
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Chinese Energy Holdings Limited** (the “**Company**”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular, for which the directors of the Company (the “**Directors**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Chinese Energy Holdings Limited
華夏能源控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 8009)

**(1) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE NEW SHARES AND BUY BACK SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
(3) ADOPTION OF NEW ARTICLES OF ASSOCIATION;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company (“**AGM**”) to be held at Pacific Room, 2/F., Hong Kong Island Pacific Hotel, 152 Connaught Road West, Hong Kong on Monday, 18 August 2014 at 11:00 a.m. is set out on pages 93 to 97 of this circular.

Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the AGM or any adjournment thereof to the Company’s Hong Kong principal share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

This circular will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of seven (7) days from the date of its publication and on the Company’s website at <http://www.chinese-energy.com>.

30 June 2014

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“AGM”	the annual general meeting of the Company to be held at Pacific Room, 2/F., Hong Kong Island Pacific Hotel, 152 Connaught Road West, Hong Kong on Monday, 18 August 2014 at 11:00 a.m., a notice of which is set out on pages 93 to 97 of this circular
“Board”	the board of Directors
“Buy-back Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to buy back the Shares of an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution at the AGM
“Company”	Chinese Energy Holdings Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance and the Shares of which are listed on GEM
“Director(s)”	directors of the Company
“Existing Articles”	the existing articles of association of the Company
“Extension Mandate”	a general and unconditional mandate to the Directors to the effect that any Shares bought back under the Buy-back Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the total number of Shares of the Company in issue as at the date of passing of the relevant resolution at the AGM
“Latest Practicable Date”	25 June 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for the inclusion in this circular

DEFINITIONS

“New Articles”	the new articles of association of the Company proposed to be adopted at the AGM under resolution no. 7
“New Company Ordinance”	the new Company Ordinance, Chapter 622 of the Laws of Hong Kong, which has taken effect from 3 March 2014
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong)
“Share(s)”	share(s) in the capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD

Chinese Energy Holdings Limited 華夏能源控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 8009)

Executive Directors:

Mr. Shi Yanmin (*Chairman*)
Mr. Yau Yan Ming Raymond
Mr. Zha Jian Ping (*Chief Executive Officer*)
Mr. Ji Peng

*Registered office and principal place
of business:*

Unit 2207, 22/F,
West Tower, Shun Tak Centre,
168-200 Connaught Road Central,
Hong Kong

Non-executive Director

Ms. Qi Yue

Independent non-executive Directors:

Mr. Lam Tze Chung
Mr. Wu Ka Ho Stanley
Mr. Yue Laiqun

30 June 2014

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE NEW SHARES AND BUYBACK SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
(3) ADOPTION OF NEW ARTICLES OF ASSOCIATION;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The primary purposes of this circular are to provide you with information regarding the resolutions to be proposed at the AGM which include, among other resolutions, the approval of the (i) grant of the Issue Mandate, the Buy-back Mandate and the Extension Mandate; and (ii) re-election of Directors, (iii) adoption of the New Articles of Association; and (iv) to give you notice of the AGM.

2. GENERAL MANDATES TO ISSUE AND BUYBACK SHARES

At the annual general meeting of the Company held on 28 August 2013, the Directors were granted a general mandate to allot, issue and deal with Shares and a general mandate to buy back Shares on GEM. These mandates will expire at the conclusion of the AGM. At the AGM, among other businesses, separate ordinary resolutions will be proposed to the Shareholders to consider and, if thought fit, to grant to the

LETTER FROM THE BOARD

Directors (i) the Issue Mandate to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of such resolution; (ii) the Buy-back Mandate to buy back Shares not exceeding 10% of the total number of Shares of the Company in issue as at the date of the passing of such resolution; and (iii) the Extension Mandate to extend the general mandate as set out in (i) above by the total number of Shares of the Company bought back by the Company pursuant to the Buy-back mandate as mentioned in (ii) above.

Each of the Issue Mandate, the Buy-back Mandate and the Extension Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the end of the period within which the next annual general meeting of the Company is required by the New Articles or any applicable law of the New Companies Ordinance to be held; or (c) when revoked or varied by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

As at the Latest Practicable Date, there were 1,058,841,000 Shares in issue. Subject to the passing of the proposed resolution for the grant of the Issue Mandate and Buy-back Mandate and on the basis that no Shares are issued or bought back by the Company during the period between the Latest Practicable Date and the date of the AGM, the Directors would be authorised to issue up to 211,768,200 new Shares and buy back 105,884,100 Shares under the Issue Mandate and the Buy-back Mandate respectively.

Under the GEM Listing Rules, the Company is required to give to the Shareholders an explanatory statement containing all information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Buy-back Mandate. The explanatory statement required by the GEM Listing Rules is set out in Appendix I to this circular.

3. RE-ELECTION OF DIRECTOR

In accordance with article 120 of the Existing Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. Mr. Wu Ka Ho Stanley, Mr. Yue Laiqun, and Mr. Lam Tze Chung will retire at the AGM. Mr. Wu Ka Ho Stanley, Mr. Yue Laiqun, and Mr. Lam Tze Chung being eligible, will offer themselves for re-election at the AGM.

Particulars of the retiring Directors to be re-elected at the AGM are set out in Appendix II to this circular.

4. ADOPTION OF NEW ARTICLES OF ASSOCIATION

Although it is not mandatory under the New Companies Ordinance for an existing company to adopt a new set of articles of association, the Board has proposed to adopt the New Articles for the sake of clarity and facilitating better communication with Shareholders by bringing the Company's articles of association in line with changes brought by the New Companies Ordinance which has taken effect from 3 March 2014. A special resolution for adopting the New Articles is proposed as Resolution no. 7 in the notice of the AGM.

LETTER FROM THE BOARD

Details of the proposed major changes made to the Company's Existing Articles are set out in Appendix III to this circular. A copy of the New Articles, marked to show changes to the Company's existing memorandum and articles of association, is included in Appendix IV to this circular. For Shareholders' ease of reference, a clean version of the New Articles will also be posted on the Company's website (<http://www.chinese-energy.com>).

The Company's legal adviser (Shum & Co., Solicitors) has confirmed to the Company that the New Articles comply with the requirements of the laws of Hong Kong and the GEM Listing Rules. Furthermore, the Company has confirmed to the Stock Exchange that there is nothing unusual about the New Articles. The Board is of the view that none of the proposed changes will adversely affect the rights of Shareholders in any material respect.

5. AGM

The notice of the AGM is set out on pages 93 to 97 of this circular. A form of proxy for use at the AGM is enclosed with this circular.

At the AGM, resolutions will be proposed to approve, among other matters, the grant of the Issue Mandate, the Buy-back Mandate and the Extension Mandate to the Directors and the re-election of the Directors and adoption of the New Articles of Association.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the shareholders at a general meeting of the Company must be taken by poll. Accordingly, all the resolutions to be considered and, if thought fit, approved at the AGM will be conducted by way of poll.

Whether or not you are able to attend the AGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event not later than 48 hours before the time of the AGM or any adjournment thereof to the Company's Hong Kong principal share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

7. RECOMMENDATION

The Directors are of the opinion that the grant of the Issue Mandate, the Buy-back Mandate and the Extension Mandate and the re-election of retiring Directors and adoption of the New Articles of Association referred to in this circular are in the best interests of the Company and the Shareholders and recommend you to vote in favour of all the resolutions to be proposed at the AGM.

Yours faithfully,
By order of the Board
Chinese Energy Holdings Limited
Shi Yanmin
Chairman

This Appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide requisite information as to the proposed Buy-back Mandate.

1. GEM LISTING RULES RELATING TO THE BUY-BACK OF SHARES

The GEM Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the GEM Listing Rules provide that the shares of such company must be fully paid up and all buy-back of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general buy-back mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were 1,058,841,000 Shares in issue. Subject to the passing of the proposed resolution for the grant of the Buy-back Mandate and on the basis that no Shares are issued or bought back by the Company during the period between the Latest Practicable Date and the date of the AGM, the Directors would be authorised to buy back 105,884,100 Shares under the Buy-back Mandate respectively.

3. REASONS FOR THE BUY-BACK

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to buy back the Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Share buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share 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.

4. FUNDING OF BUY-BACKS

Buy-backs made pursuant to the Buy-back Mandate would be funded out of funds legally available for the purpose in accordance with its articles of association, the GEM Listing Rules and the New Companies Ordinance. A listed company may not buy back its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. The New Companies Ordinance provides that a share buy-back may only be made out of the distributable profits of the Company and/or the proceeds of a new issue of Shares.

Taking into account the current working capital position of the Company, the Directors consider that, if the Buy-back Mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 March 2014, being the date of its latest published audited consolidated financial statements. However, the Directors do not intend to make any buy-backs to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

5. THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to buy back Shares pursuant to the Buy-back Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, so far as is known to the Directors, the shareholding interests in the Company of the substantial Shareholders (within the meaning of the GEM Listing Rules) are as follows:

Name of Substantial Shareholders	Number of Shares held	Approximate%
Liang Ying Shu (<i>Note 1</i>)	74,244,700	7.01% (<i>Note 2</i>)
Wang Jiao (<i>Note 1</i>)	74,244,700	7.01% (<i>Note 2</i>)

Note:

1. These shares are registered under a jointly owned account. By virtue of the SFO, both parties were deemed to be interested in the Shares.
2. The percentage is based on 1,058,841,000 issued Shares as at 31 March 2014.

Assuming that there would not be any change in the issued share capital of the Company prior to the buy-back of Shares and that the above substantial Shareholders would not dispose of its Shares nor acquire additional Shares prior to any buy-back of Shares, if the Buy-back Mandate were exercised in full, the percentage shareholding of the above substantial Shareholders would be increased as follows:

Name	Approximate % after the exercise of Buy-back Mandate in full
Liang Ying Shu (<i>Note 1</i>)	7.79%
Wang Jiao (<i>Note 1</i>)	7.79%

The Directors are not aware of any consequences which may arise under the Takeovers Code as consequences of any buy-back made under the Buy-back Mandate and have no intention to exercise the Buy-back Mandate to an extent as may result in the amount of the Shares held by public below 25% of the total issued share capital of the Company.

As at the Latest Practicable Date, the Directors have no intention to exercise any of the Buy-back Mandate.

6. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the 12 calendar months immediately preceding (and including) the Latest Practicable Date are as follows:

	Price per share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2013		
July	0.445	0.280
August	0.410	0.350
September	0.395	0.320
October	0.385	0.350
November	0.490	0.345
December	0.465	0.400
2014		
January	0.640	0.370
February	0.580	0.430
March	0.540	0.415
April	0.500	0.445
May	0.500	0.335
June (up to the Latest Practicable Date)	0.360	0.310

7. SHARE BUY-BACK MADE BY THE COMPANY

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

8. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make buy-backs pursuant to the Buy-back Mandate and in accordance with the GEM Listing Rules, the New Articles, the New Companies Ordinance and any other applicable laws of Hong Kong.

As at the Latest Practicable Date and to the best of the knowledge of the Directors who have made all reasonable enquiries, none of the Directors nor their respective associates (as defined in the GEM Listing Rules) has any present intention, in the event that the resolution relating to the Buy-back Mandate is approved by the Shareholders, to sell Shares to the Company or has undertaken not to do so.

9. CONNECTED PERSONS

No connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any of their Shares to the Company, or has undertaken not to do so, in the event that the Buy-back Mandate is approved by the Shareholders at the AGM.

Details of the Directors who will retire from their office at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

MR. WU KA HO STANLEY (MR. WU), AGED 48, INDEPENDENT NON-EXECUTIVE DIRECTOR

Qualification and experience

Mr. Wu holds a master degree in Business Administration in International Management from the University of London and a bachelor degree in Accounting from the University of Hull, the United Kingdom. He is a fellow member of the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong. Mr. Wu is also a member of Hong Kong Institute of Certified Public Accountants and a certified tax advisor in Hong Kong. He served as auditor for a sizable international accounting firm and held senior management positions in several private enterprises. Mr. Wu has extensive work experience in finance and auditing. He is also a fellow member of the Association of Chartered Certified Accountants.

Interests in Shares

As at the Latest Practicable Date, Mr. Wu does not have any interests in the Shares within the meaning of Part XV of the SFO.

Relationships

Mr. Wu is not connected with any other Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders.

Director's emoluments

The remuneration in connection with Mr. Wu's position as an independent non-executive Director is HK\$12,000 per month currently which was determined by the Board with reference to his duties and responsibilities in the Company and the market benchmark.

Others

Mr. Wu has not been appointed for a specific term. He is subject to retirement at the AGM and re-election at annual general meetings of the Company in line with the Existing Articles.

There is no information relating to Mr. Wu that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

Save as disclosed herein, there are no other matters that needs to be brought to the attention of the Shareholders and the Stock Exchange.

MR. YUE LAIQUN (MR. YUE), AGED 55, INDEPENDENT NON-EXECUTIVE DIRECTOR**Qualification and experience**

Mr. Yue, holds a doctoral degree in Science from the China University of Geosciences and a master degree in Science from Chinese Academy of Geological Sciences. He is a professor-level senior engineer and a qualified researcher for mining economics. Mr. Yue was the chief engineer of Fujian No. 4 Geological Party of Ministry of Geology and Mineral Resources of the People's Republic of China, an assistant administrative investigator of the Department of Geology and Mineral Resources of the People's Republic of China of Fujian Bureau of Geology and Mineral Resources under the Ministry of Geology and Mineral Resources and deputy director of Science and Technology Division of Fujian Provincial Bureau of Geology and Mineral Exploration of the People's Republic of China. He currently acts as the deputy chief engineer of Oil and Gas Resources Strategic Research Center of the Ministry of Land and Resources of the People's Republic of China. Mr. Yue has extensive experience in exploration of geological and mineral resources and strategic planning for oil and gas resources. He has published several papers on geological exploration, oil and gas resources economics and strategic research on energy and resources.

Interests in Shares

As at the Latest Practicable Date, Mr. Yue did not have any interests in the Shares within the meaning of Part XV of the SFO.

Relationships

Mr. Yue is not connected with any other Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders.

Director's emoluments

The remuneration in connection with Mr. Yue's position as an independent non-executive Director is HK\$12,000 per month currently which was determined by the Board with reference to his duties and responsibilities in the Company and the market benchmark.

Others

Mr. Yue has not been appointed for a specific term. He is subject to retirement at the AGM and re-election at annual general meetings of the Company in line with the Existing Articles.

There is no information relating to Mr. Yue that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

Save as disclosed herein, there are no other matters that needs to be brought to the attention of the Shareholders and the Stock Exchange.

MR. LAM TZE CHUNG (MR. LAM), AGED 42, INDEPENDENT NON-EXECUTIVE DIRECTOR**Qualification and experience**

Mr. Lam holds a degree of Master of Science in Finance from City University of Hong Kong and a degree of Bachelor of Arts in Accountancy from The Hong Kong Polytechnic University. Mr. Lam is a member of both Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants. Mr. Lam has over 10 years of working experience in accounting field.

Interests in Shares

As at the Latest Practicable Date, Mr. Lam did not have any interests in the Shares within the meaning of Part XV of the SFO.

Relationships

Mr. Lam is not connected with any other Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders.

Director's emoluments

The remuneration in connection with Mr. Lam's position as an independent non-executive Director is HK\$12,000 per month currently which was determined by the Board with reference to his duties and responsibilities in the Company and the market benchmark.

Others

Mr. Lam has not been appointed for a specific term. He is subject to retirement by rotation and re-election at annual general meetings of the Company in line with the Existing Articles.

There is no information relating to Mr. Lam that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

Save as disclosed herein, there are no other matters that needs to be brought to the attention of the Shareholders and the Stock Exchange.

The Existing Articles will be replaced in their entirety by the New Articles. Set out below are the principal differences between the New Articles and the Existing Articles.

Amendments made in response to the changes introduced by the New Companies Ordinance

- (a) The concept of memorandum of association of all companies incorporated in Hong Kong (including the Company) has been retired under the New Companies Ordinance. According to section 98 of the New Companies Ordinance, conditions contained in a memorandum of association (other than the authorised share capital clause, which has been abolished) of a company incorporated in Hong Kong registered before the commencement date of the New Companies Ordinance (i.e. before 3 March 2014) would be regarded as provisions of the company's articles of association. For the sake of clarity and facilitating better communication with Shareholders, the Board has put forward the New Articles to be adopted by the Company for approval by Shareholders at the forthcoming AGM in substitution for the Company's existing set of memorandum and articles of association. In Appendix IV of this circular, a draft of the New Articles is marked to show changes when compared to the Company's existing set of memorandum and articles of association. Since the Company's existing memorandum of association has already been retired by section 98 of the New Companies Ordinance, the inclusion of the changes brought by the deletion of the memorandum of association is also shown in Appendix IV for Shareholders' ease of reference.
- (b) In view of the requirement under section 77 of the New Companies Ordinance, article numbers assigned to paragraphs of the New Articles have been renumbered consecutively after making changes to Existing Articles.
- (c) Given the abolition of the doctrine of ultra vires in relation to corporate capacity in 1997 and all companies now have the capacity and rights of a natural person of full age under section 115 of the New Companies Ordinance, the "objects" clause is now less significant and becomes optional. As permitted by section 82(2) of the New Companies Ordinance and in view of the common practice of local listed companies when adopting their new articles, the "objects" clause has not been retained in the proposed New Articles. Moreover, as permitted by section 85(2) of the New Companies Ordinance, the maximum number of shares that the Company may issue has not been stated in the proposed New Articles so as to allow greater flexibility and in line with the common practice of local listed companies when adopting their new articles.
- (d) The name of the Company has been shown under New Article 1 in view of section 81 of the New Companies Ordinance. The statement about the limitation of members' liability in New Article 2 can adequately fulfill the requirements under both section 83(1) and section 84(1) of the New Companies Ordinance.
- (e) Pursuant to section 138 of the New Companies Ordinance, the provisions (Existing Articles 60 to 63) relating to conversion of shares into stock are proposed to be removed.

- (f) New Articles 5, 8, 11, 36, 54, 60, 61(B), 69, 110(B), 137(A), 141(A), Appendix I and the deletion of Existing Articles 3 and 144 reflect the abolition of concepts of “nominal value”, “authorised share capital”, “share premium” and the abolition of a company’s power to issue share warrants to bearer under the New Companies Ordinance.
- (g) New Article 6 reflects the changes introduced by section 235 of the New Companies Ordinance about directors’ authority to determine the terms, conditions and manner of redemption of shares.
- (h) New Articles 40 and 41 reflect the new requirement under sections 151 and 158 of the New Companies Ordinance on a company to give reasons for refusal of share transfer upon request.
- (i) New Article 49 reflects the provisions of section 574 of the New Companies Ordinance by clarifying that a person entitled to a share in consequence of the death and bankruptcy of a member has the rights to receive notice of a general meeting after notifying the Company of his entitlement.
- (j) All general meetings other than annual general meeting are simply referred to as “general meetings” under the New Companies Ordinance. When drafting New Articles 67 to 92, references to “extraordinary general meetings” have been amended accordingly and new requirements on meeting procedures introduced by the New Companies Ordinance have been incorporated.
- (k) New Article 103 reflects the extension of directors’ interest to cover their connected entities as restricted under sections 486 and 536 of the New Companies Ordinance.
- (l) New Article 132 incorporates the more flexible manner of executing documents under seal introduced by sections 125 and 127 of the New Companies Ordinance.
- (m) New terminology of “reporting documents” under sections 357 and 430 the New Companies Ordinance instead of the old descriptions such as “profit and loss account” and “balance sheet” has been adopted in New Article 154.

Amendments made to modernize articles or for housekeeping

- (n) In New Articles 164, the existing common practice of a listed company not putting any signature on notices has been spelled out.
- (o) By reference to the structure of the model articles prescribed under the New Companies Ordinance and the common practice of other local listed companies, the duties imposed by the Companies Ordinance on a company to keep a register of charges, a register of debenture holders, a register of directors and secretaries need not be particularly mentioned in a company’s articles of association and are proposed to be removed from Existing Articles 69, 99, 110. Existing Article 178(B) is considered as obsolete and is proposed to be removed.

**MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF**

**~~IMERCHANTS~~ CHINESE ENERGY HOLDINGS LIMITED
菱控華夏能源控股有限公司**

(as adopted by a special resolution passed on [•••])

Incorporated on the 25th day of October, 1999

~~THE COMPANIES ORDINANCE~~

~~COMPANY LIMITED BY SHARES~~

~~MEMORANDUM OF ASSOCIATION~~

of

~~iMERCHANTS LIMITED~~

~~菱控有限公司~~

~~(adopted by a special resolution passed on 12 December 2011)~~

1. ~~The name of the Company is iMERCHANTS LIMITED菱控有限公司~~
2. ~~The registered office of the Company will be situated in Hong Kong.~~
3. ~~The objects for which the Company is established are—~~
 - (A) ~~To acquire any shares, stocks, debentures, debenture stock, annuities, bonds, obligations and securities by original subscription (whether conditionally or otherwise), tender, purchase, exchange, underwriting, participation in syndicates or otherwise and whether or not fully paid up and to make payments thereon as called up or in advance of calls or otherwise and to hold the same for investment, but with power to vary any investment and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof and otherwise to invest and deal with the moneys of the Company.~~
 - (B) ~~To carry on all or any of the businesses of general merchants, traders, commission agents, importers, exporters, shippers and ship owners, refrigerators, charterers, forwarding agents, sales agents, and sub agents for manufacturers, agents, and sub agents for carriers, brokers and agents for brokers, purchasing agents, wharfingers, warehousemen, furnishers, auctioneers, appraisers, valuers, surveyors, personal and promotional representatives, shopkeepers, stevedores, packers, storers, builders, contractors, metallurgists, and undertakers of all kinds of works, enterprises or projects whatsoever.~~
 - (C) ~~To import, export, buy, sell (wholesale and retail), exchange, barter, let on hire, distribute and otherwise deal in and turn to account, as principal, agent or in any other capacity whatsoever, goods, materials, commodities, produce and merchandise generally in their prepared, manufacture, semi-manufactured and raw states.~~

- ~~(D) To acquire by any means any real or personal property or rights whatsoever, and to improve, manage, develop, grant rights or privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.~~
- ~~(E) To carry on financial business and financial operations of all kinds and in particular and without prejudice to the generality of the foregoing to finance or assist in the financing of the acquisition, hire or sale of goods, articles or commodities of all and every kind, and the provision of services in connection therewith, whether by way of personal loan, hire purchase, instalment finance, deferred payment or otherwise, to engage in the business of commercial leasing, to acquire by assignment or otherwise, debts due and owing to any person or company and to collect such debts, to constitute and to act as managers of mutual funds, pension funds, unit trusts and investment trust, and generally to act as financiers, factors, commission agents, insurance brokers, insurance agents, underwriting agents, or in any other capacity.~~
- ~~(F) To act as director, secretary, manager, agent or managing agent of any person, business or body corporate and for these purposes to accept powers of attorney or service or managerial agreements with or without powers of delegation.~~
- ~~(G) To make experiments in connection with any business or proposed business of the Company or any other person and to experiment upon, test or improve any patents, inventions or rights which the Company may acquire or propose to acquire.~~
- ~~(H) To pay for any property or rights acquired or to be acquired by the Company and to remunerate any person either in cash or by the allotment of shares, debentures or other securities of the Company credited as fully or partly paid up, or otherwise.~~
- ~~(I) To lend money or give credit to such persons and on such terms as may seem expedient and to invest and otherwise deal with the moneys of the Company.~~
- ~~(J) To borrow money and to secure by any method whatsoever the undertaking and all or any of the real and personal property and assets, present or future, and all or any of the uncalled capital for the time being of the Company, and to issue and create at par or at a premium or discount, and for such consideration and with and subject to such rights, powers, privileges and conditions as may be thought fit, mortgages, charges, memoranda of deposit, debentures or debenture stock, either permanent or redeemable or repayable, and collaterally or further to secure any securities of the Company by a trust deed or other assurance.~~
- ~~(K) To guarantee, support or secure, either with or without the Company receiving any consideration or advantage direct or indirect therefrom or generally for such reasons as the directors of the Company may in their absolute discretion consider appropriate, and whether by covenant or by mortgaging or charging or creating a lien upon the whole or any part of the undertaking property and assets (present and future) and uncalled capital of the Company or by any of such methods the performance of the obligations of and the repayment or payment of the principal amounts of and premiums interest and dividends on any securities of any person, firm or company including (without prejudice to the generality of the foregoing) any company~~

~~of which the Company is a subsidiary (within the meaning of Section 2 of the Companies Ordinance Cap. 32) or which is a subsidiary of the Company or of its holding company or is otherwise associated in whatsoever manner with the Company.~~

- ~~(L) To issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities, and also by way of security for the performance of any contractual or other obligations of the Company or of any other person, firm or body corporate.~~
- ~~(M) To give such indemnities as may seem expedient to the directors.~~
- ~~(N) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.~~
- ~~(O) To grant pensions, annuities or other allowances, including allowances on death, to any directors, officers or employees or former directors, officers or employees of the Company or any company which at any time is or was a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company or of any predecessor in business of any of them, and to the relations, connections or dependants of any such persons, and to other persons whose service or services have directly or indirectly been of benefit to the Company or who the Company considers have any moral claim on the Company or to their relations, connections or dependants, and to establish or support any associations, institutions, clubs, schools, building and housing schemes, funds and trusts, and to make payments towards insurances or other arrangements likely to benefit any such persons or otherwise advance the interests of the Company or of its Members, and to subscribe, guarantee or pay money for any purpose likely, directly or indirectly, to further the interests of the Company or of its Members or for any national, charitable, benevolent, educational, social, public, general or useful object.~~
- ~~(P) To enter into any arrangements with any governments or authorities (supreme, municipal, local or otherwise) or any person or company, and to obtain from any such government, authority, person or company any rights, privileges, charters, contracts, licences and concessions and to carry out, exercise and comply with the same.~~
- ~~(Q) To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to the formation and registration of the Company anywhere in the world or the issue of its capital, including brokerage and commissions for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company.~~
- ~~(R) To enter into any partnership or arrangement for sharing profits, co-operation or union of interests with any other company or person, and to establish or promote, or join in the establishment or promotion of, any other company.~~
- ~~(S) To acquire and undertake the whole or any part of the business, property and liabilities of any other company or persons, and to amalgamate with any other company.~~

- ~~(T) To dispose by any means of the whole or any part of the undertaking or property of the Company.~~
- ~~(U) To distribute any of the property of the Company among the members in specie.~~
- ~~(V) To cause the Company to be registered or recognised in any part of the world.~~
- ~~(W) To carry on any other business which may seem to the Company capable of being conducted directly or indirectly for the benefit of the Company.~~
- ~~(X) To do all such other things as are incidental or the Company may think conducive to the attainment of the above objects or any of them.~~
- ~~(Y) To do all or any of the above things in any part of the world, and either as principal, agent, trustee or otherwise, and either alone or in conjunction with others, and by or through agents, trustees, sub-contractors or otherwise.~~

~~And it is hereby declared that—~~

- ~~(1) the word “company” in this clause, except where used in reference to this Company, shall be deemed to include any body corporate and any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in Hong Kong or elsewhere;~~
 - ~~(2) the word “company” in this clause, except where used in reference to this Company, shall be deemed to include any body corporate and any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in Hong Kong or elsewhere;~~
4. ~~The liability of the members is limited.~~
5. ~~The share capital of the Company is HK\$1,000 divided into 1,000 shares of HK\$1.00 each with power for the Company to increase or reduce the said capital and to issue any part of its capital, original or increased, with or without preference, priority, or special privilege, or subject to any postponement of rights, or to any conditions, or restrictions.~~

~~“An ordinary resolution has passed on 10 March 2000 for the increase of share capital of the Company to HK\$800,000,000 divided into 8,000,000,000 shares of HK\$0.10 each. An ordinary resolution has passed on 27 July 2006 for the consolidation of ten issued and unissued ordinary shares of HK\$0.10 each in the capital of the Company into one shares of HK\$1.00 each. The share capital of the Company was HK\$800,000,000 divided into 800,000,000 shares of HK\$1.00 each.~~

~~An ordinary resolution has passed on 26 June 2008 for the subdivision of one issued and unissued ordinary shares of HK\$1.00 each in the capital of the Company into five shares of HK\$0.20 each. The share capital of the Company was HK\$800,000,000 divided into 4,000,000,000 shares of HK\$0.20 each.~~

~~An ordinary resolution has passed on 17 September 2009 for the increase of share capital of the Company to HK\$2,000,000,000 divided into 6,000,000,000 shares and 4,000,000,000 convertible preference shares of HK\$0.20 each.~~

~~An ordinary resolution has passed on 30 October 2009 for the subdivision of one issued and unissued ordinary shares of HK\$0.20 each in the capital of the Company into five shares of HK\$0.04 each. The share capital of the Company was HK\$2,000,000,000 divided into 30,000,000,000 shares and 20,000,000,000 convertible preference shares of HK\$0.04 each.~~

~~On 12 December 2011, a special resolution was passed to (a) reduce the authorised share capital of the Company from (1) HK\$1,200,000,000 divided into 30,000,000,000 ordinary shares of HK\$0.04 each to HK\$120,000,000 divided into 30,000,000,000 ordinary shares of HK\$0.004 each and (2) HK\$800,000,000 divided into 20,000,000,000 convertible preference shares of HK\$0.04 each to HK\$80,000,000 divided into 20,000,000,000 convertible preference shares of HK\$0.004 each; and (b) consolidate every 25 shares in the share capital of the Company of HK\$0.004 each into one share of HK\$0.10 each.~~

~~On 12 December 2011, an ordinary resolution was passed to increase the authorised share capital of the Company from (1) HK\$120,000,000 divided into 1,200,000,000 ordinary shares of HK\$0.10 each to HK\$1,000,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.10 each and (2) HK\$80,000,000 divided into 800,000,000 convertible preference shares of HK\$0.10 each to HK\$500,000,000 divided into 5,000,000,000 convertible preference shares of HK\$0.10 each.”~~

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

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	Number of Shares taken by each Subscriber
SHIPCORP LIMITED 20/F., Alexandra House, Chater Road, Central, Hong Kong Corporation	One
SEACORP LIMITED 20/F., Alexandra House, Chater Road, Central, Hong Kong Corporation	One

~~Total Number of Shares subscribed for: two~~

~~DATED the~~

~~WITNESS to the above signatures,~~

~~DANNY LAM
20/F., Alexandra House,
Chater Road, Central,
Hong Kong~~

~~Company Secretary~~

~~ARTICLES OF ASSOCIATION~~

~~OF~~

~~IMERCHANTS CHINESE ENERGY HOLDINGS LIMITED~~

~~菱控華夏能源控股有限公司~~

~~(as adopted by a special resolution passed on [***])~~

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THE COMPANIES ORDINANCE (Chapter ~~326~~22)

Public Company Limited by Shares

ARTICLES OF ASSOCIATION

OF

~~1~~MERCHANTS LIMITED CHINESE ENERGY HOLDINGS
LIMITED

菱控有限公司 華夏能源控股有限公司

(as adopted by a special resolution passed on [•••])

~~TABLE A~~ COMPANY NAME

1. The name of the company is “CHINESE ENERGY HOLDINGS LIMITED 華夏能源控股有限公司”. Company’s name

MEMBERS’ LIABILITY

2. The liability of the members of the Company is limited to any amount unpaid on the shares held by the members. Members’ Liability

APPLICABILITY OF MODEL ARTICLES

- ~~1.3.~~ The regulations contained in Table A in the First Schedule to the Companies Ordinance shall not apply to the Company. No regulations contained in Schedule 1 to the Companies (Model Articles) Notice (Cap. 622H) shall apply to the Company. The articles herein constitute the entirety of the Company’s Articles of Association. Other regulations excluded.

INTERPRETATION

- ~~2.4.~~ The marginal notes to these Articles shall not affect the interpretation of these Articles.

In these Articles, unless the context otherwise requires,

<p>“associate” shall have the same meaning as that set out in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited;</p>	associate
<p>“Auditors” shall mean the persons for the time being performing the duties of that offices;</p>	auditors
<p>“business day” shall mean <u>any</u> day on which the Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Articles be counted as a business day.</p>	
<p>“capital” shall mean the share capital from time to time of the Company;</p>	capital
<p>“clearing house” shall mean a recognized clearing house within the meaning ascribed to that term in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended or supplemented from time to time;</p>	clearing house.
<p>“Company” or “this Company” shall mean i<u>MERCHANTS—CHINESE ENERGY HOLDINGS LIMITED</u> (菱控華夏能源控股有限公司) “Company” or “this Company” shall mean i<u>MERCHANTS LIMITED</u> (菱控有限公司);</p>	The Company.
<p>“Companies Ordinance” shall mean the Companies Ordinance (Chapter 36222 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;</p>	Companies Ordinance.
<p>“convertible preference shares” shall mean convertible preference shares in the capital of the Company and having the rights and benefits and subject to the restrictions set out in Appendix I hereto;</p>	
<p>“Directors” or “Board” shall mean the Directors from time to time of the Company or, as the context may require, the Directors present and voting at a meeting of Directors at which a quorum is present;</p>	Directors. Board.
<p>“dividend” shall include scrip dividends, distributions in specie or in kind, capital distributions and capitalisation issues, if not consistent with the subject or context;</p>	dividend.
<p>“dollars” or “\$” shall mean dollars, the legal currency of Hong Kong;</p>	dollars.

“GEM Listing Rules” shall mean the Rules Governing the Listing of Securities on the Stock Exchange <u>Growth Enterprise Market of The Stock Exchange of Hong Kong Limited</u> ;	
“Hong Kong” shall mean The Hong Kong Special Administrative Region of the People’s Republic of China;	Hong Kong.
“market” shall mean The Stock Exchange of Hong Kong Limited or any other stock exchange;	market.
“members” shall mean the duly registered holders form time to time of the shares;	members.
“mental incapacity” shall have the meaning ascribed to that term in the Mental Health Ordinance (Chapter 136 of the laws of Hong Kong) and “mentally incapacitated” shall be construed accordingly;	mental incapacity.
“month” shall mean a calendar month;	month.
“register” shall mean the register of members to be kept pursuant to the provisions of the Companies Ordinance;	the register.
“seal” shall mean the common seal or any other official seal from time to time of the Company adopted pursuant to Article 138 <u>132</u> ;	seal.
“Secretary” shall mean the person for the time being performing the duties of that office;	Secretary.
“share” shall mean an ordinary share in the capital of the Company and includes stock except where a distinction between stock and share is expressed or implied ;	Shares.
“Stock Exchange” shall mean The Stock Exchange of Hong Kong Limited;	
“these Articles” shall mean the present Articles of Association and all supplementary, amended or substituted articles for the time being in force;	these Articles.
“writing” or “printing” shall include writing, printing, lithography, photography, type-writing and every other mode of representing words or figures in a legible and non-transitory form;	writing. printing.
words denoting the singular shall include the plural and words denoting the plural shall include the singular;	singular and plural.

words importing gender or the neuter shall include both genders and the gender.
neuter; and neuter.

words importing persons shall include companies and corporations. persons.

Subject as aforesaid, any words defined in the Companies Ordinance shall if Words in Companies
not inconsistent with the subject and/or context, bear the same meanings in Ordinance to bear
these Articles. same meanings in
Articles.

~~SHARE CAPITAL AND MODIFICATION OF RIGHTS~~ ~~ATTACHED TO SHARES~~

~~3. The authorised share capital of the Company is HK\$1,500,000,000 divided Capital.
into 10,000,000,000 ordinary shares of HK\$0.10 each and 5,000,000,000
convertible preference shares of HK\$0.10 each.~~

~~4.5. If at any time the share capital is divided into different classes of shares, the How rights of Shares
rights attached to any class (unless otherwise provided for by the terms of may be modified.
issue of the shares of that class) may, subject to the provisions of Sections
~~64-182 to 183 and 193~~ of the Companies Ordinance, be varied, modified or
abrogated either with the consent in writing of the holders of not less than
~~three fourths in nominal value of the issued shares of seventy-five per cent~~
~~of the total voting rights of holders of shares in that class~~ or with the
sanction of a special resolution passed at a separate general meeting of the
holders of the 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 at such meeting (other
than an adjourned meeting) shall be two persons at least holding or
representing by proxy or by authorised representative not less than one third
~~in nominal value of the issued shares of that class~~ of the total voting rights
of holders of shares in that class and that every holder of shares of that
class shall be entitled on a poll to one vote for every such share held by
him, and at any adjourned meeting ~~two one~~ person holding shares of that
class or his proxy or by authorised representative (whatever the number of
shares held by him) shall be a quorum, and that any holder of shares of the
class present in person or by proxy may demand a poll.~~

SHARES AND INCREASE OF CAPITAL

~~5-6.~~ Without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of share capital or otherwise, or be redeemable whether at the option of the Company or the holder, and such holder, and such other terms and conditions, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination or so far as the some may not make specific provision, subject to the provisions of the Companies Ordinance, as the Directors may determine). ~~and any preference share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company is liable, to be redeemed. Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all members alike.~~ Subject to provisions of the Companies Ordinance and the GEM Listing Rules, the Directors may determine the terms, conditions and manner of redemption of the shares.

Issue of shares.

~~6-7.~~ The Company may exercise all powers conferred or permitted by the Companies Ordinance or any other applicable ordinance from time to time to acquire its own shares or to give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any 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, provided always that such ~~acquisition~~ buy-back or financial assistance shall only be made or given in accordance with any relevant rules or regulations issued by The Stock Exchange of Hong Kong Limited or the Securities and Futures Commission of Hong Kong from time to time.

Company may finance ~~purchase~~ buy-back of own shares.

~~7-8.~~ 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.~~ in any one or more of the ways set out in Section 170 of the Companies Ordinance.

Power to increase capital.

- ~~8.9.~~ 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 Directors shall determine. In particular such shares may be issued with a preferential or qualified right to dividends and/or in the distribution of assets of the Company and with a special or without any right of voting provided always that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, shall include the words “restricted voting” or “limited voting”.
- Conditions on which new shares may be issued.
- ~~9.10.~~ 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 shares shall be subject to the provisions contained in these Articles with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.
- New shares to form part of original capital.
- ~~10.11.~~ Subject to the provisions of the Companies Ordinance and ~~of these Articles and any resolutions of the Company relating to issue of new shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot~~ the Board may exercise any power of the Company to allot shares (with or without confirming a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and 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.
- ~~Shares at the disposal of the Board~~ Power of the Board to allot Shares.
- ~~11.12.~~ The Directors may issue warrants other than shares warrants to bearer to subscribe for any class of shares or securities of the Company on such terms as the Board may from time to time determine subject to the provisions of the Companies Ordinance and the GEM Listing Rules.
- Issue of warrants
- ~~12.13.~~ The Company may at any time pay a commission to any person for subscribing 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. of the price at which the shares are issued.
- Company may pay commissions.

- ~~13~~.14. 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 such share capital as is for the time being paid up for the period and subject to ~~the any~~ conditions and restrictions mentioned in ~~Section 57 of~~ 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 the plant. Power to charge interest to capital.
- ~~14~~.15. 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 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 rights in respect of any share except an absolute right to the entirety thereof in the registered holder. Company not to recognise trusts in respect of shares.

REGISTER OF MEMBERS AND SHARE CERTIFICATES

- ~~15~~.16. (A) The Directors shall cause to be kept a register of the members and there shall be entered therein the particulars required under the Companies Ordinance. Share register.
- (B) Subject to the provision of the Companies Ordinance, if the Directors consider it necessary or appropriate, the Company may establish and maintain a branch register of members at such location outside Hong Kong as the Directors think fit.

- ~~16.~~17. Every person whose name is entered as a member in the register shall be entitled ~~without payment~~ to receive, ~~within two months after allotment or within ten business days (or within such shorter period prescribed under the GEM Listing Rules from time to time)~~ after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide), one certificate for all his shares or, if he shall so request, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming a stock exchange board lot, upon payment, in the case of a transfer of such reasonable out-of-pocket expenses as The Stock Exchange of Hong Kong Limited may determine to be the maximum sum payable or such lesser sum as the Directors shall from time to time determine, for every certificate after the first, such number of certificates for shares in stock exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders.
- Share certificates.
- For the purpose of this Article 17, "transfer" means a transfer duly stamped and otherwise valid, and does not include such a transfer as the Company is for any reason entitled to refuse to register and does not register.
- ~~17.~~18. Every certificate for shares or debentures or representing any other form of security of the Company shall be issued under the Company's seal ~~of the Company or any official seal kept pursuant to Section 126 of the Companies Ordinance, which for this purpose may be any official seal as permitted by Section 73A of the Companies Ordinance.~~ The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates (or certificates in respect of other securities) need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any person.
- Share certificate to be sealed.
- ~~18.~~19. Every share certificate shall specify the number of shares in respect of which it is issued ~~and the amount paid thereon~~ and shall otherwise be in such form as the Directors may from time to time prescribe.
- Every certificate to specify number of shares.
- ~~19.~~20. If any share shall stand in the names of two or more persons, the person first named in the register shall be deemed the sole holder thereof as regards service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the share.
- Joint holders.

~~20-21.~~ If a share certificate is worn-out, defaced, lost or destroyed, it may be replaced on payment of such fee as The Stock Exchange of Hong Kong Limited may determine to be the maximum fee 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 Directors think 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 provided always that where share warrants have been issued, no new share warrant shall be issued to replace one that has been lost, unless the Company is satisfied beyond reasonable doubt that the original has been destroyed.

Replacement of share certificates.

LIEN

~~21-22.~~ 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. 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 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 Directors may resolve that any share shall for some specified period be exempt wholly or partially from the provisions of this Article.

Company's lien

Lien extends to dividends and bonuses.

~~22-23.~~ The Company may sell in such manner as the Directors think fit any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the shares or the person entitled by reason of such holder's death or bankruptcy to the shares.

Sale of shares subject to lien.

23-24.	The net proceeds of such sale after the payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability on engagement in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale, the Directors may authorize some person to transfer the shares sold to the purchaser thereof and may enter the purchaser's name in the register as holder of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.	Application of proceeds of sale.
CALLS ON SHARES		
24-25.	The Directors may from time to time make such calls as they may think fit upon the members in respect of any monies unpaid <u>not paid up</u> on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times. A call may be made payable either in one sum or by instalments.	Calls.
25-26.	Fourteen days' notice at least of any call shall be given specifying the time and place of payment and to whom such call shall be paid.	Notice of calls.
26-27.	A copy of each notice referred to in Article 25-26 shall be sent to members in the manner in which notices may be sent to members by the Company as herein provided.	Copy of notice to be sent to member.
27-28.	Every member upon whom a call is made shall pay the amount of every call so made on him to the person and at the time or times and place or places as the Directors shall appoint.	Every member liable to pay call at appointed time and place.
28-29.	Notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members by notice to be inserted once in the Hong Kong Government Gazette and once in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper.	Notice of call may be advertised.
29-30.	A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed.	When call deemed to have been made.
30-31.	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.	Liability of joint holders.

- 31-32. The Directors may from time to time at their discretion extend the time fixed for any call, and may extend such time as to all or any of the members, whom from residence outside Hong Kong or other cause the Directors 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. Board may extend time fixed for call.
- 32-33. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. per annum as the 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. Interest on unpaid calls.
- 33-34. No member shall be entitled to received any dividend or bonus or to be present and vote (save as proxy for another member) at any general meeting, either personally or 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. Suspension of privileges while call unpaid.
- 34-35. 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 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. It shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. Evidence in action for call.
- 35-36. 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 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. Sums payable on allotment deemed a call.

- ~~36-37.~~ The Directors may, if they think fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the moneys so advanced the Company may pay interest at such rate (if any) as the Directors may decide but any amount paid up in advance of calls on any share shall not entitle the member to participate in respect thereof in a dividend subsequently declared 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 the payment has been advanced by such member before it is called up. The Directors may at any time repay the amount so advanced upon giving to such member not less than one month's notice in writing of their intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced.
- Payment of calls in advance.

TRANSFER OF SHARES

- ~~37-38.~~ All transfers of shares may be effected by transfer in writing in the usual common form as prescribed by The Stock Exchange of Hong Kong Limited or in such other form as the Directors may accept and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), under hand or by machine imprinted signature or by such other manner of execution as the Directors may approve from time to time. All instruments of transfer must be left at the registered office of the Company or at such other place as the Directors may appoint.
- Form of transfer.
- ~~38-39.~~ The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee, and the transferor shall for all purposes hereof 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.
- Execution of transfer.
- ~~39-40.~~ 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 joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.
- Directors may refuse to register a transfer.

- 40-41. If the ~~Board shall~~ Company refuses to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal. Upon request by the transferor or the transferee, the Company must, within 28 days after receiving such request, sent to the transferor or transferee (as the case may be) a statement of the reasons for the refusal. Notice of refusal.
- 41-42. The Board may also decline to recognise any instrument of transfer unless:– Requirements as to transfer.
- (i) a fee which does not exceed such sum as The Stock Exchange of Hong Kong Limited may from time to time prescribe as the maximum fee in respect thereof as the Directors 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 Directors may reasonably require to show the right of the transferor to make the transfer;
 - (iii) the instrument of transfer is in respect of only one class of share;
 - (iv) the shares concerned are free from any lien in favour of the Company; and
 - (v) the instrument of transfer is properly stamped (if applicable).
- 42-43. No transfer shall knowingly be made to an infant or to a person who is mentally incapacitated or under other legal disability. No transfer to an infant etc.
- 43-44. Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued without charge 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 or a new certificate in respect thereof shall be issued to him without charge. The Company shall also retain the transfer. Certificate of transfer.
- 44-45. ~~¶~~ Subject to Section 632 of the Companies Ordinance, the registration of transfers may be suspended and the register closed at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended or the register closed for more than thirty days in any year or, with the approval of the Company in general meeting, sixty days in any year. When transfer books and register may be closed.

TRANSMISSION OF SHARES

- ~~45-46.~~ 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 holder, shall be the only persons recognized by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him. Death of registered or joint holder of shares.
- ~~46-47.~~ Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence as to his title being produced as may from time to time be required by the Directors, and subject as hereinafter provided, either be registered himself as holder of the share or elect to have some person nominated by him registered as the transferee thereof. Registration of personal representatives and trustee in bankruptcy.
- ~~47-48.~~ 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 to his nominee a transfer of such share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member. Notice of election to be registered.
- ~~48-49.~~ A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends, the right to receive notice of general meetings of the Company and other advantages to which he would be entitled if he were the registered holder of the share. However, the Directors may, if they think fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Article ~~8782~~ being met, such a person may vote at meetings. Retention of dividends, etc., until transfer or transmission of shares of a deceased or bankrupt member.

FORFEITURE OF SHARES

- ~~49-50.~~ If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time during such time as any part thereof remains unpaid, without prejudice to the provisions of Article ~~3334~~, 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. If call or instalment not paid notice may be given.

- ~~50-51.~~ The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited. Form of notice.
- ~~51-52.~~ If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share, and not actually paid before the forfeiture. If notice not complied with, shares may be forfeited.
- ~~52-53.~~ 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 Directors think fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit. Forfeited shares to be deemed property of Company.
- ~~53-54.~~ A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Directors shall in their discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding twenty per cent. per annum as the Directors may prescribe; and the Directors may enforce the payment thereof if they think fit. and without any deduction or allowance for the value of the shares, 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 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. Arrears to be paid notwithstanding forfeiture.
- ~~54-55.~~ A statutory declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Evidence of forfeiture.

- ~~55-56.~~ The Company may receive the consideration, if any, given for the forfeited share on any sale or disposition thereof and may executed a transfer of the share in favour of the person to whom the share in 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. Transfer of forfeited share.
- ~~56-57.~~ When any share shall have been forfeited, notice of the resolution shall be given to the person 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. Notice after forfeiture.
- ~~57-58.~~ Notwithstanding any such forfeiture as aforesaid the Directors may at any time, before any share so forfeited shall have been sold, reallocated, or otherwise disposed of, permit the share forfeited to be 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 they think fit. Power to redeem forfeited shares.
- ~~58-59.~~ The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon. Forfeiture not to prejudice Company's right to call or instalment.
- ~~59-60.~~ 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. Forfeiture for nonpayment of any sum due on shares

STOCK

- ~~60.~~ ~~The Company may by ordinary resolution convert any paid up shares into stock, and may from time to time by like resolution reconvert any stock into paid up shares of any denomination.~~ Power to convert into stock.
- ~~61.~~ ~~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 Directors may from time to time, if they think 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.~~ Transfer of stock.

62. ~~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 of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.~~ Rights of stockholders.
63. ~~Such of the provisions of these Articles as are applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" herein shall include "stock" and "stockholder".~~ Interpretation.

ALTERATION OF CAPITAL

- ~~64-61.~~ (A) The Company may from time to time by ordinary resolution alter its share capital in any one or more of the ways set out in the Section 170 of the Companies Ordinance. In case of any consolidation of fully paid shares into smaller quantity of shares, 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 at the discretion of the Board 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.:- Alteration of Capital

~~consolidate and divide all and or any of its share capital into shares of larger 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 at the discretion of the Board 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;~~

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

- (i) ~~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~~
- (ii) ~~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.~~

- (B) 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 ~~law~~ Part 5 of the Companies Ordinance.

Reduction of capital.

BORROWING POWERS

- ~~65-62.~~ The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and uncalled capital or any part thereof. Power to borrow.
- ~~66-63.~~ The Directors may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and, in particular, by the issue of debentures, debenture stock, bonds or other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. Conditions on which money may be borrowed.
- ~~67-64.~~ 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. Assignment.
- ~~68-65.~~ 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. Special privileges.
- 69. (A) ~~The Directors 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 shall duly comply with the requirements of the Companies Ordinance in regard to the registration of mortgages and charges therein specified and otherwise.~~ ~~Register of charges to be kept~~

(B) ~~If the Company issues a series of debentures or debenture stock not transferable by delivery, the Directors shall cause a proper register to be kept of the holders of such debentures in accordance with Section 74A of the Companies Ordinance.~~ ~~Register of debentures or debenture stock.~~
- ~~70-66.~~ 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. Mortgage of uncalled capital.

GENERAL MEETINGS

- ~~71-67.~~ The Company shall ~~in each year hold a general meeting as its~~comply with the requirements of the Companies Ordinances regarding the holding of annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it. Not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Directors shall appoint and may be held at two or more places using any technology that enables the members who are not together at the same place to listen, speak and vote at the meeting. When annual general meeting to be held.
- ~~72.~~ ~~All general meetings other than annual general meetings shall be called extraordinary general meetings.~~ Extraordinary general meeting.
- ~~73-68.~~ The Directors may, whenever they think fit, convene ~~an extraordinary general meeting and extraordinary general meetings shall also be convened on requisition, or, in default, may be convene by the requisitionists, all as provided for by the Companies Ordinance.~~ Convening of ~~extraordinary general meeting.~~ meeting.
- ~~74-69.~~ ~~Subject to such other minimum period as may be specified in the Listing Rules from time to time: (a) a~~An annual general meeting shall be called by not less ~~that than~~ twenty-one days' notice or twenty clear business days' notice in writing, whichever is the longer; (b) a meeting called for the passing of a special resolution shall be called by not less than twenty one days' notice; and (c) a meeting o. All general meetings of the Company ~~other than an annual general meeting or a meeting called for the passing of a special resolution shall be called by not less than fourteen days' notice or ten clear business days' notice in writing, whichever is the longer. Any notice period set out in this Article shall be subject to the requirement for a special notice period of 28 days under Section 578 of the Companies Ordinance, if applicable.~~ The notice shall be exclusive of the date on which it is served or deemed to be served and of the day for which it is given, and shall specify the place (if the meeting is to be held in two or more places, the principal place of the meeting and the other place or places of the meeting), the day and the hour of meeting and, in case of special business, the general nature of that the business to be dealt with at 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 and the GEM Listing Rules, 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 its is so agreed:- Notice of meetings.

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

~~75-70.~~

- (A) The accidental omission to give any such notice to, or the non-receipt of any such 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.

Omission to give notice.

PROCEEDINGS AT GENERAL MEETINGS

~~76.~~

~~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, making a call in accordance with the provisions of these Articles, the reading, considering and adopting of the accounts 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 of the Directors.~~

~~Special business.~~

~~Business of annual general meeting.~~

~~77-71.~~

For all purposes the quorum for a general meeting shall be two members present in person or by proxy. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business.

Quorum.

- ~~78-72.~~ If within half an hour 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 stand adjourned to the same day in the next week and at such time and place as shall be decided by the Directors, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the members present in person shall be a quorum and may transact the business for which the meeting was called.
- When if quorum not present meeting to be dissolved and when to be adjourned.
- ~~79-73.~~ The chairman of the Board or, if he is absent or declines to take the chair at such meeting, the vice chairman shall take the chair at every general meeting, or, if there be no such chairman or vice chairman, or if at any general meeting neither of such chairman or vice chairman is shall not be present within ~~ten~~ fifteen minutes after the time appointed for holding such meeting, ~~the members present shall choose another Director as chairman, or both such persons decline to take the chair at such meeting, any Director so elected by a majority of the Directors present at the commencement of the meeting shall take the chair at such meeting~~ 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 to be chairman.
- Chairman of general meeting.
- ~~80-74.~~ The chairman may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for fourteen days or more, at least seven clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no 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.
- Power to adjourn general meeting, business of adjourned meeting.

81.75. ~~At any general meeting a resolution put to the vote of the meeting shall be decided on a poll~~At any general meeting a resolution put to vote of the meeting shall be decided by way of a poll save that and without prejudice to other provisions of these Articles, the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its members; and (ii) relate to the chairman’s duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all members present a reasonable opportunity to express their views.

Evidence of the passing of a resolution.How questions to be decided in general meeting.

82.76. ~~A poll shall be taken in such manner as the chairman shall direct and he may appoint scrutineers (who need not be members). The result of the poll shall be deemed to be the resolution of the meeting.~~Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:

Poll.Demand for a poll.

- (i) by at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (ii) by any member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than five percent of the total voting rights of all the members having the right to vote at the meeting.

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

83.77. ~~Any poll on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.~~Where a resolution is voted on by poll, the result of the poll shall be deemed to be the resolution of the meeting at which the poll was required or demanded. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the GEM Listing Rules.

In what case poll taken without adjournment.poll result

78. Where a resolution is voted on by a show of hands, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minutes book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.
- 84-79. 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 take place or at which the poll is required or demanded, 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~~ chairman shall determine the same, and such determination shall be final and conclusive. Chairman to have casting vote.
- 85-80. A resolution in writing signed by or on behalf of every member who would be entitled to vote at a general meeting of the Company (or the holders of a particular class of shares of the Company) at which such resolution was to be proposed shall be as valid and effective as if it had been passed at a general meeting of the Company (or of such holders) duly convened and held, and may consist of several instruments in the like form, each signed by or on behalf of one or more members. A telex, facsimile message or cable (or any other message sent by electronic means) sent by or at the direction of a member shall be deemed to be document signed by him for the purpose of this ~~article~~ Article. Written resolutions

VOTES OF MEMBERS

- 86-81. (a) Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares ~~by or in accordance with~~ and to the provisions of these Articles, 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 Sections 606, 607 and 623 of the Companies Ordinance shall have one vote, and on a poll every member present in person or by proxy or, ~~in the case of a member being a corporation,~~ by ~~its~~ this duly authorised representative, shall have one vote for every fully paid up or credited as fully paid up share of which he is the holder. On a poll a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. Votes of members.

- (b) A member of the Company, being a clearing house or its nominee(s) may authorise such person or persons as it thinks fit to act as its representative or representatives or proxy or proxies at any meeting of the Company or at any meeting of any class of member of the Company provided that if more than one person is so authorised, the authorisation or proxy form must specify the number and class of shares in respect of which each such person is so authorised. A person so authorised will be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) which he represents as that clearing house (or its nominee(s)) could exercise if it were a registered holder of the shares of the Company including the right to vote individually on a show of hands.
- ~~87-82.~~ Any person entitled under Article ~~48-49~~ to be registered as a shareholder may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of the relevant shares, provided that at least forty-eight hours before the time of the holding of the meeting or adjourned meeting (as the case may be) at which he proposes to vote, he shall satisfy the Directors of his right to be registered as the holder of such shares or the Directors shall have previously admitted his right to vote at such meeting in respect thereof. Votes in respect of deceased and bankrupt members.
- ~~88-83.~~ 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. Joint holders.
- ~~89-84.~~ A mentally incapacitated member or in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental incapacity or is otherwise incapable of managing his affairs 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, 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 for such other place as is specified in accordance with these Articles for the disposal of instruments of proxy, not later than the last time at which a valid instrument of proxy could be so delivered. Votes of member of unsound mind.

~~90-85.~~ (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 by duly authorised representative, or to be reckoned in a quorum, at any general meeting. Qualification.

(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.

(C) Where any member is, under the rules of any stock exchange on which shares of the Company are listed, 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.

~~91-86.~~ Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll or votes on a show of hands of a general meeting, votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion. If a member appointed more than one proxy, none of the proxies so appointed shall be entitled to vote on the resolution on a show of hands. Proxies.

~~92-87.~~ The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer or attorney it shall be assumed, unless the contrary appears, that such officer or attorney was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact. Instrument appointing proxy to be in writing.

- 93-88. 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 electronically to the Company if the Company at its sole discretion has designated from time to time an electronic address for the receipt of such document, in each case not less than forty-eight hours before the time for holding the meeting or adjourned meeting (or, in the case of a poll to be taken more than forty-eight hours after it is demanded, twenty-four hours before the time appointed for the taking of the poll) or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. In calculating the period set out above, no account to be taken at any part of a day that is a public holiday. No instrument appointing a proxy shall be valid after expiration of twelve months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting in cases where the meeting of which it is an adjournment or at which the relevant poll was demanded was originally held within twelve months from such date. The deposit and delivery of an instrument appointing a proxy shall not preclude a member from attending and acting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- Appointment of proxy must be deposited.
- 94-89. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Directors may from time to time approve provided that in any event, such form shall include a provision whereby the shareholder may, if he so elects, indicate whether his proxy is directed to vote for or against the resolution in question. If the Company at its sole discretion allows the instrument appointing a proxy to be delivered to it in electronic form, it may require the delivery to be authenticated or in the manner specified by the Company.
- Form of proxy.

- 95-90. ~~The instrument appointing a proxy to vote at a general meeting shall (i) be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit; 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.~~ The instrument appointing a proxy to vote at a general meeting shall (i) be deemed to confer authority to speak and to vote on any resolution (or amendment thereto) put to the general meeting for which it is given as the proxy thinks fit provided that any form issued to a member for use by him for appointing a proxy to attend and vote at a general meeting 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, 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.
- Authority under instrument appointing proxy.
- 96-91. ~~A vote given by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting, unless notice in writing of such determination was received by the Company at the office (or such other place in Hong Kong as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) one hour at least before the commencement of the meeting or adjourned meeting at which the vote is given or (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.~~ in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or mental incapacity of the principal or 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 notice in writing of such death, mental incapacity, 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 88, not less than forty-eight hours before the time fixed for holding the meeting or adjourned meeting (or in the case of a poll taken forty-eight hours after it was demanded, twenty-four hours before the time appointed for the taking of the poll) at which the vote is given or shall have been received by the Company Secretary or the chairman of the meeting on the day and at the place of the meeting. In calculating the periods set out above, no account to be taken of any part of a day that is a public holiday.
- When vote by proxy valid though authority revoked.

~~97-92.~~ Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by a 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.

Corporation acting by representatives meetings.

REGISTERED OFFICE

~~98-93.~~ The registered office of the Company shall be at such place in Hong Kong as the Directors shall from time to time appoint.

Registered office.

BOARD OF DIRECTORS

~~99-94.~~ The number of Directors shall not be less than two. ~~The Directors shall cause to be kept a register of the Directors and Secretaries, and there shall be entered herein the particulars required by the Companies Ordinance. The~~ Directors shall have the power to set the maximum number of Directors that can be appointed by the Company from time to time.

Constitution of Board.

~~100-95.~~ The Directors 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 but the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Directors according to Article 94. Any Director so appointed by the Directors shall hold office only until the next following general meeting of the Company (in the case of filling a causal vacancy) or until the next following annual meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Board may fill vacancies.

~~101-96.~~ (A) A Director may at any time by notice in writing delivered to the registered office of the Company or at a meeting of the Directors, appoint any person (including another Director) to be his alternate Director in his place during his absence and may in like manner at any time determine such appointment. Such appointment, unless previously approved by the Directors, shall have effect only upon and subject to being so approved.

Alternate Directors.

(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 of 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 Directors 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 as an alternate for more than one Director his voting rights shall be cumulative. The signature of an alternate Director to any resolution in writing of the Board pursuant to Article ~~135-128~~ shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committee of the Directors, the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of 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~~ 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.

~~402-97.~~ A Director shall not be required to hold any qualification shares in the Company. No qualification shares for Directors.

~~403-98.~~ 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 Directors on the authority of the Company, 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. Directors' remuneration.

~~104.99.~~ The Directors shall also be entitled to be repaid all travelling and hotel 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. Directors' expenses.

~~105.100.~~ 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 or commission or participation in profits or otherwise as may be arranged. Special remuneration.

~~106.101.~~ Notwithstanding Articles ~~103, 104 and 105~~98, 99 and 100, the remuneration of a 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 Directors 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 Directors may from time to time decide. Such remuneration shall be in addition to his remuneration as a Director. Remuneration of Managing Directors, etc.

~~107.102.~~ (A) A Director shall vacate his office:– When office of Director to be vacated.

- (i) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
- (ii) if he becomes mentally incapacitated;
- (iii) if he absents himself from the meetings of the Board during a period of six consecutive 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 or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) or is otherwise prohibited from being a Director by law;

- (v) if by notice in writing delivered to the Company at its registered office he resigns his office;
- (vi) if he shall be removed from office by notice in writing served upon him signed by all his co-Directors;
- (vii) if, having been appointed to an office under Article ~~442~~106, he is dismissed or removed therefrom by the Board under Article ~~443~~107; or
- (viii) if he shall be removed from office by a ~~special~~ ordinary resolution of the Company under Article ~~441~~105.

(B) No Director shall be required to vacate office or be ineligible for re-election or re-appointment as a Director and no person shall be ineligible for appointment as a Director by reason only of his having attained any particular age.

~~408-103.~~

- (A) A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and subject to the provisions of the Companies Ordinance and these Articles, shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as 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 or exercisable by it as director of such other company to be exercised in such manner in all respects as it think fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.
- (B) Save as otherwise provided by these Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any transaction, contract or arrangement or proposal in which he or any of his associates or any entity connected with him is to his knowledge materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall no apply to any of the following matters namely:

Directors may contract with Company.

- (a) any transaction, contract or arrangement for the giving of any security of indemnity to the ~~director~~ Director and/or any of his associates in respect of money lent or obligations undertaken by him ~~and/or any of his associates~~ or any entity connected with him at the request of or for the benefit of the Company or any of its subsidiaries;
- (b) any transaction, contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries ~~which for which the ~~director~~ Director and/or any of his associates or entities connected with him has himself guaranteed or secured in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;~~
- (c) any transaction, contract or arrangement by a ~~director~~ Director and/or any of his associates or entities connected with him to subscribe for shares or debentures or other securities of the Company to be issued pursuant to any offer or invitation to the members or debenture holders or to the public which does not provide the ~~director~~ Director and/or any of his associates or entities connected with him with any privilege not accorded to any other members or debenture holders or to the public;
- (d) any transaction, contract or arrangement concerning an offer of the shares of debentures or other securities of or by the Company for subscription or purchase where the ~~director~~ Director and/or any of his associates or entities connected with him is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (e) any transaction, contract or arrangement in which the ~~director~~ Director and/or any of his associates or entities connected with him is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his interest in shares or debentures or other securities of the Company;
- (f) ~~any contract or arrangement concerning any company in which he and/or any of his associates is interested directly or indirectly whether as an officer or a shareholder other than a company in which the director together with any of his associates owns five (5) per cent. or more of the issued shares or voting rights of any class of shares of the Company;~~

~~(e)~~(f) any proposal or arrangement for the benefit of employees of the Company or its subsidiaries including a pension fund or retirement, death or disability benefit scheme which relates both to ~~directors-Directors~~ Directors (and/or their respective associates or entities connected with them) and employees of the Company or of any of its subsidiaries and does not give the ~~director-Director~~ and/or any of his associates or entities connected with him any privilege not accorded to the employees to whom such scheme or fund relates; and

~~(h)~~(g) any proposal concerning the adoption, modification or operation of any share scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or its subsidiaries under which the ~~director-Director~~ and/or any of his associates or entities connected with him may benefit.

(C) A Director may hold any other office or place of profit with the Company (except that of an 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.

(D) A Director who and/or whose associate(s) to his knowledge in/are in any way, directly or indirectly, interested in a transaction, contract or arrangement or proposed transaction, contract or arrangement with the Company shall declare the nature and extent of such interest, ~~at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows such interest then exists, or in any other case at the first meeting of the Board after he knows~~ in the case of a transaction, contract or arrangement that has been entered into, as soon as reasonably practicable, or in the case of a proposed transaction, contract or arrangement, before the Company enters into the transaction, contract or arrangement. Such declaration must be made at a meeting of the Board or by notice in writing to the other Directors or by general notice and in accordance with the Companies Ordinance. For the purposes of this Article, a general notice to the Board by a Director is a notice to the effect that:—

- (a) ~~he and/or any of his associates is a member of a specified company or firm~~ has an interest (as member, officer, employee or otherwise) in a body corporate or a firm specified in the notice and is to be regarded as interested in any transaction, contract or arrangement which may, after the effective date of the notice, ~~be made with that company~~ be entered into with the specified body corporate or firm; or
- (b) ~~he and/or any of his associates~~ is connected with a person specified in the notice (other than a body corporate or firm) and is to be regarded as interested in any contract or arrangement which may after the effective date of the notice ~~be made~~ entered into with a ~~the~~ specified person.

~~A general notice must be given at a Board meeting, in which case it shall take effect on the date of the Board meeting, or in writing, in which case it shall take effect in the twenty-first day after the day on which it is sent to the Company. If the Company receives a general notice in writing from a Director, it must send a copy to other Directors within fifteen days after the day of receipt. who is connected with him, shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract or arrangement; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Directors takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.~~

- ~~(D)~~(E) A company shall be deemed to be a company in which a Director together with any of his associates or any entity connected with him own 5 per cent. or more if and so long as (but only if and so long as) he together with any of his associates or any entity connected with him are (either directly or indirectly) the holders of or beneficially interested in 5 per cent. or more of the issued shares of any class of such company (or any third party company through which his interest is derived) or of the voting rights available to members of such company. For the purpose of this paragraph there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder only if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder.

~~(E)~~(F) Where a company in which a Director together with any of his associates or entities connected with him are beneficially interested in 5 per cent. or more of the issued shares of any class of such company (or any third party company through which his interest is derived) or of the voting rights available to members of such company is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.

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

~~(G)~~(H) Subject to the Companies Ordinance and to the provisions 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 whatsoever, nor shall any such contract or any other transaction, contract or arrangement in which any Director is in any way interested by liable to the 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 transaction, contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

- ~~(H)~~(I) Any Director may act by himself or by his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as Auditor to the Company.
- (J) For the purpose of this Article, references to an entity connected with a Director shall be construed in accordance with Section 486 at the Companies Ordinance.
- ~~109~~104. Subject to Article 94, ~~t~~The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall never be less than two. Power of general meeting to increase or reduce number of Directors.
- ~~110.~~ ~~The Company shall keep at its office a register containing the names and addresses and occupations of its Directors and shall send to the Registrar of Companies a copy of such register and shall from time to time notify to the Registrar any change that takes place in such Directors as required by Section 158 of the Companies Ordinance.~~ Register of Directors and notification of changes to Registrar.
- ~~111~~105. The ~~members of the~~ Company may by ordinary resolution remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement (but without prejudice to any claim for damages under any contract between such ~~director~~ Director and the ~~claim for damages under any contract between such director~~ and the Company) and may elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed. Power to remove Director by ordinary resolution.
- MANAGING DIRECTORS, ETC.**
- ~~112~~106. The Board may from time to time appoint any one or more of its body to the office of managing Director, deputy managing Director, or other executive Director and/or such other office in the management of the business of the Company as it may decide for such period and upon such terms as it thinks fit and upon such terms as to remuneration as it may decide in accordance with Article ~~106~~101. Power to appoint Managing Directors, etc.
- ~~113~~107. Every Director appointed to an office under Article ~~112-106~~ shall, subject to the provisions of any contract between himself and the Company with regard to his employment in such office, be liable to be dismissed or removed therefrom by the Board of Directors. Removal of Managing Director, etc.

- ~~114~~108. A Director appointed to an office under Article ~~112-106~~ shall be subject to the same provisions as to removal as the other Directors of the Company, and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause. Cessation of appointment.
- ~~115~~109. The Directors may from time to time entrust to and confer upon a managing Director, deputy managing Director or executive Director all or any of the powers of the Directors that they may think fit. But the exercise of all powers by such Director shall be subject to such regulations and restrictions as the Directors may from time to time make and impose, and the said powers may at any time be withdrawn, revoked or varied. Powers may be delegated.

MANAGEMENT

- ~~116~~110. (A) Subject to any exercise by the Directors of the powers conferred by Articles ~~117 to 119~~111 to 113, the management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by these Articles expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the 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, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. General powers of the Company vested in Directors.
- (B) Without prejudice to the general powers conferred by these Articles, the Directors shall have the following powers:-
- (i) to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share ~~at par or premium~~price 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.

MANAGERS

- ~~117.~~111. The Directors may from time to time appoint a general manager, manager or managers of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes and pay the working expenses of any of the staff of the general manager, manager or managers who may be employed by him or them upon the business of the Company. Appointment and remuneration of managers.
- ~~118.~~112. The appointment of such general manager, manager or managers may be for such period as the Directors may decide and the Directors may confer upon him or them all or any of the powers of the Directors as they may think fit. Tenure of office and powers.
- ~~119.~~113. The Directors may enter into such agreement with any such general manager, manager or managers upon such terms and conditions in all respects as the Directors may in their absolute discretion think fit, including a power for such general manager, manager or managers to appoint an assistant manager or managers or other employees whatsoever under them for the purpose of carrying on the business of the Company. Terms and conditions of appointment.

ROTATION OF DIRECTORS

- ~~120.~~114. ~~At Notwithstanding any other provisions in these Articles, at each annual general meeting one third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years at the annual general meeting.~~ The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. Rotation and retirement of Directors.
- ~~121.~~115. The Company at any general meeting at which any Directors retire in manner aforesaid may fill the vacated office by electing a like number of persons to be Directors. Meeting to fill up vacancies.
- ~~122.~~116. 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 Retiring Directors to remain in office till successors appointed

- (i) it shall be expressly resolved 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 the Director in question is put to the meeting and lost.

~~123-117.~~ 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 a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged with the Board at the Company’s registered office ~~during the period commencing the day after the dispatch of the notice of the meeting appointed for such election (inclusive of such day) and ending seven (7) days prior to the date of such general meeting (inclusive of such day).~~ provided that the minimum length of the period during which such notice(s) are given shall be at least seven (7) days and that the period for lodgment of such notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

Notice to the given then person proposed for election.

PROCEEDINGS OF THE DIRECTORS

~~124-118.~~ The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit and may determine the quorum necessary for the transaction of business. Unless otherwise determined two Directors shall be a quorum. For the purposes of this Article an alternate Director shall be counted in a quorum but, notwithstanding that an alternate Director is an alternate for more than one Director, he shall for quorum purposes count as only one Director. The Board of Directors or any committee of the Board may participate in a meeting of the Board or such committee by means of a conference telephone or electronic means (including telephone or video conferencing) or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other. Meetings of the Board of Directors may be held in Hong Kong or in any other place.

Meetings of Directors, quorum, etc.

- ~~425-119.~~ A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Board. Notice thereof may be given to each Director either in writing or by telephone or by facsimile or by electronic mail at the address from time to time notified to the Company by such Director or in such other manner as the Board may from time to time determine. A Director may waive notice of any meeting and such waiver may be prospective or retrospective. Convening of Board meeting.
- ~~426-120.~~ 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 of the meeting shall have a second or casting vote. How questions to be decided.
- ~~427-121.~~ The Directors may elect a chairman of their meetings and determine the period for which he is to hold office but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting. Chairman.
- ~~428-122.~~ A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Directors generally. Power of meeting.
- ~~429-123.~~ The Directors may delegate any of their powers to committees consisting of two or more members of their body as the Directors think fit, and they may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, 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 Directors. Power to appoint committee and to delegate.
- ~~430-124.~~ All acts done by any such committee in conformity with such regulations and in fulfilment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as if done by the Directors and the Directors shall have 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. Acts of committee to be of same effect as acts of Directors.
- ~~431-125.~~ The meetings and proceedings of any such committee shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors. Proceedings of committee.

~~132-126.~~ All acts bona fide done by any meeting of the Directors or by a committee of Directors or by any person acting as a Director shall, notwithstanding that it shall be afterwards discovered that there was some defect in the appointment of such Director or persons acting as aforesaid or that they or any of them were disqualified, be as valid if every such person had been duly appointed and was qualified to be a Director.

Acts of Directors or committee to be valid notwithstanding defects.

~~133-127.~~ The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that number of summoning a general meeting of the Company but for no other purpose ~~provided that the Directors so appointed by the Board shall hold office until the next following annual general meeting and shall then be eligible for re election.~~

Directors' powers when vacancies exist.

~~134-128.~~ A resolution signed by all the Directors (or their alternate Directors, if appropriate) except such as are temporarily unable to act through ill health or disability shall (so long as they constitute a quorum as provided in Article ~~124-118~~ and further provided that a copy of such resolution had been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given pursuant to these Articles) be as valid and effectual as if it had been passed at meeting of the Board duly convened and held for the time, other than any matter in which a Director or substantial shareholder (as defined under the GEM Listing Rules) has a conflict of interest in the matter to be considered by the Board which the Board and not by resolution in writing signed by the Directors. Such resolution may be contained in one document or several documents in like form each signed by one or more Directors or alternate directors. A telex, facsimile message or cable (or any other message sent by electronic means) sent by or at the direction of a Director (or his alternate) shall be deemed to be a document signed by him for the purpose of this Article.

Directors' resolutions.

SECRETARY

~~135-129.~~ The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board. Anything by the Companies Ordinance or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Board.

Appointment of Secretary.

- ~~436-130.~~ The Secretary shall be an individual ordinarily resident in Hong Kong. Residence.
- ~~437-131.~~ 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 Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary. Same person not to act in two capacities at once.

GENERAL MANAGEMENT AND USE OF THE SEAL

- ~~438-132.~~ (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 a Director and shall be countersigned by the Secretary or by a second Director or by some other person 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 mechanical means to be specified in such resolution or that such certificates need not be signed by any person. Every instrument executed in a manner provided by this Article shall be deemed to be sealed and executed with the authority of the Directors previously given. Custody of seal.
- (B) The Company may have an official seal for use abroad under Section ~~35-125~~ 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 may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the seal, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid. Official seal for use abroad.
- (C) Any document executed in accordance with Section 127(3) of the Companies Ordinance and expressed (in whatever words) to be executed by the Company shall have the same effect as if it had been executed under seal.

- ~~139~~.133. 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. Cheques and banking arrangements.
- ~~140~~.134. (A) The Board may from time to time and at any time, by power of attorney under the seal, appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (note exceeding those vested in or exercisable by the ~~board~~ 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. Power to appoint attorney.
- (B) The Company may, by writing under its seal, empower any person, either generally or in respect of any specified matter, as its attorney to execute deeds and instruments on its behalf and to enter into contracts and sign the same on its behalf and every deed signed by such attorney on behalf of the Company and under his seal shall bind the Company and have the same effect as if it were under the seal of the Company. Execution of deeds by attorney.
- ~~141~~.135. 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 power 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. Local boards.

- ~~442-136.~~ 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, or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid, and holding or who have held any salaried employment or office in the Company or such other company, and the spouses, widows, widowers, families and dependants of any such persons. The 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.
- Power to establish pension funds.

CAPITALISATION OF RESERVES

- ~~443-137.~~ (A) The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution (and not required for the payment or provision of the dividend on any shares with a preferential right to dividend) and accordingly that such sums be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion 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 ~~unissued~~ shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid or partly in the one way and partly in the other, and the Directors shall give effect to such resolution, ~~provided that a share premium account and a capital redemption reserve fund may, for the purposes of this Article, only be applied in paying up unissued shares to be issued to members of the Company as fully paid up shares.~~
- Power to capitalise

- (B) Wherever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid up shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise (including provision for the benefit of fractional entitlements or accrue to the Company rather than to the members concerned) as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or, as the case may require, for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.
- Effect of resolution to capitalise.
- (C) The Directors may by notice specify that members entitled to an allotment or distribution of shares or debentures pursuant to any capitalisation sanctioned under this Article may elect that all or a specified number (of such shares) or value (of such debentures, being an integral multiple of the face amount of one of the relevant debentures) thereof shall be allotted or distributed to such person or persons as that member shall specify by notice in writing to the Company. Any such notice may (in the discretion of the Directors) be treated as void unless received at the place specified in the notice given by the Directors before the resolution effecting such capitalisation is passed.
144. ~~(A) If so long as any of the rights attached to any warrants or similar rights (together "warrants") issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions of the conditions of the warrants, would reduce the subscription price to below the par value of a share then the following provisions shall apply:-~~
- Subscription Right Reserve.

- ~~(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) of this paragraph (A) on the exercise in full of all the subscription rights outstanding under any warrants and shall apply the Subscription Right Reserve in paying up such additional shares in full as and when the same are allotted;~~
- ~~(ii) the Subscription Right Reserve shall not be used for any purpose other than that specified above until all other reserves of the Company (other than share premium account and capital redemption reserve fund) have been used and shall then be used only to make good losses of the Company if and so far as is required by law;~~
- ~~(iii) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrant holder, credited as fully paid, such additional nominal amount of shares as is equal to the difference between;~~
- ~~(aa) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and~~

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

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

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

~~(B) Shares allotted pursuant to the provisions of this Article shall rank pari passu in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned.~~

- ~~(C) Notwithstanding anything contained in paragraph (A) of this Article no fraction of a share shall be allotted on exercise of subscription rights.~~
- ~~(D) The provisions of this Article as to the establishment and maintenance of the Subscription Right Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating, the provisions for the benefit of any warrant holder or class of warrant holders under this Article without the sanction of a special resolution of such warrant holders or class of warrant holders.~~
- ~~(E) A certificate or report by the Auditors as to whether or not the Subscription 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 an exercising warrant holder 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.~~

DIVIDENDS AND RESERVES

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|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 145.138. | The Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board. | Power to declare dividends. |
| 146.139. | (A) The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits 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. | Board's power to pay interim dividends. |

- (B) The Board may also pay half-yearly or at other intervals to be settled by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits of the Company justify the payment.
- ~~147.140.~~ No dividend shall be payable except out of the ~~realised~~ profits of the Company and in accordance with provisions of the Companies Ordinance. No dividend shall carry interest. Dividends not to be paid out of capital.
- ~~148.141.~~ (A) Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Directors may further resolve:– Scrip dividends.
- either
- (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid, provided that the members entitled thereto shall be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply:–
- (a) the basis of any such allotment shall be determined by the Directors;
- (b) the Directors, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the members of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
- (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded;

- (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-elected shares”) and in satisfaction thereof shares shall be allotted credited as fully paid to the ~~members~~ holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company’s reserve accounts (including any special account), ~~share premium account and capital redemption reserve fund (if there be any such reserve))~~ as the Directors may determine, a sum equal to the aggregate value ~~nominal amount~~ of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis;

or

- (ii) that members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid in lieu of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:-
- (a) the basis of any such allotment shall be determined by the Directors;
- (b) the Directors, after determining the basis of allotment, shall give not less than two weeks’ notice in writing to the members of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
- (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded;

- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised (“the elected shares”) and in lieu thereof shares shall be allotted credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of any part of the undivided profits of the company’s reserve accounts (including any special account, ~~share premium account and capital redemption reserves~~) as the Directors may determine, a sum equal to the aggregate ~~nominal amount~~ value of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.
- (B) The shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank pari passu in all respects with the shares then in issue save only as regards participation:—
- (i) in the relevant dividend (or the right to receive or to elect to receive an allotment of shares in lieu thereof as aforesaid);
- or
- (ii) in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend, unless, contemporaneously with the announcement by the Directors of their proposal to apply the provisions of sub-paragraph (i) or (ii) of paragraph (A) of this Article in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Directors shall specify that the shares to be allotted pursuant to the provisions of paragraph (A) of this Article shall rank for participation in such distribution, bonus or rights.

- (C) The Directors may do all acts and things as they may consider necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Article with full power to the Directors to make such provisions as they think fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter into on behalf of all members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.
- (D) The Company may upon the recommendation of the Directors by special resolution resolve in respect of any particular dividend of the Company that notwithstanding the provisions of paragraph (A) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.
- (E) The Directors may on any occasion determine that rights of election and the allotment of shares under paragraph (A) of this Article shall not be made available or made to any members with registered addresses in any 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, and in such event the provisions aforesaid shall be read and construed subject to such determination.

~~149-142.~~ 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.

Reserves.

- ~~150.~~143. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend and subject to the terms of issue of any shares providing to the contrary, all dividends shall be declared and paid according to the amounts paid or credited as paid up on the shares in respect whereof the dividend is paid, but no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of this Article as paid up on the share. Dividends to be paid in proportion to paid up capital.
- ~~151.~~144. (A) The Directors may retain any dividends or other moneys payable or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. Retention of dividends etc.
- (B) The Directors may deduct from any dividend or 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. Deduction of debts.
- ~~152.~~145. Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared, the Directors 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 (other than share warrants to bearer) to subscribe securities of the Company or any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Directors may settle the same as they think expedient, and in particular may issue fractional certificates, disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors 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 Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective. Dividend in specie.
- ~~153.~~146. A transfer of shares shall not pass the right to any dividend or bonus declared thereon before the registration of the transfer. Effect of transfer.
- ~~154.~~147. If two or more persons are registered as joint holders of any shares, 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. Receipt for dividends by joint holders of shares.

- ~~155-148.~~ Unless otherwise directed by the Directors, any dividend or bonus shall 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 represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Payment by post.
- ~~156-149.~~ All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Directors and shall revert to the Company. Unclaimed dividend.

ANNUAL RETURNS

- ~~157-150.~~ The Directors shall make the requisite annual returns in accordance with the Companies Ordinance. Annual returns.

ACCOUNTS

- ~~158-151.~~ The Directors 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 receipt 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 Company's affairs and to explain its transactions. Accounts to be kept.
- ~~159-152.~~ The books of account shall be kept at the registered office or at such other place or places as the Directors think fit and shall always be open to the inspection of the Directors. Where accounts to be kept.
- ~~160-153.~~ The Directors 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 Directors) 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 Directors or by the Company in general meeting. Inspection by members.

- ~~461-154.~~ (A) The Directors shall from time to time in accordance with the provisions of the Companies Ordinance lay before the Company in annual general meeting such reporting documents (inclusive of the Company's annual financial statements profit and loss accounts, balance sheets, group accounts (if any) and reports as are required by the Companies Ordinance. Annual ~~profit and loss account and balance sheet~~ reporting documents.
- (B) ~~Every balance sheet of the Company shall be signed pursuant to the provisions of the Companies Ordinance, and a 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 in general meeting, together with a copy of the Directors' report and a copy of the Auditors' report. A copy of the reporting documents shall not less than twenty-one days before the date of the meeting, be sent by post to every member of, and every holder of debentures of, the Company and every person registered under Article ~~46-47~~ and every other person entitled to receive notices of general meetings of the Company, provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.~~ Annual ~~report of Directors and balance sheet~~ reporting documents to be sent to members.

AUDIT

- ~~462-155.~~ Auditors shall be appointed and their duties regulated in accordance with the provisions or the Companies Ordinance and the GEM Listing Rules. Auditors.
- ~~463-156.~~ Subject as otherwise provided by the Companies Ordinance the remuneration of the Auditors shall be fixed by the Company in general meeting ~~Provided provided~~ always that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors. Remuneration of Auditors.
- ~~464-157.~~ Every financial statement statement of accounts audited by the Company's Auditors and presented by the Directors at a general meeting shall after approval at such meeting be conclusive except as regards any error discovered therein within three months of the approval thereof. Whenever any such error is discovered within that period, it shall forthwith be corrected, and the ~~statement of account~~ financial statements amended in respect of the error shall be conclusive. When accounts to be deemed finally settled.

NOTICES

- ~~465-158.~~ Any notice or document (including any “corporate communication” within the meaning ascribed thereto under the GEM Listing Rules), ~~whether or not,~~ to be given or issued under these Articles from the Company to a member or other entitled person 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 or other entitled person either personally or by sending it through the post in a prepaid envelope addressed to such member at his registered address as appearing in the register of members of the Company or at any other address supplied by him to the Company for the purpose or, 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 or may also be served by advertisement in newspapers published daily and circulating generally in the territory of Hong Kong and in accordance with the requirements of the Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website or the website of the Stock Exchange, 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. 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 a sufficient service on or delivery to all the joint holders.
- ~~466-159.~~ Where the registered address of a member is outside Hong Kong, notice, if given through the post, shall be sent by pre-paid air mail letter. 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 has no registered address shall be deemed to have received any notice which shall have been displayed at the registered office of the Company and shall have remained there for the space of twenty-four hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed.

Service of notices.

Members out of
Hong Kong.

- ~~467.160.~~ Subject to and to the extent permitted by and in accordance with the Companies Ordinance, the GEM Listing Rules and other applicable laws, rules and regulations, A—any notice or other document (including any “corporate communication” within the meaning ascribed thereto in the GEM Listing Rules) given or issued by or on behalf of the Company: When notice by post deemed to be served.
- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post, in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
 - (b) 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 or the website of the Stock Exchange is deemed given by the Company to a member on the day following that on which a notice of availability is deemed served on the member;
 - (c) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have 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 Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, dispatch, transmission or publication shall be conclusive evidence thereof; and
 - (d) may be given to a member either in the English language or the Chinese language, subject to due compliance with the Companies Ordinance and the GEM Listing Rules.

- ~~168.~~161. A notice may be given by the Company to the person entitled to a share in consequence of the death, mental incapacity or bankruptcy of a member by sending it through the post in a prepaid letter addressed to him by name, or by the title of representative of the deceased, or committee of the mentally incapacitated member 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, 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. Service of notice to persons entitled on death, mental disorder or bankruptcy of a member.
- ~~169.~~162. 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. Transferee to be bound by prior notices.
- ~~170.~~163. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles, shall notwithstanding that such member be then deceased and whether or not the Company has notice of his death be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such shares. Notice valid though member deceased.
- ~~171.~~164. ~~The signature to any~~ A notice to be given by the Company ~~may be written or printed~~ need not bear any signature. How notice to be signed.

INFORMATION

- ~~172.~~165. No member 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 secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the members of the Company to communicate to the public. Member not entitled to information.

UNTRACEABLE MEMBERS

- ~~473-166.~~ (A) Without prejudice to the rights of the Company under paragraph (B) of this Article, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants if cheques or warrants in respect of the shares in question have been left uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant in respect of the shares in question is returned undelivered. Dividend entitlements etc., of untraceable members.
- (B) The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a member who is untraceable if:— Sale of shares untraceable members.
- (i) all cheques or warrants, being not less than three in total number for any sum payable in cash in respect of the shares in question sent during the relevant period in the manner authorised by these Articles have remained uncashed;
- (ii) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of such member who is the holder of such share or of a person entitled to such shares by death, bankruptcy or operation of law; and
- (iii) where such shares are listed on The Stock Exchange of Hong Kong Limited, the Company has caused advertisements to be inserted in English in at least on English language newspaper circulating in Hong Kong and in Chinese in at least one Chinese language newspaper circulating in Hong Kong 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 the last of such advertisements.

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

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

RECORD DATE

- ~~474.~~167. 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 person registered as the holders of such shares on a particular date or at a point of time on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Article shall mutatis mutandis apply to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the members. Record date.

DESTRUCTION OF DOCUMENTS

- ~~475.~~168. The Company may destroy:- Destruction of Documents.
- (a) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
 - (b) a 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 such mandate, variation, cancellation or notification was recorded by the Company;

- (c) any instrument of transfer of shares which has been registered at any time after the expiry of seven years from the date of registration; and
- (d) any allotment letters after the expiry of seven years from the date of issue; and
- (e) copies of powers of attorney, grants of probate and letters of administrative at any time after the expiry of seven years after the account to which the relevant power of attorney, grant of probate or letters of administrative related has been closed;

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

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

WINDING UP

- ~~176.~~169. If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributor shall be compelled to accept any shares in respect of which there is a liability. Division of assets in liquidation.
- ~~177.~~170. In the event of a winding-up of the Company in Hong Kong, every member of the Company who is not for the time being in Hong Kong shall be bound, within fourteen days after the passing of an effective resolution to wind up the Company voluntarily, or 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, process, 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 paid advertisement in English in at least one English language newspaper and in Chinese in at least one 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 service on the day following that on which the advertisement appears or the letter is posted. Service of process.

INDEMNITY

- ~~478-171.~~ (A) Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities ~~(including any such liability as is mentioned in paragraph (c) of the proviso to Section 165 of the Companies Ordinance)~~ 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 or in relation thereto, provided that this Article shall only have effect in so far as its provisions are not avoided by or would (were it not for this proviso) not breach the Companies Ordinance. This indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons. Indemnity.
- (B) Subject to the provisions of and so far as may be permitted by the Companies Ordinance, the Company may purchase and maintain for any Director or officer of the Company; Subject to Section 165 of the Companies Ordinance, if any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.
- (i) insurance against any liability to the Company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud of which he may be guilty in relation to the Company or a related company; and
- (ii) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.

For the purpose of this Article 171(B), "related company" in relation to the Company means any company that is the Company's subsidiary or holding company or a subsidiary of the Company's holding company.

The following table sets out the details of the subscribers of the Company, the initial number of shares subscribed and taken by each of the subscribers and the initial share capital of the Company upon its incorporation on 25th October, 1999.

Names, Addresses and Descriptions of Subscribers	Initial Number of Shares taken by each Subscriber	Initial Amount of Share Capital taken up by each Subscriber
SHIPCORP LIMITED 20/F., Alexandra House, Chater Road, Central, Hong Kong Corporation	One	HK\$1
SEACORP LIMITED 20/F., Alexandra House, Chater Road, Central, Hong Kong Corporation	<u>One</u>	<u>HK\$1</u>
Total Number of Shares and amount of Share Capital subscribed for and taken up	Two	HK\$2
Initial Paid-up Share Capital of the Company		HK\$2

APPENDIX I

The convertible preference shares shall carry equal rights and rank pari passu with one another and each convertible preference share shall have the rights and benefits and subject to the restriction as follows:

1 *Dividend, bonus issue and distribution*

Holders of convertible preference shares shall not be entitled to any dividend payment or any distribution (including bonus issue) of the Company.

2 *Transferability*

The convertible preference shares are freely transferable except to the connected persons (as defined in the rules of the Stock Exchange) of the Company. Any transfer shall be in compliance with these Articles, applicable laws and regulatory requirements, including the rules of any stock exchange on which the securities of the Company are listed.

3 *Conversion Period*

The conversion period is indefinite from the date of issue.

4 *Conversion*

4.1 Subject to paragraph 4.2 below, holders of the convertible preference shares shall have the right to convert, during the Conversion Period, each convertible preference share into one share, subject to adjustment in the manner provided in paragraph 5 below (the "Conversion Rate") on a Business Day at any time after the issue of the convertible preference shares (the "Conversion Right").

4.2 If the issue of shares following the exercise of the Conversion Right by a holder of convertible preference shares would result in the Company not meeting the requirement under the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange applicable to the Company that not less than a specified percentage of the shares shall be held by the public (the "Public Float Requirement") or trigger a mandatory offer obligation under Rule 26 of the Code on Takeovers and Mergers (the "Takeovers Code") on the part of the holder of the convertible preference shares and the parties acting in concert with any of them who exercised the Conversion Rights attaching to the convertible preference shares (if applicable, including any shares acquired by the parties acting in concert with the holder(s) of convertible preference shares) together with the shares in issue representing more than 9.9% of the then issued share capital of the Company or otherwise pursuant to other provisions of the Takeovers Code (the "Mandatory Offer"), then the number of shares to be issued pursuant to such conversion shall be limited to the maximum number of shares issuable by the Company which would not result in a breach of the Public Float Requirement and trigger the Mandatory Offer and the balance of the Conversion Right attached to the convertible preference shares which the holders of convertible preference shares ought to convert shall be suspended until such time when the Company is able to issue new shares in satisfaction of the exercise of the said balance of Conversion Rights in compliance with the Public Float Requirement and will not trigger the Mandatory Offer.

- 4.3 The Conversion Right may, subject as provided herein, be exercised by a holder of convertible preference shares delivering, at its own expense, during normal business hours on a Business Day to the principal place of business of the Company in Hong Kong a notice (a "Conversion Notice") duly completed and signed stating the intention of such holder to convert and the address in Hong Kong for the delivery of the certificate(s) for the shares arising from such conversion together with the original certificate(s) of the convertible preference shares. The Company shall be responsible for payment of all taxes and stamp, issue and registration fees and duties (if any), any Stock Exchange levies and charges (if any) arising on any such conversion. A Conversion Notice once delivered shall be irrevocable.
- 4.4 The shares arising from the conversion shall be allotted and issued by the Company, credited as fully paid, to the holder of the relevant convertible preference shares or its nominees as it may in writing direct on the day on which the Conversion Notice is given to the Company, and the Company shall within 21 Business Days thereafter issue certificate(s) for the relevant shares to which the holder of the relevant convertible preference shares or such person as it may direct shall become entitled on exercise of its Conversion Right in board lots with one certificate for any odd lot of shares arising from the conversion (unless otherwise directed by the relevant holder) and shall deliver such certificate(s) to the relevant holder at the address in Hong Kong set out in the Conversion Notice (or, in the absence of such address in the Conversion Notice, the registered address of such holder) and, if applicable, a new certificate for any unconverted convertible preference shares.
- 4.5 Conversion of the convertible preference shares shall be effected in such manner as the directors of the Company shall subject to these Articles and to any other applicable laws and regulations from time to time determine, ~~provided that no conversion shall take place if to do so would result in the shares arising from the conversion being issued at a price below their nominal value as at the date of the conversion.~~
- 4.6 Shares arising on conversion shall carry the right to receive all dividends and other distribution declared, made or paid upon the shares by reference to any record date on or after the date of surrender of the certificate(s) for the convertible preference shares and the delivery of the Conversion Notice and shall rank pari passu in all other respects and form one class with the shares then in issue and fully paid.
- 4.7 Until such time as all convertible preference shares have been converted to shares, the Company shall:
- (a) at all time keep available for issue and free of all liens, charges, options, mortgages, pledges, claims, equities, encumbrances and other third party rights of any nature, and not subject to any preemptive rights out of its ~~authorised but~~ unissued share capital such number of ~~authorised but~~ unissued shares as would enable all convertible preference shares to be converted to shares and any other rights of conversion into, subscription for or exchange into shares to be satisfied in full; and
 - (b) use its best endeavors to maintain the listing of shares on the Stock Exchange.

4.8 Holders of convertible preference shares shall have no right to appoint or nominate any person as a director of the Company.

5 *Adjustment Conversion*

5.1 The Conversion rate of each convertible preference share (the "Conversion Rate") shall be determined by dividing the principal amount of each convertible preference share by the conversion price of HK\$0.10, subject to adjustments in each of the following cases:-

- (a) an alteration of the ~~nominal amount of the shares~~ share capital of the Company by reason of any consolidation or subdivision or reclassification;
- (b) an issue (other than in lieu of a cash dividend) by the Company of shares credited as fully paid by way of capitalisation of profits or reserves ~~(including any share premium account or capital redemption reserve fund)~~;
- (c) a capital distribution being made by the Company, whether on a reduction of capital or otherwise, to the shareholders in their capacity as such or rights being granted to the shareholders to acquire for cash assets of the Company;
- (d) an offer or grant being made by the Company to the shareholders by way of rights or of options or warrants to subscribe for or purchase shares at a price which is less than 80% of the market price;
- (e) an issue wholly for cash being made by the Company of securities convertible into or exchangeable for or carrying rights of subscription for new shares, if in any case the total effective consideration per share initially receivable for such securities is less than the greater of either 80% of the market price or the conversion price in effect, or the terms of any such rights of conversion or exchange or subscription attached to any such securities being modified so that the said total effective consideration per share initially receivable for such securities is less than the greater of either 80% of the market price or the conversion price in effect;
- (f) an issue being made by the Company wholly for cash of shares (other than shares allotted and issued pursuant to an employee share option scheme of the Company) at a price per share less than the greater of either 80% of the market price or the conversion price in effect; and
- (g) an issue being made by the Company of the shares for the acquisition of asset at a total effective consideration per share less than the greater of either 80% of the market price or the conversion price in effect.

5.2 Any adjustment to the Conversion Rate shall be made to the nearest whole number such that in the event of any fraction of a whole number of shares in the case of a conversion, such fraction shall be rounded down to the nearest whole number of shares.

5.3 Whenever the Conversion Rate is adjusted as herein provided, the Company shall as soon as possible but not later than 28 days of the event giving rise to such adjustment give written notice to the holders of the convertible preference shares that the Conversion Rate has been adjusted (setting out brief particulars of the event giving rise to the adjustment, the Conversion Rate in effect prior to such adjustment, the adjustment Conversion Rate and the effective date thereof) and such notice shall be conclusive and binding.

6 *Non-redemption*

Without prejudice to the power of the Company to purchase its shares in accordance with these Articles, the convertible preference shares are non redeemable once issued.

7 *Voting rights*

Without prejudice to the sub-paragraph below, holders of convertible preference shares shall be entitled to receive notice of and attend any general meetings of holders of shares but shall not be entitled to vote at such general meetings of the Company unless:

7.1 the resolution in question, which if passed would (subject to any consents required for such purpose being obtained) vary or abrogate the rights or privileges of the holders of convertible preference shares; or

7.2 the resolution in question relates to the dissolution or winding up of the Company.

in which event the convertible preference shares shall confer on the holders thereof the right to participate and vote (either in person or by proxy) at that general meeting on an “as-converted-to-Shares” basis at the time of the relevant general meeting.

8 *Rights in liquidation*

No right for return of capital in liquidation or otherwise the assets of the Company are available for distribution among the holders of convertible preference shares.

9 *Ranking*

The convertible preference shares will rank pari passu to any and all current or future preferred equity securities of the Company.

NOTICE OF ANNUAL GENERAL MEETING

Chinese Energy Holdings Limited 華夏能源控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 8009)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Chinese Energy Holdings Limited (the “**Company**”) will be held at Pacific Room, 2/F., Hong Kong Island Pacific Hotel, 152 Connaught Road West, Hong Kong on Monday, 18 August 2014 at 11:00 a.m. to consider and, if thought fit, transact the following businesses:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “**Directors**”) of the Company and the Company’s auditors for the year ended 31 March 2014;
2. To consider the re-election of the retiring Directors, each as a separate resolution, and to authorise the board (the “**Board**”) of Directors to fix the Directors’ remuneration;
3. To consider the re-appointment of Messrs. HLM CPA LIMITED as the Company’s auditors and to authorise the Board to fix their remuneration;

and to consider and, if thought fit, pass the following Resolutions no. 4, 5 and 6 as ordinary resolutions and Resolution no. 7 as a special resolution (with or without modifications):

ORDINARY RESOLUTIONS

4. “**THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules (“**GEM Listing Rules**”) governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company (the “**Shares**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorize the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the total number of additional shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the GEM Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time (the “Articles”); or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares shall not exceed 20 per cent. of the total number of shares of the Company in issue on the date of the passing of this resolution; and
- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any other applicable laws of Hong Kong to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution; and

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange outside Hong Kong).”

5. “**THAT:**

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognized by the Securities and Futures

NOTICE OF ANNUAL GENERAL MEETING

Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and any other applicable laws of Hong Kong in this regard, be and the same is hereby generally and unconditionally approved;

- (b) the total number of shares of the Company which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined below) shall not exceed 10% of the total number of shares of the Company in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
 - (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, the Companies Ordinance or any other applicable laws of Hong Kong to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
6. “**THAT** conditional on the passing of resolutions numbered 4 and 5 above, the general mandate granted to the Directors pursuant to paragraph (a) of resolution numbered 4 above be and is hereby extended by the addition to the total number of shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to or in accordance with such general mandate of an amount representing the total number of shares of the Company purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 5 above.”

SPECIAL RESOLUTION

7. “**THAT:**
- (a) the new articles of association of the Company, a copy of which is marked “A” and produced to the meeting and has been signed by the chairman of the meeting for identification, which, among other things, do not include any “objects” clause, be hereby adopted as the new articles of association of the Company in substitution for and to the exclusion of all of the articles of association of the Company in force immediately before the passing of this special resolution; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) the directors of the Company be and are hereby authorised to do all such acts and execute all such documents as they deem fit to effect the adoption of the new articles of association and to make relevant registrations and filings in accordance with the relevant requirements of the applicable laws and regulations in Hong Kong and the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.”

By order of the Board
Chinese Energy Holdings Limited
Yau Yan Ming Raymond
Company Secretary

Hong Kong, 30 June 2014

As at the date hereof, the board comprised the following Directors:

Executive Directors:

Mr. Shi Yanmin (*Chairman*)
Mr. Yau Yan Ming Raymond
Mr. Zha Jian Ping (*Chief Executive Officer*)
Mr. Ji Peng

Non-executive Director:

Ms. Qi Yue

Independent non-executive Directors:

Mr. Lam Tze Chung
Mr. Wu Ka Ho Stanley
Mr. Yue Laiqun

Registered office and principal place of business:

Unit 2207, 22/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the Articles, to vote on his/her/its behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the annual general meeting is enclosed here with. Such form of proxy is also published on the GEM website at www.hkgem.com. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, at the Company's principal share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the annual general meeting or any adjournment thereof, should he/she/it so wish.
3. In the case of joint holders of shares, any one of such holders may vote at the annual general meeting, either personally or by proxy, in respect of such share as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the annual general meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.