~~ 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed.

*172. Any notice or document:—

- (i) if sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, (and in the case of an address outside Hong Kong where airmail service can be extended thereto airmail postage prepaid) addressed and put into such post office and a certificate in writing signed by the Company Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so addressed and put into the post shall be conclusive evidence thereof;

*—*amended on 29th December, 2004*

- (ii) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company's website is deemed to be given by the Company to a member at the time that such notice or document was first made available on the Company's website or on the day following that on which a notice of availability is deemed to be served on the member, whichever is later;
 - (iii) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Company Secretary or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof;
 - (iv) if served by advertisement in newspapers in accordance with the requirements of the applicable laws or the Listing Rules, shall be deemed to have been served on the day on which the notice is first published; and
 - (v) may be given to a member either in the English language or the Chinese language, subject to due compliance with all applicable laws and the Listing Rules.
173. A notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member by sending it ~~through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, within Hong Kong supplied for the purpose by the person claiming to be so entitled~~ in such manner as provided in these Articles to such person, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.
174. Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which prior to his name and address being entered on the register shall have been duly given to the person from whom he derives his title to such share.

*175. Any notice or document given, issued, served, delivered, sent or transmitted to any member in pursuance of these presents, 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 registered shares whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such shares.

*176. The signature to any notice or document to be given by the Company may be written or printed or in the form of electronic signature or in any other form.

Information

177. No member (not being a Director) shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or process which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interests of the members of the Company to communicate to the public.

Destruction of Documents

178. The Company may destroy:—

- (i) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- (ii) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date on which such mandate, variation, cancellation or notification was recorded by the Company;
- (iii) any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration; and
- (iv) any other document, on the basis of which any entry in the register is made, at any time after the expiry of six years from the date on which an entry in the register was first made in respect of it;

**—amended on 29th December, 2004*

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

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

*178A. Notwithstanding any provisions contained in these Articles, the Directors may, if permitted by applicable law, authorize the destruction of documents set out in sub-paragraphs (i) to (iv) of Article 178 and any other documents in relation to share registration which have been microfilmed or electronically stored by the Company provided always that 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.

**—amended on 29th December, 2004*

Winding Up

179. ~~Subject to the provisions of the Statutes, if~~ the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the sanction of a special resolution and any other sanction required by the ~~Companies Ordinance~~ Statutes, divide among the members in specie or kind the whole or any part of the assets of the Company and whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other upon which there is a liability.
180. In the event of a winding-up of the Company in Hong Kong, every member of the Company who is not for the time being in Hong Kong shall be bound, within ~~fourteen~~ 14 days after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong and stating that person's full name, address and occupation upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding-up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee, whether appointed by the member or the liquidator, shall be deemed to be good personal service on such member for all purposes, and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such member, by advertisement in an English language newspaper and in a Chinese language newspaper as he shall deem appropriate or by a registered letter sent through the post and addressed to such member at his address as mentioned in the register, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

Indemnity

- *181. (A) Every Director, Company Secretary or other officer of the Company ~~and every member of a committee of the Board~~ shall be ~~entitled to indemnified out of the assets of the Company against all loss or liabilities~~ be indemnified out of the assets of the Company against all losses or liabilities which ~~which~~ he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director or other officer shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office all in relation thereto, provided that this Article shall only have effect in so far as its provisions are not avoided by the Companies Ordinance.
- (B) To the extent permitted by the provisions of the Companies Ordinance, if any Director or other officer of the Company shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or other officer of the Company so becoming liable as aforesaid from any loss in respect of such liability.
- ~~(C)~~ Any indemnity provision given by the Company for the benefit of any Director is subject to disclosure in the relevant Directors' report in accordance with the provisions of the Statutes. The Company shall also keep at its registered office a copy, or document setting out the terms, of such indemnity provision which shall be made available for inspection by members in accordance with the provisions of the Statutes.
- ~~(D)~~ To the extent permitted by the provisions of the Companies Ordinance Statutes, the Company may purchase and maintain at its expense insurance for any Director, Company Secretary or other officer of the Company or any director of an associated company of the Company against liabilities incurred by him.

* ~~amended on 29th December, 2004~~

APPENDIX II AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The following table sets out the details of the initial subscribers of the Company on 17th June 1959:

Names, Addresses and Descriptions of <u>Initial</u> Subscribers
林百欣 No. 156 Austin Road, Garden Mansion, 8th floor, D Block, Merchant
林建名 No. 156 Austin Road, Garden Mansion, 8th floor, D Block, Merchant

Dated this 17th day of June, 1959:
WITNESS to the above signatures:

(Signed) E.S.C. BROOKS
Solicitor
HONG KONG.