

The Articles of Association were adopted on 4 March 2004. The following is a summary of certain provisions of the Articles of Association:

### **Alteration of capital**

The Company may exercise any powers conferred or permitted by the Companies Ordinance or any other ordinance from time to time to purchase or otherwise acquire its own shares or warrants (including redeemable shares) or to give, directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any of its own shares or warrants. Should China Resources Peoples purchase or otherwise acquire its own shares or warrants, neither China Resources Peoples nor its board of Directors (the “Board”) will be required to select the shares or warrants to be purchased or otherwise acquired rateably or in any other particular manner as between the holders of the shares or warrants of the same class or as between them and the holders of shares or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided that in the case of purchases of redeemable shares (a) purchases not made through the market or by tender shall be limited to a maximum price and (b) if purchases are by tender, tenders shall be available to all shareholders alike and provided further that any such purchase or other acquisition or financial assistance shall only be made or given in accordance with any relevant rules or regulations issued by the Stock Exchange or the SFC from time to time in force.

The Company may from time to time by ordinary resolution:

- (a) increase its authorised share capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
- (b) consolidate and divide all or any of its share capital into shares of larger or smaller amount than its existing shares;
- (c) 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;
- (d) sub-divide its shares or any of them into shares of smaller amount than is fixed by its Memorandum of Association and the resolution may determine that, as between the holders of the shares resulting from the sub-division, one or more of the shares may have any such preferred or other special rights over other shares or to be subject to any such restrictions which the Company has power to attach to unissued or new shares, subject nevertheless to the provisions of the Companies Ordinance;
- (e) make provision for the issue and allotment of shares which do not carry any voting rights;
- (f) change the currency denomination of its share capital; and
- (g) without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, divide any of its shares into several classes and attach thereto respectively any preferential, deferred, qualified or other special rights, privileges, conditions or restrictions.

Save as provided by any direction that may be given by the Company in general meeting, the Companies Ordinance or the Articles of Association to the contrary, all unissued shares shall be at the disposal of the Directors who may offer, allot, grant options over or otherwise deal with or dispose of the

same to such persons, at such times, for such consideration and generally upon such terms and conditions as they shall in their absolute discretion think fit, provided that no shares of any class shall be issued at a discount except in accordance with the provisions of the Companies Ordinance.

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.

### **Modification of rights**

Subject to the provisions of the Companies Ordinance, if at any time the share capital is divided into different classes of shares, the rights attached to any class of shares (unless otherwise provided for by the terms of issue of the shares of that class) may be varied, modified or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting, the provisions of the Articles of Association relating to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and that every holder of shares of that class shall be entitled on a poll to one vote for every such fully paid up share held by him, and any holder of shares of the class present in person or by proxy may demand a poll and that at any adjourned meeting of the holders, two persons holding shares of that class present in person or by proxy (whatever the number of shares held by them) shall be a quorum.

### **Cumulative redeemable convertible participating preference shares (“Preference Shares”)**

Holders of the Preference Shares are entitled to a cumulative preferential dividend in priority to any payment to the holders of any other class of shares at the rate of five per cent. per annum on HK\$1.00 per Preference Share. On a liquidation, dissolution or winding up or return or reduction of capital of the Company, the Preference Shares are entitled to priority payment of a sum equal to any arrears, deficiency or accrual of its preferential dividends and an amount in repayment of capital equal to the amount fully paid up or credited as fully paid up.

The rights of holders of the Preference Shares are identical to holders of ordinary shares with respect to voting: both are entitled to receive notice of, attend and vote at any general meeting of the Company. Furthermore, holders of the Preference Shares are also entitled to transfer their holdings subject to the same restrictions as are applicable to the ordinary shares.

### **Votes of members**

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative duly authorised shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote for every fully paid up share of which he is the holder.

A recognised clearing house within the meaning of the Securities and Futures Ordinance may, if it or its nominee is a member of the Company, authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any general meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation or proxy form shall specify the number and class of shares in respect of which each such person is so authorised. The person so authorised shall be entitled to exercise the same rights and powers on behalf of the clearing house

(or its nominee(s)) which he represents as that clearing house (or its nominee(s)) would be entitled to exercise as if it were an individual member of the Company having the right to vote individually on a show of hands.

### **Borrowing powers**

The Board may from time to time at its discretion exercise all the powers of the Company to borrow money for the purposes of the Company, and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and, to issue bonds, debentures, debenture stock or any 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. These provisions, in common with the Articles of Association in general, can be varied by a special resolution of the Company.

### **Directors**

The number of Directors shall be not less than two. A Director is not required to hold any qualification shares.

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

A Director (including a managing or other executive director) can be removed at any time before the expiration of his period of office by way of a special resolution at a general meeting of the Company (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention to do so and be served on such Director forthwith or 14 days before the meeting to remove such Director (whichever is earlier), and at such meeting, such Director shall be entitled to be heard on the motion for his removal.

The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election.

The Board may from time to time appoint one or more of their body to the office of managing director, joint managing director, deputy managing director or other executive director and/or such other office in the management of the business of the Company as it may decide for such period and on such terms as it thinks fit and, subject to the terms of any arrangement entered into in any particular case, may revoke such appointment (but without prejudice to any claim for damages that such Director may have against the Company or vice versa).

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 members in general meeting of the Company. Such sum paid to the Directors shall be divided amongst the Directors as they had mutually agreed or in default of such agreement, equally between them.

A Director appointed to be a managing director, joint managing director, deputy managing director or other executive director and/or such other officer in the management of the business of the Company shall receive such remuneration (whether by way of salary, commission, or participation in profits, or partly in

one way and partly in another) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, either in addition to or in lieu of his remuneration as a Director.

Each Director shall be entitled to be reimbursed of all travelling, hotel and other expenses incurred by him in or about the performance of his duties as a Director, including his expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred while engaged in the business of the Company.

### **Directors' interests**

A Director may continue to be or become a Director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and, subject to the Companies Ordinance, no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of, or from his interest in, such other company unless the Board or the members of the Company in general meeting directs otherwise.

A Director may hold any other office or place of profit with the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor is any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall, if his interest in the contract or proposed contract is material, declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration if he knows that his interest then exists, or in any other case, at the first meeting of the Board after he knows that he is or has become so interested. For this purpose, a general notice to the Board given by a Director to the effect that (a) he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or (b) he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him, shall be deemed to be a sufficient declaration of interest in relation to any such contract or arrangement; provided that no such notice shall be effective unless it is given before the date on which the question of entering into a contract is first considered by the Company at a meeting of the Board.

A Director shall not vote on, nor be counted in the quorum in relation to, any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his associates (as defined in the Listing Rules) are to his knowledge materially interested. If he does so vote, his vote will not be counted, but this prohibition shall not apply to any of the following matters:

- (a) the giving to him or his associate(s) by the Company of any indemnity or security in respect of money lent by him or his associate(s) or obligations incurred or undertaken by him or his associate(s) at the request of or for the benefit of the Company;

- (b) the giving to a third party by the Company of any indemnity or security in respect of a debt or obligation of the Company for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (c) any contract, arrangement or proposal in relation to an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director/or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (d) any contract, arrangement or proposal in relation to any other company in which the Director/or his associate(s) is/are interested only as an officer of that company;
- (e) any contract, arrangement or proposal concerning any other company in which the Director/or his associate(s) is/are interested only as a holder of shares or other securities of that company provided that the beneficial interest of such Director and any of his associate(s) are not in aggregate beneficially interested in 5 per cent. or more of such issued shares or securities or of the voting rights of any class of shares or securities of such company (or of any third company through which his interest or that of his associate(s) is derived);
- (f) any proposal or arrangement concerning the benefit of employees of the Company including the adoption, modification or operation of any share option scheme under which the Director/or his associate(s) may benefit; and
- (g) any proposal or arrangement concerning the benefit of employees of the Company including the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme or other similar arrangement which relates both to the Directors/or his associate(s) and employees of the Company does not provide in respect of any Directors/or his associate(s) any such privilege or advantage not accorded to the employees to which such scheme or fund relates.

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

### **Dividends**

The Company may in general meeting declare dividends in any currency but no dividend shall exceed the amount recommended by the Board.

Except in so far as the rights attaching to, or the terms of issue of, any share with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for this purpose as paid up on the share.

The Board may from time to time pay such interim dividends as appear to the Board to be justified by the profits of the Company.

The Directors may retain any dividend or other money payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts and liabilities in respect of which the lien exists. The Directors may deduct from any dividend or bonus payable to a member of the Company all sums of money (if any) presently payable by him to the Company on account of calls, installments or otherwise in relation to the shares of the Company.

In respect of any dividend proposed to be paid by the Board or declared by members of the Company in a general meeting, the Board may further resolve that (a) 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 will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or (b) the members entitled to such dividend be entitled to elect to receive an allotment of shares credited as fully paid in lieu of the whole or such part of the dividend in cash as the Board may think fit. Notwithstanding this, the Company may, upon the recommendation of the Board, by ordinary resolution, resolve that any particular dividend of the Company be satisfied wholly by the allotment of shares credited as fully paid without offering any right to the members to elect to receive such dividend in cash in lieu of such allotment.

The Directors may distribute in specie or in kind among the Company's shareholders in satisfaction in whole or in part of any dividend any of the Company's assets, and in particular any shares or securities of other companies to which the Company's shareholders are entitled.

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

### **Transfer of shares**

Subject to such restrictions of the Articles of Association as may be applicable, any member may transfer all or any of his shares by an instrument of transfer in the usual or common form or in such other form as prescribed by the Hong Kong Stock Exchange or in such other form as the Board may accept and may approve. Such transfer may be executed 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 Board may approve from time to time.

The instrument of transfer of any share shall be executed by or on behalf of the transferor and the transferee. The transferor shall for all purposes hereof remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. Every instrument of transfer must be lodged at the Company's registered office for registration or at such other place as the Board may appoint for such purpose. All instruments of transfer which are registered shall be retained by the Company.

The Board may, subject to the provisions of the Companies Ordinance, 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 or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, 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.

The Board may also decline to register any instrument of transfer unless:

- (a) a fee of such maximum sum as the Stock Exchange may determine to be payable or such lesser sum as the Directors may from time to time require is paid to the Company in respect thereof;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- (c) the instrument of transfer is in respect of only one class of shares; and
- (d) if applicable, the instrument of transfer is properly and duly stamped;

If the Board refuses to register a transfer of any share, it shall, within two months after the date on which the instrument of transfer was lodged with the Company, send to the transferor and the transferee a notice of such refusal.

### **Purchase of Shares**

Subject to the provisions of the Companies Ordinance, the Articles of Association authorise the Company to purchase its own shares (including any redeemable shares).