

# **ARTICLES OF ASSOCIATION**

**OF**

**Lerthai Group Limited**

(Name changed by Special Resolution passed on 30th January 2019)

---

**Incorporated the 24th day of November 1952.**

---

(It is a consolidated version not formally adopted by shareholder at a general meeting)

(The English version of the Articles of Association of the Company shall prevail and nothing contained in the Chinese translation thereof shall alter or affect its interpretation.)

THE COMPANIES ORDINANCE  
(CHAPTER 622)

Special Resolution  
of  
**Lerthai Group Limited**

勒泰集團有限公司

---

Passed on 26 June 2019

---

At the Extraordinary General Meeting of Lerthai Group Limited (the "**Company**") duly convened and held at Room 4608, 46/F, The Center, 99 Queen's Road Central, Central, Hong Kong on Wednesday, 26 June 2019 at 10:00 a.m., the following resolution was duly passed as a Special Resolution of the Company:-

**SPECIAL RESOLUTION**

**"THAT:**

- (a) conditional only upon the satisfaction of either one of the conditions set out in paragraph (b) of this special resolution and subject to any conditions imposed in accordance with paragraph (c) of this special resolution, the reduction of the amount standing to the credit of the share capital account of the Company by an amount equal to HK\$900,000,000 without cancelling or extinguishing any ordinary shares (the "**Capital Reduction**") be and is hereby approved and the directors of the Company (the "**Directors**") be and are hereby authorised to apply the credit arising from the Capital Reduction to a capital reduction reserve account of the Company and to use such reserve to set off against the accumulated realised losses standing in the financial statements of the Company and/or to make distribution to the shareholders of the Company as and when the Directors think fit;

- (b) the approval and authorisation set out in paragraph (a) of this special resolution shall be conditional upon either (i) there being no application to the Court of First Instance of the High Court of Hong Kong (the “**Court**”) for cancellation of the approval of the Capital Reduction, set out in this special resolution, by creditors or members of the Company within five weeks of the date of this special resolution (the “**Application**”); or (ii) if any such Application is made, the Court making an order to confirm this special resolution;
- (c) if such an Application is made and the Court makes an order to confirm this special resolution upon the Application, the approval and authorisation in paragraph (a) of this special resolution shall be subject to any conditions that may be imposed by the Court; and
- (d) the Company and the Directors be and are hereby authorised generally to do all acts and things as may be necessary, desirable or expedient to implement or to give effect to the foregoing.”

dated this the 26<sup>th</sup> day of June, 2019

(Sd.) Wong Tat Keung

---

Wong Tat Keung  
Chairman of the Meeting

編號 3639

[COPY]

No.

公 司 註 冊 處  
COMPANIES REGISTRY

公 司 更 改 名 稱 證 明 書  
CERTIFICATE OF CHANGE OF NAME

\*\*\*

本人謹此證明  
I hereby certify that

LT Commercial Real Estate Limited  
勒泰商業地產有限公司

已 藉 特 別 決 議 更 改 其 名 稱 ， 該 公 司 根 據  
having by special resolution changed its name, is now incorporated under the  
香 港 法 例 第 622 章 《 公 司 條 例 》 註 冊 的 名 稱 現 為  
Companies Ordinance (Chapter 622 of the Laws of Hong Kong) in the name of

Lerthai Group Limited  
勒泰集團有限公司

本 證 明 書 於 二 〇 一 九 年 二 月 十 五 日 發 出 。

Issued on 15 February 2019 .

(Sd.) Ms Ada LL CHUNG

香港特別行政區公司註冊處處長鍾麗玲

Ms Ada L L CHUNG

**Registrar of Companies**  
**Hong Kong Special Administrative Region**

註 Note :

公司名稱獲公司註冊處註冊，並不表示獲授予該公司名稱或其任何部分的商標權或任何其他知識產權。

Registration of a company name with the Companies Registry does not confer any trade mark rights or any other intellectual property rights in respect of the company name or any part thereof.

THE COMPANIES ORDINANCE  
(CHAPTER 622)

Special Resolution  
of  
**LT Commercial Real Estate Limited**  
**勒泰商業地產有限公司**

---

Passed on 30 January 2019

---

At the Extraordinary General Meeting of LT Commercial Real Estate Limited (the "Company") duly convened and held at Room 4608, 46/F, The Center, 99 Queen's Road Central, Central, Hong Kong on Wednesday, 30 January 2019 at 9:30 a.m., the following resolution was duly passed as a Special Resolution of the Company:-

**SPECIAL RESOLUTION**

**“THAT:**

subject to and conditional upon the approval by the Registrar of Companies in Hong Kong:

- (a) the English name of the Company be changed from “LT Commercial Real Estate Limited” to “Lerthai Group Limited” and the Chinese name of the Company be changed from “勒泰商業地產有限公司” to “勒泰集團有限公司” (the “**Change of Company Name**”); and
- (b) any one director or the company secretary of the Company be authorized to do or procure any such acts and things and execute all documents as may be required to effect the aforesaid Change of Company Name.”

dated this the 30<sup>th</sup> day of January, 2019

(Sd.) Yang Longfei

---

Yang Longfei  
Chairman of the Meeting

THE COMPANIES ORDINANCE  
(CHAPTER 622)

Special Resolution

of

**LT Commercial Real Estate Limited**  
(勒泰商業地產有限公司)

---

Passed on 28 June 2018

---

At the Annual General Meeting of LT Commercial Real Estate Limited (the “Company”) duly convened and held at Room 4608, 46/F, The Center, 99 Queen’s Road Central, Central, Hong Kong on Thursday, 28 June 2018 at 9:30 a.m., the following resolution was duly passed as a Special Resolution of the Company:-

**SPECIAL RESOLUTION**

“**THAT** article 132 of the articles of association of the Company shall be deleted in its entirety and replaced by the following:

132. A resolution in writing signed by a majority of the Directors, or their alternate Directors, for the time being entitled to receive notice of a written resolution of Directors or members of meeting of the Board or by a majority of the members of a committee for the time being shall be as valid and effectual for all purposes as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly convened and held. A written notification of confirmation of such resolution in writing signed by a Director or his alternate Director or, as the case may be, a member of such committee shall be deemed to be his signature to such resolution in writing for the purpose of this Article. Such resolution in writing may consist of several documents, each signed by one or more Directors or their alternate Directors or, as the case may be, members of such committee. A resolution which is signed and sent by a Director or his alternate Director or a member of such committee by cable, facsimile message, telex message or other electronic means shall be treated as being signed by him for the purpose of this Article.”

Dated this the 28th day of June, 2018.

(Sd.) Yang, Longfei

---

Yang, Longfei  
Chairman of the Meeting

編號 3639  
No.

[C O P Y]

公 司 註 冊 處  
COMPANIES REGISTRY

公司更改名稱證明書  
CERTIFICATE OF CHANGE OF NAME

\*\*\*

本人謹此證明  
I hereby certify that

LT Holdings Limited  
勒泰控股有限公司

已藉特別決議更改其名稱，該公司根據  
having by special resolution changed its name, is now incorporated under the  
香港法例第622章《公司條例》註冊的名稱現為  
Companies Ordinance (Chapter 622 of the Laws of Hong Kong) in the name of

LT Commercial Real Estate Limited  
勒泰商業地產有限公司

本證明書於二〇一四年六月二十四日發出。  
Issued on 24 June 2014.

(Sd.) Ms Ada LL CHUNG

香港特別行政區公司註冊處處長鍾麗玲

Ms Ada LL CHUNG

**Registrar of Companies**

**Hong Kong Special Administrative Region**

註 Note :

公司名稱獲公司註冊處註冊，並不表示獲授予該公司名稱或其任何部分的商標權或任何其他知識產權。

Registration of a company name with the Companies Registry does not confer any trade mark rights or any other intellectual property rights in respect of the company name or any part thereof.

THE COMPANIES ORDINANCE  
(CHAPTER 622)

Special Resolution

of

**LT Holdings Limited**  
(勒泰控股有限公司)

---

Passed on 12 June 2014

---

At the Annual General Meeting of LT Holdings Limited (the “Company”) duly convened and held at Salon 6, JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 12 June 2014 at 2:00 p.m., the following resolution was duly passed as a Special Resolution of the Company:-

“**THAT** subject to and conditional upon the effective registration with the Registrar of Companies of Hong Kong, the name of the Company be changed from:

**LT Holdings Limited**  
勒泰控股有限公司

To

**LT Commercial Real Estate Limited**  
勒泰商業地產有限公司

The Directors be and are hereby authorised generally to do all such acts and things and sign or execute all such documents or make such arrangements as they may, in their absolute discretion, consider necessary or expedient to effect and implement the Change of Company Name.”

(Sd.) Yang, Longfei

---

Yang, Longfei  
Chairman of the Meeting



No. 3639  
編號

(COPY)

公 司 註 冊 處  
COMPANIES REGISTRY

**CERTIFICATE OF CHANGE OF NAME**

公 司 更 改 名 稱 證 書

----- \* \* \* -----

**I hereby certify that**

本 人 謹 此 證 明

Chi Cheung Investment Company, Limited  
(至祥置業有限公司)

**having by special resolution changed its name, is now incorporated under the**  
已 藉 特 別 決 議 更 改 其 名 稱 ， 該 公 司 根 據

**Companies Ordinance (Chapter 32 of the Laws of Hong Kong) in the name of**  
《 公 司 條 例 》 ( 香 港 法 例 第 32 章 ) 註 冊 的 名 稱 現 為

LT Holdings Limited  
勒泰控股有限公司

**Issued on 19 June 2013.**

本 證 書 於 二 〇 一 三 年 六 月 十 九 日 發 出 。

(Sd.) Ms Ada L L CHUNG

.....  
**Registrar of Companies**

**Hong Kong Special Administrative Region**

香港特別行政區公司註冊處處長鍾麗玲

Note 註：

Registration of a company name with the Companies Registry does not confer any trade mark rights or any other intellectual property rights in respect of the company name or any part thereof. 公司名稱獲公司註冊處註冊，並不表示獲授該公司名稱或其任何部分的商標權或任何其他知識產權。

THE COMPANIES ORDINANCE  
(CHAPTER 32)

Special Resolution

of

**CHI CHEUNG INVESTMENT COMPANY, LIMITED**  
**(至祥置業有限公司)**

---

Passed on 11th June, 2013

---

At the Annual General Meeting of Chi Cheung Investment Company, Limited (the “Company”) duly convened and held at Taishan Room, Level 5, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Tuesday, 11th June, 2013 at 2:00 p.m., the following resolution was duly passed as a Special Resolution of the Company:-

“**THAT** subject to and conditional upon the effective registration with the Registrar of Companies of Hong Kong, the name of the Company be changed from:

**Chi Cheung Investment Company, Limited**  
**至祥置業有限公司**

To

**LT Holdings Limited**  
**勒泰控股有限公司**

The Directors be and are hereby authorised generally to do all such acts and things and sign or execute all such documents or make such arrangements as they may, in their absolute discretion, consider necessary or expedient to effect and implement the Change of Company Name.”

(Sd.) Yang, Longfei

---

Yang, Longfei  
Chairman of the Meeting

THE COMPANIES ORDINANCE  
(CHAPTER 32)

Special Resolution

of

**CHI CHEUNG INVESTMENT COMPANY, LIMITED**  
**(至祥置業有限公司)**

---

Passed on 25th May, 2012

---

At the Annual General Meeting of Chi Cheung Investment Company, Limited (the “Company”) duly convened and held at Oasis Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, No. 1 Harbour Road, Wanchai, Hong Kong on Friday, 25th May, 2012 at 9:00 a.m., the following resolution was duly passed as a Special Resolution of the Company:-

**SPECIAL RESOLUTION**

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

(a) Article 100.(e)

By deleting the existing Article 100.(e) in its entirety and replacing it with the following:

- “(e) Subject to the Ordinance and to paragraph (g) of this Article, where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) to the office or place of profit with the Company or any such other company as aforesaid.”

(b) Article 100.(h)(iii)

By deleting the existing Article 100.(h)(iii) in its entirety and replacing it with the words “[Intentionally deleted]”;

(c) Article 100.(i)

By deleting the existing Article 100.(i) in its entirety and replacing it with the words “[Intentionally deleted]”; and

(d) Article 100.(j)

By deleting the existing Article 100.(j) in its entirety and replacing it with the words “[Intentionally deleted]”.”

Dated this the 25th day of May, 2012.

(Sd.) Teresa Poon, Mun-chie

---

Teresa Poon, Mun-chie  
Chairman of the Meeting

THE COMPANIES ORDINANCE  
(CHAPTER 32)

Special Resolution

of

**CHI CHEUNG INVESTMENT COMPANY, LIMITED**  
**(至祥置業有限公司)**

---

Passed on 15th May, 2007

---

At the Annual General Meeting of Chi Cheung Investment Company, Limited (the “Company”) duly convened and held at JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 15th May, 2007 at 9:00 a.m., the following resolution was duly passed as a Special Resolution: -

**SPECIAL RESOLUTION**

“THAT the existing articles of association of the Company be amended as follows:

(a) Article 101

By deleting the existing Article 101 in its entirety and substituting therefor the following:

“101. 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 provided that every Director shall be subject to retirement by rotation at least once every three years. No Director shall hold office for a continuous period in excess of 3 years, or past the third annual general meeting, following the Director’s appointment or re-election, whichever is longer, without submitting himself for re-election at an 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 Director shall be eligible for re-election. No Director appointed by the Board pursuant to Article 92 shall be taken into account in determining which particular Director(s) or the number of Directors who are to retire by rotation in accordance with this Article 101.”

(b) Marginal note to Article 107

By deleting the existing marginal note to Article 107 in its entirety and substituting therefor the words “Power to remove Director by ordinary resolution”.”

Dated this the 15th day of May, 2007

(Sd.) Matthew Cheong, Veng-va

---

Matthew Cheong, Veng-va  
Director

THE COMPANIES ORDINANCE  
(CHAPTER 32)

Special Resolution

of

**CHI CHEUNG INVESTMENT COMPANY, LIMITED**  
**(至祥置業有限公司)**

---

Passed on 18th May, 2004

---

At an annual general meeting of the shareholders of Chi Cheung Investment Company, Limited (the "Company") duly convened and held at Salon 6 (Level 3), JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 18th May, 2004 at 10:30 a.m., the following resolution was duly passed as a Special Resolution :-

**SPECIAL RESOLUTION**

THAT the following resolution be passed as a Special Resolution of the Company:-

"THAT the existing Articles of Association of the Company be and are hereby amended in the following manner:

- (a) by deleting the definition of "associate" in Article 2 in its entirety and replacing it with the following new definition:

""associate" shall have the meaning as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;"

- (b) by adding a new definition of "clearing house" in Article 2 after the definition of "Chairman":

""clearing house" a recognised clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

- (c) by adding the following sentence into Article 78 after the words " . . . this Article as paid up on the share" but before the words "On a poll a member entitled to more than one vote . . . .":

"Notwithstanding anything contained in these Articles, where more than one proxy is appointed by a member of the Company which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.";

(d) by adding the following new Article 82(c) immediately after Article 82(b):

"(c) Where any shareholder is, under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, 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 shareholder in contravention of such requirement or restriction shall not be counted.";

(e) by adding the following Article 89A after Article 89:

"89A. If a clearing house (or its nominee(s)), being a corporation, is a member or warrant holder of the Company, it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of members and/or warrant holders' meeting of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares and/or warrants in respect of which each such person is so authorised. Each person so authorised under this provision shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares and/or warrants of the Company held by the clearing house (or its nominee(s)) including the right to vote individually on a show of hands.";

(f) by deleting Article 100(h) in its entirety and replacing it with the following new Article 100(h):

"(h) Save as otherwise provided by the Articles, a Director shall not vote (or be counted in the quorum at a meeting) on any resolution of the Board in respect of any contract or arrangement or any other proposal in which he or any of his associates has a material interest, but this prohibition shall not apply to any of the following matters:

(i) the giving of any security or indemnity either:-

(a) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or

(b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

(ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;



- (iii) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;
  - (iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:-
    - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or
    - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates;
  - (v) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.";
- (g) by deleting Article 100(k) in its entirety and replacing it with the following Article 100(k):
- "(k) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the Chairman of the meeting) or his associate(s) or as to the entitlement of any Director (other than such Chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman of the meeting and his ruling in relation to such other Director or his associate(s) shall be final and conclusive except in a case where the nature or extent of the interest of the Director or his associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the Chairman of the meeting or his associate(s), such question shall be decided by a resolution of the Board (for which purpose such Chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Chairman or his associate(s) as known to such Chairman has not been fairly disclosed to the Board. For the purposes of this paragraph and in relation to an alternate Director, an interest of his appointor or his associate(s) shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.";

- (h) by deleting Article 100(1) in its entirety;
- (i) by deleting Article 105 in its entirety and replacing it with the following new Article 105:

"105. No person shall be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company at least seven days before the date of general meeting. Such period for lodgment of the notices shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days prior to the date of such meeting, provided that such period shall be at least seven days.";

- (j) by deleting the words "special resolution" in the first line in Article 107 and inserting in its place the words "ordinary resolution";
- (k) by deleting Article 162(b) in its entirety and replacing it with the following new Article 162(b):

162(b) Every balance sheet of the Company shall be signed pursuant to the provisions of the 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 at its annual general meeting, together with a copy of the Directors' report and a copy of the Auditors' report, shall not less than twenty-one days before the date of the meeting, be delivered or sent by post to the registered address of every member of, and every holder of debentures of, the Company and every person registered under Article 45 and every other person entitled to receive notices of general meetings of the Company provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.";

and THAT any Director of the Company be and is hereby authorised to take such further action as he may, in his sole and absolute discretion thinks fit for and on behalf of the Company to implement the aforesaid amendments to the existing Articles of Association of the Company."

Dated this the 18th day of May, 2004

(Sd.) Thomas Lau, Luen-hung

---

Thomas Lau, Luen-hung  
Director

[COPY]

COMPANIES ORDINANCE  
(CHAPTER 32)  
CERTIFICATE OF REGISTRATION  
ON REDUCTION OF CAPITAL  
UNDER SECTION 61

香 港 法 例 第 32 章  
公 司 條 例  
依 據 第 61 條  
減 少 股 本  
登 記 證 書

**CHI CHEUNG INVESTMENT COMPANY, LIMITED**  
**至祥置業有限公司**

having by special resolution reduced its capital as confirmed by an Order of the High Court of the Hong Kong Special Administrative Region dated 7 October 2003 and having delivered a copy of the Order and of the Minute approved by the Court, I hereby certify the registration of this Order and Minute on 8 October 2003.

已通過特別決議減少股本，而且獲得香港特別行政區高等法院於二零零三年十月七日發出一項命令確認此特別決議，並交付該項命令的文本及一份經法院認可的紀錄，本人現謹此證明，此命令及紀錄於二零零三年十月八日登記在案。

**Issued by the undersigned on 15 October 2003.**

本證書於二零零三年十月十五日簽發。

(Sd.) (H.Y. CHAU)

---

for Registrar of Companies

Hong Kong

香港公司註冊處處長

(周漢欽代行)

**IN THE HIGH COURT OF THE  
HONG KONG SPECIAL ADMINISTRATIVE REGION  
COURT OF FIRST INSTANCE  
MISCELLANEOUS PROCEEDINGS NO. 3392 OF 2003**

---

**IN THE MATTER OF  
CHI CHEUNG INVESTMENT COMPANY, LIMITED  
(至祥置業有限公司)**

**and**

**IN THE MATTER OF  
THE COMPANIES ORDINANCE (CHAPTER 32)**

---

**BEFORE THE HONOURABLE MADAM JUSTICE CHU IN CHAMBERS**

---

**ORDER**

---

UPON THE PETITION of the above-named Chi Cheung Investment Company, Limited (至祥置業有限公司) (hereinafter called the "Company") whose registered office is situated at 26th Floor, MassMutual Tower, 38 Gloucester Road, Wanchai, Hong Kong presented to this Court on 5 August 2003;

AND UPON HEARING Counsel for the Company;

AND UPON READING:

- (a) the said Petition;
- (b) the Order of the Honourable Madam Justice Chu in Chambers dated 23 September 2003 whereby it was ordered that section 59(2) of the Companies Ordinance shall not apply as regards any class of creditors of the Company;
- (c) the Affirmation of Service of Ngai Kit Fong filed on 15 September, 2003;
- (d) the Affirmation of Thomas Lau, Luen-hung filed on 15 September, 2003;
- (e) the Second Affirmation of Thomas Lau, Luen-hung filed on 25 September 2003;
- (f) the Affirmation of Stanley Lai, Pi Hei filed on 25 September 2003;
- (g) the Exhibits referred to in the said Affirmations; and
- (h) the advertisements in the Standard and the Hong Kong Economic Times published on 24 September, 2003 containing a notice of the hearing of the said Petition in English and Chinese respectively and that the same was appointed to be heard this day;

AND UPON the Company by its counsel undertaking that:—

- (1) forthwith upon the reduction of the capital of the Company confirmed by this Order taking effect, the credit of HK\$51,511,585.53 arising as a result of the reduction of the capital of the Company confirmed by this Order will be credited to a special capital reserve ("Special Capital Reserve I") in the account records of the Company; and
- (2) in the event of its making any future recoveries in respect of the advances of HK\$76,575,911 to Super Series Limited ("the Asset") in respect of which provisions for diminution in value were made in the accounts of the Company for the 3 years ended 31 December 2000 to 31 December 2002, beyond their written down value in the Company's audited accounts for the period ended 31 December 2002, all such recoveries beyond that written value up to an overall aggregate amount of HK\$41,913,520.66 representing the difference between permanent losses identified and total accumulated losses ("the overall aggregate limit"), will be credited to a special capital reserve in the accounting records of the Company ("Special Capital Reserve II").

AND THAT so long as there shall remain outstanding any debt or claim against the Company which, if the date on which the proposed reduction of capital becomes effective ("the effective date") was the date of the commencement of the winding up of the Company, would be admissible to proof in such winding up and the persons entitled to the benefit of such debts or claims shall not have agreed otherwise, such reserve shall not be treated as realised profits for the purposes of section 79B of the Companies Ordinance (Cap. 32) and shall (for so long as the Company shall remain a listed company) be treated as an undistributable reserve for the Company for the purposes of section 79C of the Companies Ordinance (Cap. 32), or any statutory re-enactments or modifications thereof.

PROVIDED that:—

- (1) the Company shall at liberty to apply the Special Capital Reserve I and II for the same purposes as share premium account may be applied;
- (2) the amount standing to the credit of the Special Reserve I may be reduced by the amount of any increase, after the effective date, in the paid up share capital or the amount standing to the credit of the share premium account of the Company as the result of the payment up of shares by the receipt of the new consideration or capitalization of distributable profits;
- (3) the overall aggregate limit in respect of the Special Capital Reserve II may be reduced by the amount of any increase, after the effective date, in the paid up share capital or the amount standing to the credit of the share premium account of the Company as the result of the payment up of shares by the receipt of the new consideration or capitalization of distributable profits;
- (4) the overall aggregate limit in respect of the Special Reserve II may be reduced upon the disposal or other realisation, after the effective date, of the Asset by the amount of the total provision made in relation to the Asset as at 31 December 2002 less such amount (if any) as is credited to the Special Capital Reserve II as a result of such disposal or realisation; and
- (5) in the event that the amount standing to the Special Capital Reserve II exceeds the overall aggregate limit thereof after any reduction of such overall aggregate limit pursuant to provisos (3) and/or (4) above, the Company shall be at liberty to transfer the amount of any such excess to the general reserves of the Company and the same shall become available for distribution.

AND UPON the Company by its Counsel further undertaking that, for so long as the undertakings set out in the previous paragraphs hereof remain effective, it will:—

- (1) cause or procure its statutory auditors to report by way of a note or otherwise a summary of the undertakings in its audited financial statements or in the accounts of the Company published in any other form; and
- (2) publish or cause to be published in any prospectus issued by or on behalf of the Company a summary of the undertakings;

THIS COURT ORDERS that the reduction of the authorised share capital of the Company from HK\$500,000,000 divided into 100,000,000 ordinary shares of HK\$5.00 each (of which 59,426,106 ordinary shares had been issued and were fully paid) to HK\$1,000,000 divided into 100,000,000 ordinary shares of HK\$0.01 each (of which 59,426,106 ordinary shares had been issued and were fully paid), as resolved on and proposed to be effected by a special resolution duly passed at the extraordinary general meeting of the Company held on 28 March, 2003, be and the same is hereby confirmed in accordance with the provisions of the Companies Ordinance.

AND THIS COURT HEREBY APPROVES the Minute set forth in the Schedule hereto.

AND IT IS ORDERED that this Order be produced to the Registrar of Companies and that an office copy hereof be delivered to him together with a copy of the said Minute.

AND IT IS ORDERED that notice of the registration by the Registrar of Companies of this Order and of the said Minute be published once in English in the Standard and once in Chinese in Sing Tao Daily within twenty-one (21) days after such registration.

Dated this 7th day of October 2003.

(Sd.) Registrar

**CHI CHEUNG INVESTMENT COMPANY, LIMITED**  
**(至祥置業有限公司)**

Minute approved by the High Court of Hong Kong

---

"The share capital of Chi Cheung Investment Company, Limited (至祥置業有限公司) was by virtue of a special resolution of the Company and with the sanction of an Order of the High Court dated 7th October 2003 reduced from HK\$500,000,000 divided into 100,000,000 ordinary shares of HK\$5.00 each (of which 59,426,106 ordinary shares had been issued and were fully paid) to HK\$1,000,000 divided into 100,000,000 ordinary shares of HK\$0.01 each (of which 59,426,106 ordinary shares had been issued and were fully paid).

By virtue of an ordinary resolution of the Company which took effect forthwith upon the aforesaid reduction of share capital taking effect, the share capital of the Company was increased from HK\$1,000,000 to HK\$500,000,000 by the creation of an additional 49,900,000,000 ordinary shares of HK\$0.01 each.

The share capital of the Company upon the registration of this minute is, accordingly, HK\$500,000,000 divided into 50,000,000,000 ordinary shares of HK\$0.01 each (of which 59,426,106 ordinary shares have been issued and are fully paid)."

Dated this 7th day of October 2003.

(Sd.) SIDLEY AUSTIN BROWN & WOOD  
49th Floor  
Bank of China Tower  
1 Garden Road  
Central  
Hong Kong  
Solicitors of the Company



THE COMPANIES ORDINANCE  
(CHAPTER 32)

Special Resolution

and

Ordinary Resolutions

of

**CHI CHEUNG INVESTMENT COMPANY, LIMITED**  
**(至祥置業有限公司)**

---

Passed on 28th March, 2003

---

At an extraordinary general meeting of the shareholders of Chi Cheung Investment Company, Limited (the “Company”) duly convened and held at Drawing Room, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 28th March, 2003 at 10:45 a.m., the following resolutions were duly passed, Resolution No. 1 being passed as a Special Resolution and Resolution Nos. 2 to 6 being passed as Ordinary Resolutions :—

**SPECIAL RESOLUTION**

1. “THAT subject to the sanction of the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (“Court”) of the capital reduction contemplated in sub-paragraph (b) below,
  - (a) every 50 shares of HK\$0.10 each in the share capital of the Company (whether issued or unissued) on the date on which the petition for the confirmation of the capital reduction herein is heard by the Court be consolidated (“Share Consolidation”) into a share of HK\$5.00 each (“Consolidated Share”);
  - (b) immediately following the Share Consolidation, the par value of each of the Consolidated Shares be reduced from HK\$5.00 to HK\$0.01 (“Capital Reduction”); and
  - (c) the credit arising as a result of the Capital Reduction (as defined in sub-paragraph (b) above) be, to the extent permitted by the Court and subject to any conditions which the Court may impose, applied towards the elimination of the accumulated losses of the Company.

## **ORDINARY RESOLUTIONS**

2. “THAT subject to and forthwith upon the Capital Reduction (as defined in Resolution No. 1(b) of the notice of the general meeting of the Company of which this resolution forms part) taking effect, the authorised share capital of the Company be increased to HK\$500,000,000 by the creation of such number of new shares of HK\$0.01 each (“New Shares”) the aggregate nominal amount of which is equal to the amount by which the capital of the Company is reduced pursuant to Resolution No. 1(b) of the notice of the general meeting of the Company of which this resolution forms part (“Increase in Capital”).”
3. “THAT
  - (a) the conditional sale and purchase agreement dated 11th February, 2003 (“Agreement”) between the Company, Jumbo Legend Limited (“Jumbo Legend”) and Chinese Estates Holdings Limited (“Chinese Estates”), a copy of which has been signed by the chairman of this meeting and for the purpose of identification marked “A”, pursuant to which, inter alia, (i) the Company agrees to sell or procure the sale of, and Chinese Estates agrees to purchase or procure the purchase of, the Super Series Shares (as defined in the Agreement) together with the Super Series Loan (as defined in the Agreement); (ii) Chinese Estates agrees to sell or procure the sale of, and Jumbo Legend agrees to purchase or procure the purchase of, the Sale Shares (as defined in the Agreement) together with the Sale Loan (as defined in the Agreement); and (iii) Jumbo Legend agrees to assume the Assumed Debt (as defined in the Agreement), in each case, on terms and conditions as set out in the Agreement be and is hereby generally and unconditionally approved;
  - (b) the allotment and issue of the Consideration Shares (as defined in the Agreement) by the Company to Chinese Estates pursuant to the terms of the Agreement be and is hereby approved; and
  - (c) the authority to the directors of the Company to do all such further acts and things and execute such further documents and take all such steps which in their opinion may be necessary, desirable or expedient to implement and/or give effect to the terms of the Agreement be and is hereby approved.”
4. “THAT:
  - (a) conditional upon the Share Consolidation (as defined in Resolution No. 1(a) of the notice of the general meeting of the Company of which this resolution forms part), the Capital Reduction (as defined in Resolution No. 1(b) of the notice of the general meeting of the Company of which this resolution forms part) and the Increase in Capital (as defined in Resolution No. 2 of the notice of the general meeting of the Company of which this resolution forms part) (together the “Capital Reorganisation”) becoming effective and completion of the Agreement (as defined in Resolution No. 3(a) of the notice of the general meeting of the Company of which this resolution forms part) and subject to sub-paragraph (c) below, pursuant to Section 57B of the Companies Ordinance, Chapter 32 of the

Laws of Hong Kong, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to allot additional New Shares (as defined in Resolution No. 2 of the notice of the general meeting of the Company of which this resolution forms part) and to make or grant offers, agreements and options which might require the exercise of such power, be and is hereby generally and unconditionally approved;

- (b) the approval in sub-paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in sub-paragraphs (a) and (b) above, otherwise than pursuant to Rights Issue and the exercise of options granted under any share option scheme adopted by the Company, shall not in aggregate exceed 20 per cent. of the nominal amount of the share capital of the Company in issue immediately after the Capital Reorganisation (as defined in sub-paragraph (a) above) becoming effective and completion of the Agreement (as defined in Resolution No. 3(a) of the notice of the general meeting of the Company of which this resolution forms part) and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution:

"Relevant Period" means the period from immediately after the Capital Reorganisation (as defined in sub-paragraph (a) above) becoming effective and completion of the Agreement (as defined in Resolution No. 3(a) of the notice of the general meeting of the Company of which this resolution forms part) until whichever is the earliest of:

- (aa) the conclusion of the next annual general meeting of the Company;
- (bb) the expiration of the period within the next annual general meeting of the Company is required by the law or the articles of association of the Company to be held; and
- (cc) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

"Rights Issue" means the allotment, issue or grant of shares pursuant to an offer made to the shareholders of the Company, excluding for that purpose any shareholder who is resident in a place where such offer is not permitted or is impracticable under the law of that place, and, where appropriate, to holders of other equity securities for the time being in issue (if any) entitled to be offered them pro rata (apart from fractional entitlements) to their then holdings of New Shares (as defined in Resolution No. 2 of the notice of the general meeting of the Company of which this resolution forms part) (or such other equity securities)."

5. “THAT:

- (a) conditional upon the Capital Reorganisation (as defined in Resolution No. 4(a) of the notice of the general meeting of the Company of which this resolution forms part) becoming effective and completion of the Agreement (as defined in Resolution No. 3(a) of the notice of the general meeting of the Company of which this resolution forms part), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to purchase New Shares (as defined in Resolution No. 2 of the notice of the general meeting of the Company of which this resolution forms part) be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of the New Shares (as defined in Resolution No. 2 of the notice of the general meeting of the Company of which this resolution forms part) to be purchased pursuant to the approval in sub-paragraph (a) above shall not exceed 10 per cent. of the total nominal amount of the share capital of the Company in issue immediately after the Capital Reorganisation (as defined in Resolution No. 4(a) of the notice of the general meeting of the Company of which this resolution forms part) becoming effective and completion of the Agreement (as defined in Resolution No. 3(a) of the notice of the general meeting of the Company of which this resolution forms part) and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, “Relevant Period” means the period from immediately after the Capital Reorganisation (as defined in Resolution No. 4(a) of the notice of the general meeting of the Company of which this resolution forms part) becoming effective and completion of the Agreement (as defined in Resolution No. 3(a) of the notice of the general meeting of the Company of which this resolution forms part) until whichever is the earliest of:
  - (aa) the conclusion of the next annual general meeting of the Company;
  - (bb) the expiration of the period within which the next annual general meeting of the Company is required by the law or the articles of association of the Company to be held; and
  - (cc) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

6. “THAT conditional upon the Capital Reorganisation (as defined in Resolution No. 4(a) of the notice of the general meeting of the Company of which this resolution forms part) becoming effective and completion of the Agreement (as defined in Resolution No. 3(a) of the notice of the general meeting of the Company of which this resolution forms part), the general mandate granted to the directors of the Company to allot, issue and deal with additional New Shares (as defined in Resolution No. 2 of the notice of the general meeting of the Company of which this resolution forms part) pursuant to Ordinary Resolution set out in Resolution No. 4 of the notice of the general meeting of the Company of which this resolution forms part, be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company which may

be repurchased by the Company under the authority granted pursuant to Ordinary Resolution set out in Resolution No. 5 of the notice of the general meeting of the Company of which this resolution forms part, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company immediately after the Capital Reorganisation (as defined in Resolution No. 4(a) of the notice of the general meeting of the Company of which this resolution forms part) becoming effective and completion of the Agreement (as defined in Resolution No. 3(a) of the notice of the general meeting of the Company of which this resolution forms part).”

Dated this the 28th day of March, 2003

(Sd.) Thomas Lau, Luen-hung

---

Thomas Lau, Luen-hung  
Director

[COPY]

**COMPANIES ORDINANCE  
(CHAPTER 32)  
CERTIFICATE OF REGISTRATION  
ON REDUCTION OF CAPITAL AND CANCELLATION OF  
SHARE PREMIUM ACCOUNT AND CAPITAL REDEMPTION RESERVE  
UNDER SECTION 61**

香 港 法 例 第 32 章  
公 司 條 例  
依 據 第 61 條  
減 少 股 本 及  
取 消 股 份 溢 價 帳 及 資 本 贖 回 儲 備  
登 記 證 書

**CHI CHEUNG INVESTMENT COMPANY, LIMITED  
至 祥 置 業 有 限 公 司**

having by special resolution reduced its capital and cancelled its share premium account and capital redemption reserve as confirmed by an Order of the High Court of the Hong Kong Special Administrative Region dated 24 October 2000 and having delivered the Order and the Minute referred to therein, I hereby certify the registration of this Order and Minute on 25 October 2000.

已通過特別決議減少股本及取消股份溢價帳及資本贖回儲備，而且獲得香港特別行政區高等法院於二零零零年十月二十四日發出一項命令確認此特別決議，並交付該項命令及所附的紀錄，本人現謹此證明，此命令及紀錄於二零零零年十月二十五日登記在案。

**Issued by the undersigned on 3 November 2000.**

本證書於二零零零年十一月三日簽發。

(Sd.) (Miss Rita HO)

---

**for Registrar of Companies  
Hong Kong  
香港公司註冊處處長  
(何珊珍代行)**

**Company No. 3639**

**HCMP 4169/2000**

**MINUTE OF REDUCTION OF CAPITAL APPROVED BY THE COURT**

The capital of Chi Cheung Investment Company, Limited (至祥置業有限公司) was by virtue of a Special Resolution of the Company and with the sanction of an Order of the High Court of the Hong Kong Special Administrative Region dated the 24 day of October 2000 reduced from HK\$100,000,000 divided into 500,000,000 ordinary shares of HK\$0.20 each (of which 321,305,343 ordinary shares had been issued and were fully paid or credited as fully paid) to HK\$50,000,000 divided into 500,000,000 ordinary shares of HK\$0.10 each. By virtue of an Ordinary Resolution, it further provides that forthwith upon such reduction of capital taking effect, the authorised capital of the Company be increased from HK\$50,000,000 to HK\$500,000,000 by the creation of an additional 4,500,000,000 ordinary shares of HK\$0.10 each.

The capital of the Company is accordingly on the registration of this Minute HK\$500,000,000 divided into 5,000,000,000 ordinary shares of HK\$0.10 each of which 321,305,343 ordinary shares have been issued and are fully paid or credited as fully paid and the remainder are unissued.

Presented by DAVID LO & PARTNERS  
Solicitors for Chi Cheung Investment Company, Limited

Dated this 24th day of October 2000

**HCMP 4169/2000**

**IN THE HIGH COURT OF THE  
HONG KONG SPECIAL ADMINISTRATIVE REGION  
COURT OF FIRST INSTANCE  
MISCELLANEOUS PROCEEDINGS  
NO. 4169 OF 2000**

---

**IN THE MATTER OF  
CHI CHEUNG INVESTMENT COMPANY, LIMITED  
(至祥置業有限公司)**

**and**

**IN THE MATTER OF  
THE COMPANIES ORDINANCE (CHAPTER 32)**

**BEFORE THE HONOURABLE MADAM JUSTICE CHU IN COURT**

---

**ORDER ON PETITION  
FOR THE CONFIRMATION OF CAPITAL REDUCTION**

---

UPON THE PETITION of CHI CHEUNG INVESTMENT COMPANY, LIMITED (至祥置業有限公司) (the "Company") whose registered office is situate at Room 1003, 10th Floor, MassMutual Tower, No. 38 Gloucester Road, Wanchai, Hong Kong on 5 October 2000 presented to this Court

AND UPON HEARING Counsel for the Company

AND UPON READING the Petition, the Order dated 17 October 2000 whereby it was ordered that section 59(2) of the Companies Ordinance shall not apply as regards any class of creditors of the Company, the 3 Affirmations of Cheng Sui Sang filed herein on 10 October, 17 October and 23 October 2000 respectively, the Affirmation of Service of Ngai Kit Fong filed herein on 5 October 2000, the Affirmation of Choi Siu Shu filed herein on 12 October 2000 and the Affirmation of Chu Hak Ha Mimi filed herein on 18 October 2000 and the Exhibits in the Affirmations respectively referred to and the "South China Morning Post" and "Hong Kong Economic Times" both of 18 October 2000 containing in English and in Chinese languages respectively advertisements of a Notice of the presentation of the Petition that the same was appointed to be heard this day



THIS COURT ORDERS that the reduction of the capital of the Company from HK\$100,000,000 to HK\$50,000,000 and the cancellation of the entire amounts standing to the credit of the "share premium account" and the "capital redemption reserve" of the Company totalling HK\$381,278,000 resolved on and effected by a Special Resolution passed at an Extraordinary General Meeting of the Company held on 22 September 2000 be and the same is hereby confirmed in accordance with the provisions of the abovementioned Ordinance

AND THIS COURT HEREBY APPROVES the Minute set forth in the Schedule hereto

AND IT IS ORDERED that this Order be produced to the Registrar of Companies and that an office copy hereof be delivered to him together with a copy of the Minute

AND IT IS ORDERED that notice of the registration by the Registrar of Companies of this Order and of the Minute be published once in English in the "South China Morning Post" and once in Chinese in the "Hong Kong Economic Times" within twenty-one (21) days after such registration.

Dated this 24th day of October 2000.

(Sd.) Registrar

THE SCHEDULE ABOVE REFERRED TO

Company No. 3639

HCMP 4169/2000

**MINUTE OF REDUCTION OF CAPITAL APPROVED BY THE COURT**

The capital of Chi Cheung Investment Company, Limited (至祥置業有限公司) was by virtue of a Special Resolution of the Company and with the sanction of an Order of the High Court of the Hong Kong Special Administrative Region dated the 24 day of October 2000 reduced from HK\$100,000,000 divided into 500,000,000 ordinary shares of HK\$0.20 each (of which 321,305,343 ordinary shares had been issued and were fully paid or credited as fully paid) to HK\$50,000,000 divided into 500,000,000 ordinary shares of HK\$0.10 each. By virtue of an Ordinary Resolution, it further provides that forthwith upon such reduction of capital taking effect, the authorised capital of the Company be increased from HK\$50,000,000 to HK\$500,000,000 by the creation of an additional 4,500,000,000 ordinary shares of HK\$0.10 each.

The capital of the Company is accordingly on the registration of this Minute HK\$500,000,000 divided into 5,000,000,000 ordinary shares of HK\$0.10 each of which 321,305,343 ordinary shares have been issued and are fully paid or credited as fully paid and the remainder are unissued.

Presented by DAVID LO & PARTNERS  
Solicitors for Chi Cheung Investment Company, Limited

**IN THE HIGH COURT OF THE  
HONG KONG SPECIAL ADMINISTRATIVE REGION  
COURT OF FIRST INSTANCE**

**MISCELLANEOUS PROCEEDINGS  
NO. 4169 OF 2000**

---

IN THE MATTER of  
Chi Cheung Investment Company, Limited

and

IN THE MATTER of  
SECTION 166 the Companies Ordinance,  
Chapter 32 of the Laws of Hong Kong

BEFORE THE HONOURABLE MADAM JUSTICE CHU IN COURT

ORDER ON PETITION

TO SANCTION THE SCHEME OF ARRANGEMENT

UPON THE PETITION of the above-named CHI CHEUNG INVESTMENT COMPANY, LIMITED whose registered office is situate at Room 1003, 10th Floor, MassMutual Tower, No. 38 Gloucester Road, Wanchai, Hong Kong on 5 October 2000 presented to this Court

AND UPON HEARING Counsel for the Petitioner and Counsel for Billion Up Limited and Chinese Estates Holdings Limited

AND UPON READING the said Petition and the Orders dated 22 and 25 August 2000 (whereby the said Company was ordered to convene the Court Meeting of its Scheme Creditors on 22 September 2000 for the purpose of considering and if thought fit approving with or without modification a Scheme of Arrangement proposed to be made between the Company and its Scheme Creditors) and the "Hong Kong Economic Times" and "South China Morning Post" of 29 August 2000 (both containing an advertisement of the notice convening the Court Meeting directed to be held by the said Orders dated 22 and 25 August 2000) and the four Affirmations of Mr. Cheng Sui Sang filed respectively on 15 August 2000, 21 August 2000, 25 August 2000 and 5 October 2000 and the Affirmation of Wong Siu Chow Johnny filed herein on 21 August 2000 and the Affirmations of Chu Hak Ha Mimi filed herein on 5 October 2000 and 18 October 2000 and the Exhibits in the Affirmations respectively referred to and the "South China Morning Post" and "Hong Kong Economic Times" both of 18 October 2000 containing in English and in Chinese languages respectively advertisements of a Notice of the Presentation of the Petition that the same was appointed to be heard this day

AND the said Billion Up Limited and Chinese Estates Holdings Limited by their Counsel submitting to be bound by the Scheme of Arrangement hereinafter sanctioned

THIS COURT DOTH HEREBY SANCTION the Scheme of Arrangement as set forth in the Schedule to the said Petition and in the Schedule hereto.

AND IT IS ORDERED THAT the above-named Company do deliver an office copy of this Order to the Registrar of Companies.

Dated this 24th day of October 2000.

(Sd.) Registrar

**THE COMPANIES ORDINANCE**  
**(CHAPTER 32 OF THE LAWS OF HONG KONG)**  
**ORDINARY RESOLUTIONS**  
**AND**  
**SPECIAL RESOLUTIONS**  
**OF**  
**CHI CHEUNG INVESTMENT COMPANY, LIMITED**

---

**PASSED ON THE 22ND DAY OF SEPTEMBER 2000**

---

At an extraordinary general meeting of the shareholders of Chi Cheung Investment Company, Limited ("the Company") held at B/3, Summit Room, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong duly convened and held on 22 September 2000 at 10:00 a.m., the following resolutions were duly passed, Resolution Nos. 1,2,3,5,6,7,8 and 9 being passed as Ordinary Resolutions and Resolution Nos. 4 and 10 being passed as Special Resolutions:-

Resolution No. 1

"RESOLVED AS ORDINARY RESOLUTION THAT the formal agreement ("the Formal Agreement") entered into between Chinese Estates Holdings Limited and the Company on 11 April 2000 as supplemented by two supplemental agreements dated 5 May 2000 and 2 June 2000 and the compromise agreement ("the Compromise Agreement") entered into between the Company, Chinese Estates Holdings Limited and certain Scheme Creditors (as defined below) on 2 June 2000, copy of each of which has been produced to the meeting marked "A" and "B" respectively and signed by the Chairman of the meeting by way of identification, and the transactions referred to therein be and they are hereby approved, ratified and confirmed and the Directors be and they are hereby authorised to do whatever they may consider necessary desirable or expedient to carry the Formal Agreement and the Compromise Agreement into effect in accordance with their respective terms."

Resolution No. 2

"RESOLVED AS ORDINARY RESOLUTION THAT:-

- (a) subject to the conditions set out in the Formal Agreement and the passing of the Special Resolution No. 4 and the scheme of arrangement ("Scheme") under Section 166 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) between the Company and

the creditors ("Scheme Creditors") as set out in the creditors' document dated 29 August 2000 ("Scheme Creditors' Document") becoming effective in accordance with the provision of Section 166 of the Companies Ordinance, the Directors be and they are hereby authorized to allot and issue new shares of HK\$0.10 each ("Shares") upon completion of the asset injection ("Asset Injection"), the cash subscription ("Cash Subscription") and the debt restructuring ("Debt Restructuring") on the terms set out in the Formal Agreement and the Court Order sanctioning the Scheme; and

- (b) the Directors be and they are hereby authorised to do all acts and things which in their opinion are necessary in connection with the allotment and issue of Shares pursuant to the Asset Injection, the Cash Subscription and the Court Order sanctioning the Scheme, the implementation and completion of the Formal Agreement and all transactions referred to therein."

### Resolution No. 3

"RESOLVED AS ORDINARY RESOLUTION THAT subject to the passing of the Ordinary Resolutions Nos. 1 and 2, in the event that Chinese Estates Holdings Limited, Billion Up Limited and parties acting in concert with them are obliged (or would be obliged but for the granting of the waiver by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission in Hong Kong from any obligation to make a general offer under Rule 26 of the Hong Kong Code on Takeovers and Mergers (the "Whitewash Waiver")) to make a general offer for the share capital of the Company not already held or agreed to be acquired by such parties under Rule 26 of the Hong Kong Code on Takeovers and Mergers as a result of completion of the Formal Agreement, the Debt Restructuring and/or the exercise of the put options ("Put Options") granted by Billion Up Limited and Chinese Estates Holdings Limited to the Scheme Creditors on the terms set out in the Formal Agreement, such obligation is hereby waived and that any Director be and is hereby authorised to do all acts and things and execute all documents which may in his opinion be necessary or desirable to implement and give effect to any of the matters relating to, or incidental to, the Whitewash Waiver."

### Resolution No. 4

"RESOLVED AS SPECIAL RESOLUTION THAT subject to the passing of the Ordinary Resolutions Nos. 1 and 2:-

- (a) the capital of the Company of HK\$100,000,000 divided into 500,000,000 shares of HK\$0.20 each reduced to HK\$50,000,000 divided into 500,000,000 shares of HK\$0.10 each and that such reduction be effected by canceling paid up capital to the extent of HK\$0.10 upon each of the 321,305,343 shares in issue as at 25 August 2000 and any further shares which may be issued prior to the date on which the Petition for the confirmation of the reduction herein is heard by the High Court of the Hong Kong Special Administrative Region and by reducing the nominal amount of all the unissued shares in the capital of the Company from HK\$0.20 to HK\$0.10 per share;
- (b) the entire amounts standing to the credit of the "share premium account", the "capital redemption reserve account" and other "reserve account" of the Company totaling HK\$382,278,000 be cancelled to the intent that the credit arising therefrom, together with the credit arising from the reduction of capital described in paragraph (a) of this

Resolution, totaling HK\$414,408,534.30 in aggregate, be applied to reduce an equivalent amount of the accumulated losses of the Company as at 31 December 1999; and

- (c) the Directors be and are hereby authorised generally to do all things appropriate to effect and implement any of the foregoing."

#### Resolution No. 5

"RESOLVED AS ORDINARY RESOLUTION THAT:-

- (a) subject to and forthwith upon such reduction of capital and the cancellation of the accounts of the Company described in Special Resolution No. 4 taking effect, the authorised capital of the Company be increased to HK\$500,000,000 by the creation of an additional 4,500,000,000 shares of HK\$0.10 share; and
- (b) the Directors be and are hereby authorised generally to do all things appropriate to effect and implement any of the foregoing."

#### Resolution No. 6

"RESOLVED AS ORDINARY RESOLUTION THAT:-

- (a) subject to and conditional upon the passing of Resolutions Nos. 1 to 5, the creation of warrants ("the Warrants") to subscribe in aggregate HK\$59,426,106.80 for Shares in or substantially in accordance with the terms and conditions of the instrument creating the Warrants to be executed by the Company, a copy of which, marked "C", has been signed by the Chairman of the meeting for the purpose of identification, be and is hereby approved and the Directors be and are hereby authorised to issue such Warrants to the Scheme Creditors, each Warrant carrying subscription rights entitling the holders thereof to subscribe during the period of 3 years commencing on the business day immediately following the date of completion of the transactions under the Formal Agreement for Shares at the initial Subscription price of HK\$0.10 per Share (subject to adjustment) and, in particular, the Directors be and are hereby authorised to make such exclusions or other arrangements in relation to fractional entitlements as they deem necessary or expedient;
- (b) the Directors be and are hereby authorised to allot and issue Shares arising from the exercise of subscription rights attaching to the Warrants or any of them; and
- (c) the Directors be and are hereby authorised to do all such acts and things as they consider necessary or expedient to give effect to the foregoing arrangements."

#### Resolution No. 7

"RESOLVED AS ORDINARY RESOLUTION THAT subject to the passing of Resolutions Nos. 1 to 6 and subject to the following provisions of this Resolution:-

- (a) 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 or other securities in the capital of the Company, and to make or grant offers, agreements or options (including

warrants) which would or might require the exercise of such power, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved in substitution for and to the exclusion of any existing authority previously granted;

- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements or options (including warrants) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue; (ii) exercise of options granted under any share option scheme adopted by the Company; (iii) an issue of shares in the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the Company's Articles of Association; or (v) any offer of any class of securities of the Company made pro rata (apart from fractional entitlements) by the Company to holders of such class of securities (excluding for that purpose any holder who is resident in a place where such offer is not permitted under the laws of that place), shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution as enlarged by the allotment and issue of Shares upon completion of the Cash Subscription and the Asset Injection and pursuant to the Court Order sanctioning the Scheme and the said approval shall be limited accordingly;
- (d) for the purposes of this Resolution:

"Relevant period" means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles of Association of the Company to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

"Rights Issue" means the allotment or issue of shares in the Company or other securities which would or might require shares to be allotted and issued pursuant to an offer made to all the members of the Company pro rata to their existing holdings of shares or any other equity securities (subject to such exclusions of 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 any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange)."



## Resolution No. 8

"RESOLVED AS ORDINARY RESOLUTION THAT conditional upon the passing of Resolution No. 7:-

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase Shares and Warrants on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or on any other exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for this purpose ("Recognized Stock Exchange"), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time or those of any other Recognized Stock Exchange, be and it is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares to be repurchased pursuant to the approval in paragraph (a) of this Resolution shall not exceed (i) 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution as enlarged by the allotment and issue of Shares upon completion of the Cash Subscription and the Asset Injection and pursuant to the Court Order sanctioning the Scheme; and (ii) 10 per cent. of the aggregate subscription rights attaching to the Warrants in issue, and the said approval shall be limited accordingly; and

- (c) for the purposes of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles of Association of the Company to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company is general meeting."

## Resolution No. 9

"RESOLVED AS ORDINARY RESOLUTION THAT subject to the passing of Resolutions Nos. 7 and 8 and their becoming unconditional, the general mandate granted to the Directors and for the time being in force to exercise the powers of the Company to allot shares or other securities be and is hereby extended by the addition to the aggregate nominal amount of share capital which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company since the granting of the said general mandate pursuant to the exercise by the Directors of the powers of the Company to repurchase such shares, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution

as enlarged by the allotment and issue of shares upon completion of the Cash Subscription and the Asset Injection and pursuant to the Court Order sanctioning the Scheme."

Resolution No. 10

"RESOLVED AS SPECIAL RESOLUTION THAT the Articles of Association of the Company be and are hereby amended in the following manner:

- (a) by deleting in its entirety Article 69 and substituting the following therefor:

"For all purposes the quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. No business other than the appointment of a chairman shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business."

- (b) by deleting the word "four" and substituting therefor the word "two" in each of Articles 91 and 104.
- (c) by deleting the sentence "Unless otherwise determined three Directors shall be a quorum" and substituting therefor the sentence "Unless otherwise determined, two Directors shall be a quorum" in Article 123."

Dated this 22nd day of September 2000

(Sd.) Cheng Sui Sang, Lawrence

---

Director

**SCHEDULE I**

**APPENDIX V**

**SCHEME CREDITORS' DOCUMENT  
SCHEME OF ARRANGEMENT**

**PART 1. SCHEME OF ARRANGEMENT**

H. C. M. P. No. 4169 of 2000

IN THE HIGH COURT OF  
THE HONG KONG SPECIAL ADMINISTRATIVE REGION  
COURT OF FIRST INSTANCE  
MISCELLANEOUS PROCEEDINGS NO. 4169 OF 2000

IN THE MATTER OF

CHI CHEUNG INVESTMENT COMPANY, LIMITED

and

IN THE MATTER OF THE COMPANIES ORDINANCE  
(CHAPTER 32) OF THE LAWS OF HONG KONG

SCHEME OF ARRANGEMENT  
(under Section 166 of the Companies Ordinance)

BETWEEN

Chi Cheung Investment Company, Limited  
(至祥置業有限公司)

and

Scheme Creditors of Chi Cheung Investment Company, Limited

**PRELIMINARY**

- (1) In this Scheme of Arrangement, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively set opposite them:

"Asset Injection"	the acquisition by the Company of the Super Series Share and the Star Glory Share and the assignment of the Super Series Shareholder's Loan and the Star Glory Shareholder's Loan by the Investor to the Company pursuant to the Restructuring Agreement
-------------------	--

"Bondholders"	the holders of the Bonds
"Bonds"	the 4% guaranteed convertible bonds due 2002 in the principal amount of US\$30 million issued by Chi Cheung Treasury Limited and guaranteed by the Company and constituted by a Trust Deed dated 18 June 1997
"Business Day"	a day (other than a Saturday) on which licensed banks are open for business in Hong Kong.
"Capital Reduction"	the proposed reduction of the capital of the Company from \$100,000,000 divided into 500,000,000 Existing Shares to \$50,000,000 divided into 500,000,000 New Shares each and that such reduction be effected by (i) canceling paid up capital to the extent of \$0.10 upon each of the 321,305,343 Existing Shares in issue; (ii) reducing the nominal amount of all the unissued Existing Shares from \$0.20 to \$0.10 per share; and (iii) canceling the entire amounts standing to the credit of the "share premium account", the "capital redemption reserve account" and other "reserve account" of the Company totalling \$382,278,000
"Cash Payment"	the cash amount payable by the Company to the Scheme Creditors pursuant to Clause 3.2 in Part III
"Cash Reserve"	the cash of the Group held by the Group or its bankers as at Completion (excluding the proceeds of the Subscription and the net sale proceeds of the Group's assets)
"Chinese Estates"	Chinese Estates Holdings Limited, a company incorporated in Bermuda with limited liability whose securities are listed on the Stock Exchange
"Company"	Chi Cheung Investment Company, Limited, a public company incorporated in Hong Kong whose shares are listed on the Stock Exchange
"Completion"	completion of the transactions under the Restructuring Agreement
"Compromise Agreement"	the compromise agreement between the Company, the Investor, Chinese Estates and certain Scheme Creditors dated 2 June 2000
"Code"	The Hong Kong Code on Takeovers and Mergers

"Conditions Precedent"	the conditions precedent for Completion described in Part II
"Court"	the Court of First Instance of the High Court of Hong Kong
"Court Meeting"	the meeting of the Scheme Creditors convened at the direction of the Court for the purpose of considering and, if thought fit, approving this Scheme or at any adjournment thereof
"Creditors"	the creditors of the Company, including, where the Company has secured and/or preferential creditors, such secured and/or preferential creditors, being in each case creditors whose claims arose out of or had their origin in any matter occurring before the Record Date and whether present or contingent, whether sounding in equity, contract, tort or under statute and whether liquidated or yet to be ascertained
"Debt Restructuring"	the restructuring of the Scheme Creditors' Indebtedness in accordance with Part III
"Disposal Proceeds"	in respect of any Mortgaged Property, all disposal proceeds including any deposit realised under the relevant sale agreement in respect of that Mortgaged Property less costs, charges and expenses (if any) incurred by the Secured Creditor in enforcing its Security Interest in respect of the Mortgaged Property and reasonable costs and agent's expenses properly incurred in marketing, selling and/or completing the sale of the Mortgaged Property
"Disputed Claim"	the claim against, inter alia, the Company in High Court Action No. 6153 of 2000 in relation to the alleged breach of the Company under the shareholders agreement dated 29 August 1997 entered into between the 1st plaintiff therein and the Company
"Effective"	in relation to this Scheme means that (i) it has been approved by the required majority of Scheme Creditors; (ii) sanctioned by the Court pursuant to Section 166(2) of the Ordinance; and (iii) an office copy of the Court order sanctioning this Scheme has been delivered to the Registrar of Companies in Hong Kong under Section 166(3) of the Ordinance
"Effective Date"	the day on which this Scheme becomes Effective
"Existing Shares"	the existing 321,305,343 ordinary shares of \$0.20 each in the Company in issue as at the date hereof

"Group"	the Company and the Subsidiaries and "Group Company" shall mean any one of them
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HSBC"	The Hong Kong and Shanghai Banking Corporation Limited
"Indebtedness"	any obligation for the payment or repayment of money, whether as principal or as surety or in any other capacity and whether present or future, actual or contingent
"Investor"	Billion Up Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of Chinese Estates
"Investor Loan"	the sum of \$5 million or such greater amount as is agreed to be lent by the Investor to the Company pursuant to the Restructuring Agreement for the purpose of, inter alia, meeting the Restructuring Costs
"Mortgaged Properties"	landed properties beneficially owned by the Subsidiaries which are mortgaged and/or charged in favour of the Scheme Creditors by way of first ranking mortgage or charge to secure the Indebtedness of the Group, particulars of which are set out opposite the name of the relevant Scheme Creditor in Column 2 of the Schedule to this Scheme
"New Shares"	the shares of the Company of \$0.10 each upon the confirmation of the Capital Reduction by the Court
"Ordinance"	Companies Ordinance, Chapter 32 of the Laws of Hong Kong
"Other Creditors"	creditors of the Company (other than the Scheme Creditors and the plaintiffs under the Disputed Claim)
"Put Option"	the option granted by the Investor and Chinese Estates in favour of the Scheme Creditors to sell their New Shares and, or Warrants to the Investor or purchasers procured by the Investor as set out in Part VI

"Record Date"	31 May 2000, being the date adopted for the determination of entitlements under the Compromise Agreement and this Scheme
"Register"	the register of members of the Company
"Restructuring Agreement"	the agreement dated 11 April 2000 between the Company, the Investor and Chinese Estates (as supplemented by two supplemental agreements dated 5 May 2000 and 2 June 2000) (as the same may be supplemented from time to time)
"Restructuring Costs"	means the proper and reasonable fees and expenses incurred by the Company up to the Effective Date in connection with the Restructuring Agreement and the Compromise Agreement and the proper and reasonable expenses necessary for the operation of the Company in its ordinary course of business
"Scheme"	this scheme of arrangement in its present form or with or subject to any modification thereof or addition thereto or conditions approved or imposed by the Court
"Scheme Creditors"	the Creditors whose names are set out in Column 1 of the Schedule to this Scheme
"Scheme Creditors' Indebtedness"	in respect of any Scheme Creditor, all Indebtedness (including under guarantees, indemnities and the like) due from the Company to that Scheme Creditor as at the Record Date set out opposite the name of the Scheme Creditors in Column 3 of the Schedule to this Scheme, (excluding the Investor Loan and any costs order that may be awarded in favour of the Winding Up Petitioner in the Winding Up Petition, whether before or after Completion)
"Scrip Payment"	662,500,000 New Shares and the Warrants
"Secured Creditor"	in relation to any Mortgaged Property, the Scheme Creditor with a Security Interest over that Mortgaged Property
"Secured Indebtedness"	in respect of any Scheme Creditor, the amount of the Scheme Creditors' Indebtedness due from the Company to such creditor equivalent in value to the value of the relevant Mortgaged Property as shown in the Valuation set out in Column 4 of the Schedule to this Scheme

"Security Interest"	any mortgage, pledge, lien, hypothecation, security interest or other charge or encumbrance and any other agreement or arrangement having the effect of conferring security
"SFC"	the Securities and Futures Commission
"Shortfall"	in respect of any Mortgaged Property, the amount by which the Secured Indebtedness plus accrued interest calculated in accordance with Clause 4.4 in Part IV exceeds the Disposal Proceeds to be received on the sale of that Mortgaged Property
"Star Glory"	Star Glory Limited, a company incorporated in the British Virgin Islands and an indirect wholly owned subsidiary of Chinese Estates
"Star Glory Share"	one (1) ordinary share of US\$1.00 of Star Glory, constituting its entire issued share capital
"Star Glory Shareholder's Loan"	the interest free shareholder's loan due from Star Glory to Paul Y. Holdings Company Limited as may be outstanding as at Completion
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	means the proposed subscription by the Investor for not less than 1,987,500,000 New Shares in accordance with the terms of the Restructuring Agreement
"Subsidiaries"	subsidiaries of the Company
"Super Series"	Super Series Limited, a company incorporated in the British Virgin Islands and an indirect wholly owned subsidiary of Chinese Estates
"Super Series Share"	one (1) ordinary share of US\$1.00 of Super Series, constituting its entire issued share capital
"Super Series Shareholder's Loan"	an interest free shareholder's loan due from Super Series to Paul Y. Holdings Company Limited as may be outstanding as at Completion
"Surplus"	in respect of any Mortgaged Property, the amount by which the Disposal Proceeds to be received on the sale of that Mortgaged Property exceeds the Secured Indebtedness plus accrued interest calculated in accordance with Clause 4.4 in Part IV in respect of that Mortgaged Property



"Tax Claim"	the tax liability of the Company totalling \$10,016,357.38 pursuant to the judgement obtained by the Inland Revenue Department against the Company on 29 June 2000
"Total Unsecured Indebtedness"	the aggregate Unsecured Indebtedness of all the Scheme Creditors
"Unsecured Indebtedness"	means, in respect of any Scheme Creditor, an amount equal to its Scheme Creditors' Indebtedness, less (if applicable) all of its Secured Indebtedness set out opposite the name of the Scheme Creditor in column 5 of the Schedule to this Scheme
"Unsecured Percentage"	means, in respect of any Scheme Creditor, the ratio of that Scheme Creditor's Unsecured Indebtedness to the Total Unsecured Indebtedness and expressed as a percentage and set out in Column 6 of the Schedule to this Scheme for illustration purposes on the assumption that the Secured Indebtedness equals the Valuation
"Valuation"	in respect of any Mortgaged Property, the amount set out opposite the Mortgaged Property in Column 4 of the Schedule to this Scheme
"Warrants"	594,261,068 warrants, being the number as to enable the holders of such warrants to subscribe for New Shares equal to 20% of the enlarged issued share capital of the Company after Subscription and Capital Reduction at the exercisable price of \$0.10 per New Shares (subject to adjustment) at any time within 3 years from Completion
"Whitewash Waiver"	a waiver granted by the executive director of the Corporate Finance Division of the SFC under Note 1 of the Notes on Dispensations from Rule 26 of the Code waiving the obligation to make a general offer which would otherwise arise as a result of the implementation of the Restructuring Agreement and/or the Debt Restructuring
"Winding Up Petition"	the winding up petition filed by the Winding Up Petitioner under C.W.U. No. 826 of 1999
"Winding Up Petitioner"	Fair Eagle Finance Limited
"\$"	Hong Kong dollars

- (2) Any reference to a Clause, Schedule or Part is a reference to a Clause, the Schedule to and a Part of this Scheme.
- (3) The Company was incorporated on 24 November 1952 as a private company limited by shares and was converted into a public company on 21 November 1972.
- (4) As at the date of the issuance of the Originating Summons herein, the authorised capital of the Company was \$100,000,000 divided into 500,000,000 shares of \$0.20 each, of which 321,305,343 Existing Shares had been issued and were fully paid or credited as fully paid.
- (5) The Winding Up Petition was presented against the Company by the Winding Up Petitioner on 14 September 1999 on the ground that the Company was unable to pay its debt. The hearing of the Winding up Petition has been adjourned to allow this Scheme to be implemented.
- (6) Pursuant to the Restructuring Agreement:
  - (i) the Company agrees and undertakes to use its best endeavours to implement and effect the Capital Reduction in accordance with Sections 58 to 61 of the Ordinance and applying the credit arising therefrom to reduce the accumulated losses of the Company;
  - (ii) the Investor agrees to inject into the Company:
    - (a) interests in a development site at Nos. 30-38 Hillier Street and Nos. 253-265, Queen's Road Central, Hong Kong and 80 car parking spaces at Aberdeen Centre, Nos. 1-23 and 6-12 Nam Ning Street, Aberdeen, Hong Kong at a total consideration of \$213 million pursuant to the Asset Injection; and
    - (b) \$60 million in cash;
  - (iii) the total consideration for the asset and cash injection of \$273 million will be satisfied as to (a) \$265 million by the issue of a total of 1,987,500,000 New Shares and (b) the balance of \$8 million (subject to adjustment under the Restructuring Agreement for the changes in the net current asset or liabilities of Star Glory and Super Series and the changes in the amount of the Star Glory Shareholder's Loan and Super Series Shareholder's Loan) will be designated as an interest-free shareholder's loan due from the Company to the Investor;
  - (iv) the Company agrees to effect this Scheme pursuant to which:

- (a) the Scheme Creditors will accept the Cash Payment and the Scrip Payment (subject to the benefit of the Put Option) in full and final satisfaction of the Unsecured Indebtedness as at the Record Date;
  - (b) in relation to the Scheme Creditors holding the Mortgaged Properties as security, the Secured Indebtedness will be settled by the transfer or sale of the Mortgaged Properties in the manner provided for in this Scheme; and
  - (c) the Scheme Creditors shall not have any further claim against the Company in respect of interest or otherwise after the Record Date (except the Secured Indebtedness);
  - (v) the Indebtedness due to the Other Creditors (including the Tax Claim) will be paid in full by the Company on Completion or in the ordinary course of its business;
  - (vi) the Investor agrees to advance the Investor Loan to the Company.
- (7) Completion is subject to the fulfillment of the Conditions Precedent and other conditions set out in the Restructuring Agreement.
- (8) Upon Completion, the Investor will become the controlling shareholder of the Company and the Unsecured Indebtedness will be compromised under this Scheme.
- (9) The Compromise Agreement has been circulated to all the Scheme Creditors. As at 14 August 2000, being the latest practicable date before the filing of this Scheme, Scheme Creditors whose Indebtedness amounted to approximately \$659 million (representing 80.44% of the total Scheme Creditors' Indebtedness and 87.85% of the Total Unsecured Indebtedness as at the Record Date) have signed the Compromise Agreement and agreed to, inter alia, compromise their Unsecured Indebtedness in accordance with the Compromise Agreement and vote in favour of this Scheme at the Court Meeting to approve this Scheme.
- (10) A meeting of the Bondholders will be convened to be held before the Court Meeting pursuant to the terms and conditions of the Bonds to approve, inter alia, the Compromise Agreement and to appoint a representative to vote in favour of this Scheme at the Court Meeting, in full and final satisfaction of the amount payable under the Bonds.
- (11) As at the date of the issuance of the Originating Summons herein, the Group had bank deposits of approximately \$23 million and the Company had drawn down approximately \$4.3 million of the Investor Loan for the purpose of applying the same towards the Restructuring Costs and the daily operation costs of the Group.

- (12) According to the audited accounts of the Company for the year ended 31 December 1999, the Company had an accumulated deficit of \$1,078.5 million in its capital reserve account. The primary purposes of the Capital Reduction are to substantially reduce the accumulated losses of the Company and to facilitate the issue of New Shares upon Completion pursuant to this Scheme. It would also provide the Company with the flexibility after Completion to issue New Shares at a price equal to the reduced par value without having to apply to the Court.
- (13) The primary purpose of this Scheme is to compromise the Total Unsecured Indebtedness of the Company and to satisfy one of the essential conditions for Completion.
- (14) On 15 August 2000, the Company filed an Originating Summons to the Court to apply for an order to convene the Court Meeting to approve this Scheme.
- (15) The Company has agreed to appear by counsel at the hearing of the Petition to sanction this Scheme and to undertake to the Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary to be executed or done by it for the purpose of giving effect to this Scheme.
- (16) The Investor and Chinese Estates have agreed to appear by counsel at the hearing of the Petition to sanction this Scheme and to undertake to the Court to be bound by the Put Option and do and procure to be executed and done all such documents, acts and things as may be necessary to be executed or done by it for the purpose of giving effect to the Put Option.

---

**THE SCHEME**

---

**Part I**

**Bar to Proceedings**

1. In the event that this Scheme becomes Effective and binding on the Company, the Winding Up Petitioner shall, within 7 days of the Effective Date, apply to Court for the dismissal of the Winding Up Petition with costs order to be determined by the Court prior to Completion provided that nothing herein shall prejudice any cost orders specifically made by the Court before the Effective Date in connection with the Winding Up Petition.

**Part II**

**Conditions Precedent**

- 2.1 In relation to the Company, this Scheme will become Effective and binding on it and the Scheme Creditors under Hong Kong law if the following Conditions Precedent are satisfied:
  - (a) a majority in number of its Scheme Creditors representing at least 75 per cent. in value present and voting in person or by proxy at the Court Meeting vote in favour of this Scheme;
  - (b) the Court sanctions this Scheme and an office copy of the Order of the Court with respect to it sanctioning this Scheme is delivered to the Registrar of Companies in Hong Kong for registrations; and
  - (c) all the conditions for the completion of the Restructuring Agreement have been satisfied or waived on or before 31 December 2000.
- 2.2 However, the sanction of the Court will not be sought for this Scheme unless each of the following Conditions Precedent shall have been satisfied by 31 December 2000, or such later date as the Court may allow on the application of the Company with the consent from the Scheme Creditors signing the Compromise Agreement:
  - (a) a majority in number of the Scheme Creditors representing at least 75 per cent. in value present and voting in person or by proxy at the Court Meeting voting in favour of this Scheme;

- (b) the passing at an extraordinary general meeting of the Company of the requisite resolutions (by such requisite majority of votes and with such person(s) as required by law, the Company's articles of association, the Listing Rules of the Stock Exchange or the Code or otherwise by the Stock Exchange and/or the SFC abstaining from voting) for approving:
  - (i) the Restructuring Agreement, the Asset Injection, the Subscription and all other transactions and matters contemplated under the Restructuring Agreement;
  - (ii) the Capital Reduction;
  - (iii) the Debt Restructuring and all transactions and matters in relation thereto;
  - (iv) the Whitewash Waiver;
  - (v) the issue and allotment of the New Shares pursuant to the Subscription, the Asset Injection, the Debt Restructuring and the exercise of the subscription rights attaching to the Warrants; and
  - (vi) the issue of the Warrants;
- (c) the sanction by the Court of the Capital Reduction of the Company pursuant to Section 58 of the Ordinance;
- (d) consents (if applicable) of the Bondholders necessary for the entering into and implementation of the Restructuring Agreement and all transactions contemplated under the Restructuring Agreement having been obtained;
- (e) the Stock Exchange having confirmed in writing that it will not treat the Company as a new applicant for listing and such confirmation not having been revoked;
- (f) the Whitewash Waiver having been obtained from the SFC; and
- (g) the Stock Exchange granting in principle approval to the listing of and permission to deal in:
  - (i) the New Shares upon completion of the Capital Reduction;
  - (ii) the New Shares to be issued pursuant to the Asset Injection, the Subscription and the Debt Restructuring; and
  - (iii) the Warrants and the New Shares to be issued pursuant to the exercise of the Warrants.

- 2.3 This Scheme shall lapse if it shall not have become Effective on or before 31 December 2000 or such later date as the Court may allow on the application of the Company with the consent from the Scheme Creditors signing the Compromise Agreement.

**Part III**

**Compromise of Unsecured Indebtedness with the Scheme Creditors**

- 3.1 After the Scheme has become Effective and subject to the fulfillment or waiver of all the conditions in the Restructuring Agreement:

- (a) the Investor will subscribe 600,000,000 New Shares by the payment of \$60 million in cash; and
- (b) the Investor and the Company will complete the Asset Injection at \$213 million, of which \$205 million will be satisfied by the issue and allotment of 1,387,500,000 New Shares and the balance of \$8 million (subject to adjustment) will be designated as an interest-free shareholders' loan due by the Company to the Investor which will be repayable in one lump sum at the end of an eighteen month period commencing from the date of Completion.

- 3.2 After the Scheme has become Effective and subject to the fulfillment or waiver of all the conditions in the Restructuring Agreement, the Scheme Creditors will receive the following payments in full and final satisfaction of the Unsecured Indebtedness against the Company:

- (a) the Cash Payment of \$70 million which (subject to adjustment referred to in Part V below) will comprise the \$60 million cash to be paid by the Investor under the Restructuring Agreement and \$10 million from the balance of the Cash Reserve;
- (b) the allotment and issue of 662,500,000 New Shares by the Company, credited as fully paid, subject to the benefit of the Put Option; and
- (c) the issue of the Warrants, subject to the benefit of the Put Option

and where applicable any obligations or liabilities of any Group Company in relation to the Unsecured Indebtedness are also deemed to be fully discharged or satisfied.

- 3.3 The Cash Payment (subject to adjustment referred to in Part V) and the Scrip Payment shall be made by the Company on Completion and shall be shared amongst the Scheme Creditors in accordance with their respective Unsecured Percentage.

- 3.4 Upon this Scheme becoming Effective and subject to the fulfillment or waiver of all the conditions in the Restructuring Agreement and the performance by the Company of its obligations under Clause 3.2 hereof, the Scheme Creditors shall not have any further claims against the Company and/or any Group Company for all the Unsecured Indebtedness due to the Scheme Creditors after the Record Date and the Secured Indebtedness shall remain payable by the Company to the Secured Creditors.
- 3.5 No Scheme Creditor shall be entitled under the distribution of New Shares to have allotted or issued to him a fraction of a New Share and all such fractions to which, but for this Clause 3.5, any such Scheme Creditor would have become entitled shall be aggregated and allotted to a person nominated by the Company who shall sell the same and the net proceeds of sale shall be paid to the Company for its own benefit.
- 3.6 The Secured Creditors will be entitled to share the Cash Payment and Scrip Payment in respect of their Unsecured Indebtedness as determined in accordance with Part IV.
- 3.7 Save to the extent expressly referred to in this Scheme, the rights and obligations between the Scheme Creditors holding the Mortgaged Properties as security and the relevant Group Company owning the Mortgaged Properties are not affected or modified.

#### Part IV

##### Determination of the Secured Indebtedness

- 4.1 As at the date of the issuance of the Originating Summons herein, the Group owned four Mortgaged Properties through Subsidiaries all of which were mortgaged and/or charged in favour of the Secured Creditors for the repayment of the Secured Indebtedness. The Company is either the principal borrower or the guarantor for the Secured Indebtedness.
- 4.2 All the Secured Creditors holding the Mortgaged Properties have agreed to adopt the Valuation for the purpose of this Scheme. Accordingly, the shortfall between (i) the Indebtedness due to the Secured Creditor as at the Record Date and (ii) the Valuation or (if the Mortgaged Property is sold prior to Completion) the Disposal Proceeds, shall constitute Unsecured Indebtedness for that Secured Creditor.
- 4.3 In relation to any Mortgaged Property which is solely owned by the Group, the relevant Secured Creditor may at any time before Completion elect to accept a transfer of the relevant Mortgaged Property at Valuation and to have sole recourse against that Mortgaged Property for the repayment of the Secured Indebtedness. In the event of such an election being made by any Secured Creditor:
- (a) the shortfall between the Indebtedness as at the Record Date due to that Secured Creditor and the Valuation will be treated as Unsecured Indebtedness;



- (b) the Company will procure the relevant Subsidiary holding the Mortgaged Property to deliver possession of the Mortgaged Property to the Secured Creditor as mortgagee in possession on the Effective Date;
- (c) interest shall cease to accrue on the Secured Indebtedness with effect from the Effective Date;
- (d) the Secured Creditor will be entitled to enjoy all benefits and sale or letting proceeds arising from or in connection with that Mortgaged Property as if it was the beneficial owner, in addition to its rights against that Mortgaged Property under the relevant Security Interest with effect from the Effective Date;
- (e) the Secured Creditor shall be responsible for the management of that Mortgaged Property and shall bear all management and outgoing expenses with effect from the Effective Date;
- (f) the Secured Creditor is not obliged to sell the Mortgaged Property; and
- (g) upon the eventual sale of the Mortgaged Property, the Secured Creditor shall be entitled to retain all sale proceeds and/or the rental and shall not have any other recourse against the Company or the relevant Subsidiary in respect of the Secured Indebtedness in the event that the Disposal Proceeds are less than the Secured Indebtedness.

4.4 In relation to any Mortgaged Property which is not sold before the Effective Date or in respect of which an election has not been made pursuant to the preceding Clause:

- (a) the principal amount of the Secured Indebtedness and interest accrued thereon from Completion shall be repaid in full by the Company or the relevant Subsidiary within 24 calendar months from the date of Completion;
- (b) the Company shall be responsible for the repayment of the Secured Indebtedness and interest accrued thereon subject to the existing facility documentation as the principal lender or guarantor (as the case may be);
- (c) the relevant Subsidiary may at any time after Completion redeem the Security Interest by the payment of the Secured Indebtedness and interest accrued thereon in full;
- (d) the relevant Subsidiary may sell the Mortgaged Property at any time after Completion provided that the Secured Indebtedness and interest thereon is paid in full;

- (e) interest shall accrue on the Secured Indebtedness with effect from Completion at the rate set out in Column 7 of the Schedule to this Scheme in accordance with the existing facility documentation;
- (f) all rental (if any) income derived from the Mortgaged Property or deposits received on the sale or any purported sale of the Mortgaged Properties (unless such deposit is required to be returned to the proposed purchaser by law or by contract) shall be applied firstly towards repayment of interest and (if there is any surplus) towards the repayment of the principal of the Secured Indebtedness;
- (g) the Secured Creditor shall be entitled to exercise its rights under the existing facility documentation upon the default by the Company of its repayment obligations under this Clause 4.4 (including the right to charge default interest, the right to exercise the power of sale and enforcing the Company's guarantee);
- (h) the Secured Creditor may at any time request the relevant Subsidiary to sell the Mortgaged Property at the price determined by the Secured Creditor;
- (i) upon the eventual sale of the Mortgaged Property (whether by the relevant Subsidiary or by the Secured Creditor):
  - (1) the Disposal Proceeds shall be applied to repay the Secured Indebtedness and interest accrued thereon;
  - (2) any Surplus shall be paid to and/or retained by the relevant Subsidiary;
  - (3) any Shortfall (other than a Shortfall realised on a sale referred to in Clause 4.4 (h)) shall be repaid by the Company and/or the relevant Subsidiary on the completion of the sale of the property;
  - (4) any Shortfall realised on a sale referred to in this Clause 4.4 (h) shall be borne by the relevant Secured Creditor.

#### Part V

##### Application of Cash Reserve and adjustment to Cash Payment

- 5.1 The Investor Loan was provided to the Company by the Investor, inter alia, to meet the Restructuring Costs. Sums totalling \$4.3 million have been drawn under the Investor Loan at the date of filing of the Originating Summons herein and further drawings may be made before Completion for the payment of the Restructuring Costs. The Cash Reserve will be applied on Completion towards repayment of (i) the outstanding balance of the Investor Loan; (ii) other amounts up to an estimated maximum sum of \$5.9 million to meet Restructuring Costs and liabilities due to Other Creditors; and (iii) any costs which may be awarded against the Company in relation to the Winding Up Petition.

- 5.2 On Completion, the Company shall make the Cash Payment of \$70 million to the Scheme Creditors which shall be adjusted in the following manner:
- (a) the Cash Payment will be reduced by any amount paid under the Tax Claim;
  - (b) the Cash Payment will be further adjusted as follows:
    - (1) if the Cash Reserve at the Effective Date is less than \$15 million, the Cash Payment shall be further reduced by an amount equal to 50% of the amount by which the Cash Reserve is less than \$15 million save that Cash Payment shall not be reduced pursuant to this sub-clause by more than \$4 million;
    - (2) if the Cash Reserve at the Effective Date is more than \$15 million, the Cash Payment shall be increased by an amount equal to 50% by which the Cash Reserve is greater than \$15 million.

#### Part VI

##### Put Option Arrangements

- 6.1 Each Scheme Creditor shall have the right, at any time within 6 months from Completion, to require the Investor or Chinese Estates to purchase or procure purchasers of all or any of the New Shares and Warrants allotted to it at the following purchase price:
- |                                |                       |
|--------------------------------|-----------------------|
| in relation to every New Share | \$0.10 per New Share; |
| in relation to every Warrant   | \$0.01 per Warrant.   |
- 6.2 The Put Option may be exercised by any Scheme Creditor serving one or more notices on the Investor or Chinese Estates specifying the number of New Shares or Warrants which the Scheme Creditor in respect of which the Put Option is exercised.
- 6.3 The sale and purchase of New Shares and Warrants specified in the notice exercising the Put Option shall be completed within 2 Business Days of the receipt of the notice exercising the Put Option. The relevant certificates of the New Shares and Warrant shall be delivered by the Scheme Creditor exercising the Put Option against the payment of the purchase price by cashier's order or other form of payment agreeable to the relevant Scheme Creditor. Each of the Scheme Creditor exercising the Put Option, the Investor, Chinese Estates and the purchaser of the New Shares or Warrants shall bear their own cost of and incidental to the exercise of the Put Option.

- 6.4 The Put Option is personal to the Scheme Creditors. In the event that any Scheme Creditor sells, transfers or assigns to any third party its beneficial interest in any New Shares or Warrants under the Scrip Payment after Completion, the Investor and Chinese Estates shall be under no further obligation to acquire or procure the acquisition of that said sold, transferred or assigned New Share or Warrant, whether pursuant to the option terms referred to in this Part VI or otherwise.
- 6.5 Chinese Estates unconditionally and irrevocably guarantees to each Scheme Creditor the due and punctual performance by the Investor of its obligations under this Part VI and agrees to pay on demand any sum which the Investor fails to pay.

#### Part VII

##### Payment and delivery of Cash Payment and Scrip Payment

- 7.1 The Scheme Creditors may at any time after the Court Meeting and not less than 10 Business Day before Completion notify the Company (i) the name and address of the holder to whom the New Shares and the Warrants shall be allotted and issued; (ii) the name and the bank account to which the Cash Payment shall be credited, on Completion. The Company shall make the Cash Payment and allot and issue the New Shares and Warrants and deliver the certificates therefor in accordance with the notice of the respective Scheme Creditor.
- 7.2 In relation to any Scheme Creditor which has not served any notice pursuant to Clause 7.1, the Cash Payment payable to that Scheme Creditor shall be paid to HSBC as agent for the Scheme Creditor and the New Shares and Warrants issuable to that Scheme Creditor shall be issued to HSBC Nominees (HK) Limited, as agent for the Scheme Creditors, subject to the payment of the normal service charges to HSBC Nominees (HK) Limited by the respective Scheme Creditors.
- 7.3 Any payment and delivery of the certificates for the New Shares and Warrants pursuant to Clauses 7.1 and 7.2 shall be a good discharge to the Company. In the event that a cheque in favour of a Scheme Creditor which is despatched in accordance with this Clause is not encashed within six months of the date of the issuance of the cheque, the relevant Scheme Creditor's entitlement under this Scheme, in the amount of such cheque, shall cease and determine and the amount thereof shall be paid to the Company and the Scheme Creditor shall have no recourse whatsoever against the Company in respect thereof.

**Part VIII****Termination of this Scheme**

- 8.1 This Scheme will terminate on the date when payments and distributions to all Scheme Creditors under this Scheme have been completed. For this purpose, such distributions shall be deemed to be completed upon, and the termination date of this Scheme shall be, the date on which all the following events shall have occurred:
- (a) all the Cash Payment shall have been distributed to the Scheme Creditors in accordance with the terms of this Scheme; and
  - (b) certificates for all the New Shares and Warrants shall have been delivered by the Company to the Scheme Creditors in accordance with the terms of this Scheme.
- 8.2 The Company shall give notice of the date of termination of this Scheme to the Scheme Creditors as soon as practicable after the termination.

**Part IX****Costs and Expenses of this Scheme**

- 9.1 All costs, charges, expenses and disbursements incurred prior to the Effective Date in connection with the negotiation and preparation of this Scheme, including the costs of holding the Court Meeting and the costs of obtaining the sanction of the Court, shall be borne by the Company.
- 9.2 All costs, charges and expenses of the issue and allotment of the New Shares and Warrants to the Scheme Creditors shall be borne by the Company.

**Part X****General**

- 10.1 The New Shares allotted and issued pursuant to Part III shall be identical and rank pari passu in all respects amongst themselves and with the New Shares then in issue.
- 10.2 No dividend or other distribution is expected to be made by the Company prior to the Effective Date.
- 10.3 This Scheme shall become Effective upon an office copy of the Order of the Court sanctioning this Scheme under section 166 of the Ordinance having been delivered to the Registrar of Companies in Hong Kong for registration.

- 10.4 Unless this Scheme shall have become Effective on or before 31 December 2000 or such later date as the Court may allow, this Scheme shall lapse.
- 10.5 The implementation of this Scheme once it has become Effective shall be subject to all the conditions for the completion of the Restructuring Agreement having been satisfied or waived on or before 31 December 2000 or such later date as the Court may allow on the application of the Company with the consent from the Scheme Creditors signing the Compromise Agreement. If this cannot be completed on or before the time provided in this Clause, this Scheme will automatically lapse.
- 10.6 The Company, the Investor and HSBC, as agent and trustee for those Scheme Creditors having signed the Compromise Agreement may jointly consent for and on behalf of all concerned to any modification of or addition to this Scheme or to any condition which the Court may see fit to approve or impose.

Dated: 29 August 2000

SCHEDULE						
1	2	3	4	5	6	7
Name of Scheme Creditor	Particulars of Mortgaged Property (if applicable)	Amount of Scheme Creditor Indebtedness as at the Record Date (\$)	Valuation (\$)	Amount of Unsecured Indebtedness as at the Record Date (\$)	Unsecured Percentage	Interest Rate
1. Fair Eagle Finance Ltd. 3/F., Hong Kong Diamond Exchange Building, No. 8 Duddell Street, Central, HK.	11/F Harcourt Hse and 75 car parks in Aberdeen Centre Hong Kong	128,494,108.60	78,000,000	50,494,108.60	7.46%	Hibor + 3.5%
2. The Kwangtung Provincial Bank 13-14 Connaught Road Central, HK	(i) 34 Hill Road, Hong Kong (ii)	18,951,937.64 20,968,460.32	12,000,000	6,951,937.64 20,968,460.32	1.03% 3.10%	13M at Prime & 3M at Prime + 3%
Sub Total		39,920,397.96	12,000,000	27,920,397.96		
3. Hong Kong Bank 1 Queen's Road Central Hong Kong	(i) 2 Arbuthnot Road, Hong Kong 82 Chung Hom Kok Road, Hong Kong.	109,914,195.58 25,352,984.53	53,000,000	56,914,195.58 25,352,984.53	8.41% 3.75%	Hibor + 2%
	(ii)	24,152,224.75		24,152,224.75	3.57%	

## SCHEDULE

1	2	3	4	5	6	7
Name of Scheme Creditor	Particulars of Mortgaged Property (if applicable)	Amount of Scheme Creditor Indebtedness as at the Record Date (\$)	Valuation (\$)	Amount of Unsecured Indebtedness as at the Record Date (\$)	Unsecured Percentage	Interest Rate
4.	Bondholders -held by public -held by Rapid Growth Holdings Ltd and pledged as security to Credit Suisse First Boston, Hong Kong Branch	33,129,650.31 214,846,774.15		33,129,650.31 214,846,774.15	4.90% 31.75%	
5.	Honour Finance Company Ltd Suite 3703, 37/F., Sun Hung Kai Centre, 30 Harbour Road, Hong Kong.	52,230,298.67		52,230,298.67	7.72%	Prime + 2.5%
6.	Ng Fung Always Limited Suite A, 63/F., Bank of China Tower, 1 Garden Road, Central, Hong Kong.	25,088,000.00		25,088,000.00	3.71%	
7.	Canadian Eastern Finance Co., Ltd. Suite 2002, 20/F., Cheung Kong Center, 2 Queen's Road Central, Hong Kong.	6,330,235.46		6,330,235.46	0.93%	



SCHEDULE						
1	2	3	4	5	6	7
Name of Scheme Creditor	Particulars of Mortgaged Property (if applicable)	Amount of Scheme Creditor Indebtedness as at the Record Date (\$)	Valuation (\$)	Amount of Unsecured Indebtedness as at the Record Date (\$)	Unsecured Percentage	Interest Rate
8.	Paliburg Development Finance Ltd. 18/F., Paliburg Plaza, 68 Yee Wo Street, Causeway Bay, Hong Kong.	50,582,083.61		50,582,083.61	7.47%	\$39.8M at Prime+1.75% & \$3.5M at Prime+3%
9.	Rapid Growth Holdings Ltd. 18/F., Paliburg Plaza, 68 Yee Wo Street, Causeway Bay, Hong Kong.	48,000,000.00		48,000,000.00	7.09%	
10.	Shanghai Commercial Bank Ltd. 12 Queen's Road Central, Hong Kong.	14,526,768.96		14,526,768.96	2.15%	
11.	Silver Grant International Ind. Ltd. Suite 4901, Office Tower, Conventional Plaza, 1 Harbour Road, Wanchai, Hong Kong.	4,870,481.62		4,870,481.62	0.72%	
12.	United Chinese Bank Ltd. 31 Des Voeux Road Central, Hong Kong.	5,283,342.54		5,283,342.54	0.78%	

## SCHEDULE

1	2	3	4	5	6	7
Name of Scheme Creditor	Particulars of Mortgaged Property (if applicable)	Amount of Scheme Creditor Indebtedness as at the Record Date (\$)	Valuation (\$)	Amount of Unsecured Indebtedness as at the Record Date (\$)	Unsecured Percentage	Interest Rate
13.	Welco Development Limited Block F, 12/F., Kwong Ga Building, 64 Victoria Road, Kennedy Town, Hong Kong.	30,000,000.00		30,000,000.00	4.43%	
14.	Allen & Overy 9/F., Three Exchange Square, No. 8 Connaught Place, Hong Kong	52,108.00		52,108.00	0.01%	
15.	Chan Lau & Wai Room 601, 6/F., Aon China Building, No. 29 Queen's Road Central, Hong Kong	62,200.00		62,200.00	0.01%	
16.	Levette & Bailey 20/F., Eastern Central Plaza, No. 3 Yiu Hing Road, Shaukeiwan, Hong Kong	253,575.00		253,575.00	0.04%	
17.	Smiling Dragon Limited Suite 1309-1310, 13/F., One Pacific Place, 88 Queensway, Hong Kong	3,557,225.25		3,557,225.25	0.53%	

## SCHEDULE

1	2	3	4	5	6	7
Name of Scheme Creditor	Particulars of Mortgaged Property (if applicable)	Amount of Scheme Creditor Indebtedness as at the Record Date (\$)	Valuation (\$)	Amount of Unsecured Indebtedness as at the Record Date (\$)	Unsecured Percentage	Interest Rate
18.	So Keung, Yip & Sin 17/F., Standard Chartered Bank Building, 4 Des Voeux Road Central, Hong Kong	688,494.95		688,494.95	0.10%	
19.	Stephenson Harwood & Lo 18/F., Edinburgh Tower, The Landmark, No. 15 Queen's Road Central, Hong Kong	229,746.00		229,746.00	0.03%	
20.	Woo, Kwan, Lee & Lo 27/F., Jardine House, No. 1 Connaught Place, Central, Hong Kong	276,160.00		276,160.00	0.04%	
21.	Yumi Yumi Caterers Limited 10/F., Cafe de Coral Centre, No. 5 Wo Shui Street, Fotan, Shatin, New Territories	1,386,579.13		1,386,579.13	0.20%	
22.	Deloitte Touche Tohmatsu 26/F., Wing On Centre, No. 111 Connaught Road Central, Hong Kong	420,327.00		420,327.00	0.06%	

SCHEDULE						
1	2	3	4	5	6	7
Name of Scheme Creditor	Particulars of Mortgaged Property (if applicable)	Amount of Scheme Creditor Indebtedness as at the Record Date (\$)	Valuation (\$)	Amount of Unsecured Indebtedness as at the Record Date (\$)	Unsecured Percentage	Interest Rate
23.	Secretaries Limited 5/F., Wing On Centre, No. 111 Connaught Road Central, Hong Kong	71,775.50		71,775.50	0.01%	
TOTAL		819,719,737.57	143,000,000.00	676,719,737.57	100%	

[COPY]

**CERTIFICATE OF INCORPORATION**

---

**I HEREBY CERTIFY that**

**CHI CHEUNG INVESTMENT COMPANY, LIMITED**

**( 至 祥 置 業 有 限 公 司 )**

is this day incorporated in Hong Kong under the Companies Ordinance (Chapter 32), and that this Company is limited.

GIVEN under my hand and seal of office this Twenty-fourth day of November, One Thousand Nine Hundred and Fifty-two.

**L.S.**

(Sd.) W. Aneurin Jones  
Registrar of Companies.  
Hong Kong.

**THE COMPANIES ORDINANCE (CHAPTER 32)**

<b>Hong Kong Stamp Duty \$20.00 21-11-1952</b>
--

---

**Company Limited by Shares**

---

**MEMORANDUM OF ASSOCIATION**

**OF**

**LT Holdings Limited  
勒泰控股有限公司**

- FIRST: – The name of the Company is “LT Holdings Limited 勒泰控股有限公司”.
- SECOND: – The registered office of the Company will be situate in the Colony of Hong Kong.
- THIRD: – The objects for which the Company is established are: –

Name  
changed by  
Special  
Resolution  
passed on  
11th June,  
2013

- (1) To carry on all or any of the businesses usually carried on by land development companies, land investment companies, land mortgage companies and real estate companies in all their several branches.
- (2) To acquire by purchase, lease, exchange or otherwise and sell land, buildings and here-ditaments of any tenure or description and any estate or interest therein and any rights over or connected with land and to develop and to turn the same and/or any other property in which the Company may be interested to account as may seem expedient or to contribute to, subsidize or otherwise assist or take part in developing and turning to account any property and develop and turn to account the resources of any property, whether belonging to the Company or not, and in particular, but without prejudice to the generality of the foregoing, by laying out and preparing the same for building purposes, constructing, altering, pulling down, decorating, maintaining, furnishing, improving and managing buildings of all kinds, wharves, docks, roads, harbours, bridges, reservoirs, dams, watercourses, ways, tramways, railways, embankments fortifications, hydraulic-works, mills, smelting-works, factories, furnaces, viaducts and other works, enterprises and projects of all descriptions and by leasing or otherwise dealing with the same and by advancing money to and entering into contracts and agreements of all kinds with builders, contractors, tenants and others.

- (3) To carry on business as owners managers and or operators of hotels, restaurants, cafe, tavern, beerhouses, refreshment-rooms and lodging-houses, and the business of lodging house-keepers, licensed victuallers, wine, beer and spirit merchants, brewers, malsters, distillers, importers and manufacturers of aerated, mineral and artificial water and other drinks, purveyors, caterers for public amusements generally proprietors of motor and other vehicles, garage proprietors, livery stable keepers, jobmasters, farmers, dairymen, ice-merchants, importers and brokers of food, live and dead stock, and colonial and foreign produce of all descriptions, hairdressers, perfumers and chemists, proprietors of clubs, baths, dressing rooms, laundries, reading, writing and newspaper, newspaper rooms, libraries, grounds and place of amusement, recreation, sport, entertainment, and instruction of all kinds, tobacco and cigar merchants, agent for railway, shipping and airplane companies and carriers theatrical and opera box office proprietors, entrepreneurs and general agents, and any other business which can be conveniently carried on in connection therewith.
- (4) To carry on all or any of the businesses of borrowing, raising, taking up, lending, advancing, managing, administering and controlling money, securities and property, discounting, buying, selling and dealing in bills of exchange, promissory notes, coupons, drafts, bills of lading, warrants, debentures, scrip and other instruments and securities whether transferable, negotiable or not, granting and issuing letters of credit and circular notes, buying, selling and dealing in bullion and specie, and all kinds of precious and semi-precious stones, and valuables, metals, commodities, substances, goods, plant, equipment, machinery and things, and of acquiring, holding, issuing and acting as issuing house for, underwriting and dealing with stocks, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds, managing, distributing and selling mutual fund, investment company, investment trust and other shares and units whether open-ended or close-ended, acting as a broker, jobber and/or member of any stock exchange, the negotiating of loans and advances, the provision and operation of deposit and safe keeping facilities and the collection and transmission of money and securities.
- (5) To provide all or any of the undermentioned services or facilities in any part of the world: –
- (i) investment management, analysis and advice.
  - (ii) market and credit investigation and research.
  - (iii) business, financial, taxation and economic advice and information.
  - (iv) computer, data control and information services of all kinds.
  - (v) management consultancy and the provision and engagement of personnel.
  - (vi) such other services and facilities whether similar to or dissimilar from the foregoing as the Directors may from time to time think fit.
- (6) To acquire by purchase, subscription or otherwise and to hold for investment or otherwise and to use, sell, assign, transfer, mortgage, pledge or otherwise deal with or dispose of stocks, bonds, or any other obligations or securities of any corporation or corporations, to merge or consolidate with any corporation in such manner as may be permitted by law; to aid in any manner any corporation whose stocks, bonds or other obligations are held or in any manner guaranteed by the Company and/or in which the Company is in any way interested and to do any other acts or things for the preservation, protection, improvement or enhancement of the value of any such stocks, bonds or other obligations, or to do any acts or things designed for any such purpose; and while owner of any such stocks, bonds, or other obligations to exercise all the rights, powers and privileges of ownership thereof, and to exercise any and all voting powers thereon; to guarantee the payment of dividends upon any stock, or the principal or interest or both of any bonds or other obligations and the performance of any contracts.
- (7) To carry on in any part of the world the business of export and import merchants and general traders and dealers either wholesale or by retail in all kinds of goods whether manufactured or otherwise, wares, produce and merchandise, and to prepare for market, and otherwise turn to account any product, materials or things acquired by the Company in the course of its business.

- (8) To carry on in any part of the world the business of general merchants, manufacturers and general agents and to deal in all kinds of goods by purchase and sale or otherwise.
- (9) To carry on in any part of the world business as financiers, capitalists, concessionaires, commercial agents, mortgage and bullion brokers, financial agents and advisers, exporters and importers of goods and merchandise of all kinds and merchants generally.
- (10) To lend and advance money or give credit on such terms as may seem expedient and with or without security to customers and others, to enter into guarantees, contracts of indemnity and suretyships of all kinds other than those in the nature of insurance business, to become security for any persons, firms or companies and to receive money, stocks, bonds, certificates, securities, deeds and property on deposit or for safe custody or management.
- (11) To stand surety for or to guarantee or give indemnities support or secure the performance of all or any of the contracts or obligations of any person, firm or company whether by personal covenant or by mortgage, charge or lien upon the whole or any part of the undertaking, property and assets of the Company, both present and future including its uncalled capital or by all or any such methods or in any other manner whether or not the Company shall receive any consideration therefor and whether or not the giving of such security, guarantee, surety or indemnity is in furtherance of the commercial purposes or any other of the objects of the Company; and so that this clause shall for the avoidance of doubt be construed as an independent object of the Company; and in particular but without limiting the generality of the foregoing, to guarantee, support or secure whether by personal covenant or by any such mortgage, charge or lien or by all or any such methods the performance of all or any of the obligations (including the repayment or payment of capital or principal and premium of and dividends or interest on any securities) of any company which is for the time being a subsidiary or the holding company of the Company or another subsidiary of any such holding company or any other company in which the Company holds any shares or any company firm or person which is otherwise allied to or associated with the Company or any such subsidiary, holding company or company in business or otherwise.
- (12) To transact or carry on all kinds of agency business, and in particular in relation to the investment of money, the sale of property and the collection and receipt of money.
- (13) To carry on the business of builders, contractors, founders, storekeepers, building material suppliers, plumbers and suppliers of plumbing and sanitary equipment of all kinds, ship and boat builders and repairers, metal-markers, brass founders, ship-wrights, dock-owners, civil, mining, mechanical and electrical engineers, machine and engineering tool-makers, boiler makers, carpenters, mill-wrights, proprietors of air and steamship lines and transportation enterprises for passengers and goods by air, sea and land, travel agents, proprietors of wharves, piers, warehouses and consulting engineers, assessors and any other business which may seem to the Company capable of being carried on in connection with the above and calculated directly or indirectly to enhance the value or render profitable any of the Company's property or rights.
- (14) To buy, sell, manufacture, construct, repair, convert, alter, refit, salve, raise, rig, fit-out, let or hire and deal in steamers, ships and vessels of all descriptions, aircraft, machinery, rolling-stock, plant, timber, iron, steel, metal, glass, minerals, ores, chemicals products, fuel, implements, tools, utensils, merchandise, products, commodities and convenience of all kinds.
- (15) To employ any or all of the ships or vessels of the Company whether owned, chartered or otherwise in towing and salvage services to vessels of every description, in the conveyance of passengers, mails, troops, munitions of war, live stock, meat, coal, coke, corn, and other produce, and of parcels, treasure and merchandise of all kinds between such ports in any part of the world as may seem expedient and to acquire any postal subsidies.
- (16) To construct, execute, carry out, equip, alter and improve, own, develop, administer, manage or control works and conveniences of all kinds, which expression without prejudice to the generality of the foregoing, shall include railways, tramways, docks, harbours, piers, wharves, canals, reservoirs, embankments, dams, irrigations, reclamations, improvements, sewage, drainage, sanitary works, water, gas, oil, motor, electric light, telephonic, telegraphic and power supply works and hotels, warehouses, markets and buildings and all other works or conveniences of any kind whatsoever.



- (17) To carry on all or any of the businesses of charterers, representatives, forwarding agents, sales agents for manufacturers, sub-agents and agents for carriers, brokers and agents for brokers, purchasing agents, coopers, chemists, refrigerators, warehousemen, ship and insurance brokers or agents, wharfingers, brewers, preservers, footwear manufacturers, tanners, spinners, weavers, fishermen and trawlers, providers of public entertainment in all its branches, laundry proprietors, printers, publishers, plantation owners, quarry owners, distillers, dye makers, gas makers, metallurgists, and undertakers of all kinds of works, enterprises or projects and as capitalists, financiers, concessionaires and to undertake, carry on and execute all kinds of financial, commercial, trading and other operations.
- (18) To buy, sell, manipulate and deal, either as principals or agents, both wholesale and retail, in produce, commodities, articles and things of all kinds which can conveniently be dealt in by the Company in connection with any of its objects.
- (19) To lend or advance money to such parties, and on such terms as may seem expedient and in particular to customers of and persons having dealing with the Company. To guarantee and/or indemnify persons whether or not they are customers of any persons having dealings with the Company on such terms as may seem expedient and to discount bills and to receive money on deposit at interest or otherwise or valuable and to transact all or any of the business of a banker which may seem to the Company expedient.
- (20) To carry on any other business whether manufacturing or otherwise which may seem to the Company capable of being conveniently carried on in connection with any of the above business or objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights for the time being.
- (21) To undertake and execute any trusts the undertaking whereof may seem desirable and also to undertake the office of executor, administrator, receiver, treasurer, registrar, custodian, depository or nominee and to keep for any company, government, authority or body any register relating to any stocks, funds, shares or securities or to undertake any duties in relation to the registration of transfers, the issue of certificates or otherwise.
- (22) To invest the moneys of the Company upon such investments (other than shares in the Company) or property in such manner as may from time to time be determined and to the same extent as natural persons might or could do, to purchase or otherwise acquire and to hold, own, maintain, work, develop, sell, lease, exchange, hire, convey, mortgage or otherwise dispose of and deal in, lands and leaseholds and any interest, estate and rights in real property, and any personal mixed property and any franchises rights, licences or privileges necessary, convenient or appropriate for any of the purposes herein expressed.
- (23) To enter into any arrangements or contracts with any governments or authorities, supreme, municipal, local or otherwise or with any person or company that may seem conducive to the objects of the Company or any of them and to obtain from any such government or authority, person or company any rights, privileges and concessions which the Company may think desirable to obtain and to carry out, exercise and comply with any such arrangements, contracts, rights, privileges and concessions.
- (24) To acquire and hold shares, stocks, debentures, debenture stock, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in the colony of Hong Kong or elsewhere, and debentures, debenture stock, bonds, obligations, and securities, issued or guaranteed by any government, sovereign ruler, commissioners, public body, or authority, supreme, municipal, local or otherwise, whether in Hong Kong or abroad, and mortgages, charges and other securities created or constituted by any person or body corporate in respect of any property movable or immovable wherever situate.
- (25) To acquire any such shares, stock, debentures, debenture stocks, bonds, obligations or securities by original subscription, tender, purchase, exchange, or otherwise, and to subscribe for the same either conditionally or otherwise, and to guarantee the subscription thereof, and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.
- (26) To promote any company or companies for the purpose of acquiring all or any of the property or liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this

Company and hold shares in any such company and to guarantee the payment of any debentures or other securities issued by any such company.

- (27) To promote and assist, financially or otherwise corporations, firms, syndicates, associations, individuals and others; to become a member of any partnership or a party to any lawful agreement for sharing profits or to any union of interests, agreement for reciprocal concessions, joint venture, or co-operation or mutual trade agreement with any person, association, partnership, co-partnership, firm or corporation that is carrying on, or engaging in or that is about to engage in any business which this Company is authorised to carry on, or that is conducting or transacting any business capable of being conducted so as directly or indirectly to benefit this Company; and to act as a Director or Officer of any such corporation.
- (28) To borrow or raise or secure the payment of money by way of mortgage or in such other manner as the Company shall think fit and in particular by the issue of debentures or debenture stock, perpetual or otherwise, charged upon all or any of the Company's properties (both present and future) including its uncalled capital and to redeem or pay off any such securities and to borrow money on any terms and conditions upon the security of mortgages or pledges of or upon all or any part of the property of the Company or upon any calls on members made or to be made or without any mortgage or pledge and to borrow or receive on deposit at interest or otherwise money, stock, funds, shares, securities or other properties.
- (29) To draw, make, accept, indorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (30) To sell, let on lease, exchange, deal with or otherwise dispose of all of the property of the Company or any part thereof or its rights, interests and privileges for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company.
- (31) To obtain any order in council, enactment or ordinance for enabling the Company to carry any of its objects into effect or for effecting any modification of the Company's constitution or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice Company's interests.
- (32) To pay all expenses incidental to the formation or promotion of this or any other company and the conduct of this business and to remunerate any person or company for services rendered in placing or assisting to place or guaranteeing the placing of any of the shares in or debentures or other securities of the Company or in or about the promotion, formation or business of the Company or of any other company promoted wholly or in part by this Company.
- (33) To distribute any of the properties of the Company whether upon a distribution of assets or a division of profits among members in specie or otherwise.
- (34) To grant pensions, allowances, gratuities and bonuses to employees or ex-employees of the Company or dependents of such persons and to establish and support or to aid in the establishment and support of any schools and any educational, scientific, literary, religious, public, municipal or charitable institution, or trade societies, whether such societies be solely connected with the business carried on by the Company or its predecessors in business or not and any club or other establishment calculated to advance the interests of the Company or the persons employed by the Company or its predecessors in business and to subscribe to any trade protection society or guild or any other association for the protection or encouragement of trade.
- (35) To insure with any other company or person against losses, damages, risks and liabilities of all kinds which may affect this Company and to act as agents and brokers for placing insurance risks of all kinds in all its branches.
- (36) To apply for, register, purchase or by other means acquire and protect, prolong and renew, in any part of the world any patents, patent rights, brevets d'invention, licences, trade marks, designs, protections and concessions which may appear likely to be advantageous or useful to the Company and to use and turn to account and to manufacture, undertake or grant licences or privileges in respect of the same and to expend

money in experimenting upon and testing and in improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.

- (37) To acquire and undertake the whole or any part of the business, goodwill and assets of any person, firm or company carrying on or proposing to carry on any of the businesses which this Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company or to acquire an interest in, amalgamate with or enter into partnership or into any arrangement for sharing profits or for co-operation or for limiting competition or for mutual assistance with any such person, firm or company and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon and to hold and retain or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.
- (38) To do all or any of the above things in any part of the world and as principals, agents, trustees or otherwise, and by or through trustees, agents or otherwise and either alone or in conjunction with others.
- (39) To commence, undertake, manage and carry on all such other things as are incidental to or connected with any of the above object or conducive to the attainment thereof or otherwise likely in any respect to be advantageous to the Company and in case of doubt as to what shall be incidental, connected, conducive or advantageous as aforesaid the decision of an extraordinary general meeting shall be conclusive.

And it is hereby declared that the word "Company" in this clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons whether incorporated or not incorporated and whether domiciled in Hong Kong or elsewhere and further that the object specified in each paragraph be in nowise limited or restricted by reference to or inference from any other paragraph or the name of the Company.

FOURTH: – The liability of the members is limited.

FIFTH: – The capital of the Company is \$500,000,000.00 Hong Kong Currency, divided into 50,000,000,000 shares of \$0.01 each.

SIXTH: – The capital of the Company may be increased, and any of the original shares and any new shares from time to time to be created, may, from time to time, be divided into such classes with such preferential, deferred, or special rights, privileges or conditions and other special incidents as may be prescribed or determined upon by or in accordance with the Articles of Association and Regulations of the Company for the time being or otherwise.

Dividends may be paid in cash or by the distribution of specific assets or otherwise as provided by the Articles of Association of the Company and/or Regulations of the Company for the time being or otherwise.

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

Names, Addresses and Descriptions of Subscribers	Number of Shares taken by each Subscriber
<p>(Sd.) (AU CHI CHEUNG) 74, Argyle Street, G/F., Kowloon. Merchant</p> <p>(Sd.) (KOO WAI NGOK) 74, Argyle Street, G/F., Kowloon. Merchant</p> <p>(Sd.) (LAM PAK KONG) 7, Lock Road, 1st floor, Kowloon. Merchant</p>	<p>10</p> <p>10</p> <p>10</p>
Total Number of Shares Taken . . . . .	30

Dated the 19th day of November, 1952.  
WITNESS to the above signatures:

(Sd.) P. H. SIN  
Solicitor  
Hong Kong.

# THE COMPANIES ORDINANCE (CHAPTER 32)

## Company Limited by Shares

### ARTICLES OF ASSOCIATION

(As amended by a Special Resolution passed on 25th May, 2012)

OF

## Lerthai Group Limited

Name changed  
by Special  
Resolution  
passed on 30th  
January, 2019

### Table A

Other  
regulations  
excluded.

1. The regulations contained in Table A in the First Schedule to the Companies Ordinance shall not apply to the Company.

### Interpretation

Interpretation.

2. The marginal notes to these Articles shall not be deemed to be part of these Articles and shall not affect their interpretation and in the interpretation of these Articles, unless there be something in the subject or context inconsistent therewith:-

these  
Articles,  
these presents.

"these Articles" or "these presents" shall mean these Articles of Association in their present form and all supplementary, amended or substituted articles for the time being in force;

associate.

"associate" shall have the meaning as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

Auditors.

"Auditors" shall mean the persons for the time being performing the duties of that office;

Board,  
Director.

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

call.

"call" shall include any instalment of a call;

Capital.

"capital" shall mean the share capital from time to time of the Company;

Chairman.

"the Chairman" shall mean the Chairman presiding at any meeting of members or of the Board;

clearing house.

"clearing house" a recognised clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

"the Company" or "this Company" shall mean the abovenamed Company;	the Company.
"the Company Ordinance" or "the Ordinance" shall mean the Companies Ordinance (Chapter 32 of the laws of Hong Kong) and any amendments thereto or re-enactment thereof for the time being in force and includes every other ordinance incorporated therewith or substituted therefor and in the case of any such substitution the references in these Articles to the provisions of the Ordinance shall be read as references to the provisions substituted therefor in the new Ordinance;	Companies Ordinance, the Ordinance.
"dividend" shall include scrip dividends, distributions in specie or in kind, capital distributions and capitalisation issues, if not inconsistent with the subject or context;	dividend.
"dollars" shall mean dollars in the lawful currency of Hong Kong;	dollars.
"month" shall mean a calendar month;	month.
"newspaper" shall mean a newspaper published daily and circulating generally in Hong Kong and specified in the list of newspapers issued and published in the Gazette for the purposes of Section 71A of the Companies Ordinance by the Chief Secretary;	newspaper.
"the register" shall mean the register of members and includes any branch register to be kept pursuant to the provisions of the Companies Ordinance;	the register.
"seal" shall mean the common seal from time to time of the Company and includes, unless the context otherwise requires, any official seal that the Company may have as permitted by these Articles and the Ordinance;	seal.
"Secretary" shall mean the person or corporation for the time being performing the duties of that office;	Secretary.
"share" shall mean share in the capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied;	share.
"shareholders" or "members" shall mean the duly registered holders from time to time of the shares in the capital of the Company;	shareholders, members.
"writing" or "printing" shall include writing, printing, lithography, photography, typewriting and every other mode of representing words or figures in a legible and non-transitory form;	writing, printing.
words denoting the singular shall include the plural and words denoting the plural shall include the singular;	singular and plural.
words importing any gender shall include every gender; and	gender.
words importing person shall include partnerships, firms, companies and corporations.	persons, companies.
Subject as aforesaid, any words or expressions defined in the Ordinance (except any statutory modification thereof not in force when these Articles become binding on the Company) shall, if not inconsistent with the subject and/or context, bear the same meaning in these Articles.	Ordinance to bear same meaning in Articles.
References to any Article by number are to the particular Article of these Articles.	

Issue of shares.	3. (a) 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 privileges, or such restrictions, whether in regard to dividend, voting, return of share capital, or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination, as the Directors may determine), and any preference share may, with the sanction of a special resolution, be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.
Warrants.	(b) The Directors may issue warrants to subscribe for any class of shares or securities of the Company on such terms as they may from time to time determine. Where share warrants are issued to bearer, no new warrants shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed.
How rights of shares may be modified.	4. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be 2 persons at least holding or representing by proxy or by authorised representative one-third in nominal value of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, that any holder of shares of the class present in person or by proxy or by authorised representative may demand a poll and that at any adjourned meeting of such holders one holder present in person or by proxy or by authorised representative (whatever the number of shares held by him) shall be a quorum.

### **Shares and Increase of Capital**

Company to finance purchase of own shares.	5. The Company may exercise any powers conferred or permitted by the Ordinance or any other ordinance from time to time to acquire its own shares or to give directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company and should the Company acquire its own shares neither the Company nor the Board shall be required to select the shares to be acquired rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such acquisition or financial assistance shall only be made or given in accordance with any relevant rules or regulations issued by The Stock Exchange of Hong Kong Limited or the Securities and Futures Commission from time to time.
Power to increase capital.	6. The Company in general meeting may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not, 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.
Conditions on which new shares to be issued.	7. Without prejudice to any special rights previously conferred on the holders of existing shares, any new shares shall be issued upon such terms and conditions and with such preferred, deferred, or other special rights or privileges, or such restrictions, whether in regard to dividend, voting, return of share capital, or otherwise, as the Company in the general meeting resolving upon the creation thereof shall determine or, in the absence of any such determination, as the Directors may determine.

- |  |  |
|--|--|
| <p>8. The Company may by ordinary resolution, before the issue of any new shares, determine that the same, or any of them, shall be offered in the first instance, and either at par or at a premium, to all the existing holders of any class of shares in proportions as nearly as may be to the number of shares such class held by them respectively, or make any other provisions as to the issue and allotment of the new shares, but in default of any such determination, or so far as the same shall not extend, the new shares may be dealt with as if they formed part of the shares in the capital of the Company existing prior to the issue of the new shares.</p> | <p>When to be offered to existing members.</p>                 |
| <p>9. Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new share 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.</p>  | <p>New shares treated as forming part of original capital.</p> |
| <p>10. Subject to the provisions of the Companies Ordinance (and in particular Section 57B thereof) and of these Articles relating to new shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such person, at such times, for such consideration and generally on such terms as the Board shall in its absolute discretion think fit, but so that no shares shall be issued at a discount, except in accordance with the provisions of the Companies Ordinance.</p>  | <p>Shares at the disposal of the Board.</p>                    |
| <p>11. The Company may at any time pay a commission not exceeding ten per cent. 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 if the commission shall be paid or payable out of capital the conditions and requirements of the Ordinance shall be observed and complied with, and the commission shall not exceed ten per cent. in each case, of the price at which the shares are issued.</p>  | <p>Company may pay commission.</p>                             |
| <p>12. If any shares in 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 of 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 conditions and restrictions mentioned in the Ordinance, and may charge the sum so paid by way of interest to capital as part of the cost of construction of the works or buildings, or the provision of plant.</p>  | <p>Power to charge interest to capital.</p>                    |
| <p>13. 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 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.</p>   | <p>Company not to recognise trusts in respect of shares.</p>   |

#### **Register of Members and Share Certificates**

- |  |                         |
|--|-------------------------|
| <p>14. (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.</p>  | <p>Share register.</p>  |
| <p>(b) Subject to the provisions of the Companies Ordinance, if the Board considers it necessary or appropriate, the Company may establish and maintain a branch register of members at such location outside Hong Kong as the Board thinks fit.</p> | <p>Branch register.</p> |



Share certificates.	15. 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 lodgement of a transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or, if he shall so request, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming a stock exchange board lot, upon payment, in the case of a transfer, of HK\$2 (or such higher amount as shall for the time being be approved by The Stock Exchange of Hong Kong Limited) for every certificate after the first or such lesser sum as the Board shall from time to time determine, such number of certificates for shares in stock exchange board lots or multiples thereof as he shall request and one of 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 to be sealed.	16. Every certificate for shares or warrants or debentures or representing any other form of securities of the Company shall be issued under the seal of the Company, which for this purpose may be any official seal as permitted by Section 73A of the Ordinance.
Particulars to be specified in certificate.	17. Every share certificate hereafter issued shall specify the number and class of shares in respect of which it is issued and the amount paid thereon, and may otherwise be in such form as the Directors may from time to time prescribe.
Joint holders.	18. (a) The Company shall not be bound to register more than four persons as joint holders of any share.  (b) 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.
Replacement of share certificates.	19. If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, not exceeding HK\$2 (or such higher amount as shall for the time being be approved by The Stock Exchange of Hong Kong Limited) and on such terms and conditions, if any, as to publication of notices, evidence and indemnity as the Board thinks fit and in the case of wearing out or defacement, after delivery up of the old certificate. In the case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Company any exceptional costs and the reasonable out-of-pocket expenses incidental to the investigation by the Company of the evidence of such destruction or loss and of such indemnity.

### **Lien**

Company's lien.	20. The Company shall have a first and paramount lien on every share (not being a fully paid up share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share; and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid up shares) standing registered in the name of a member, whether singly or jointly with any other person or persons, for all the debts and liabilities of such member or his estate to the Company and whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends and bonuses declared in respect thereof. The Board may at any time either generally or in any particular case waive any lien that has arisen, or declare any share to be exempt wholly or partially from the provisions of this Article.
Lien extends to dividends and bonuses.	

21. 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 holder for the time being of the shares or the person entitled by reason of his death or bankruptcy to the shares.	Sale of shares subject to lien.
22. The net proceeds of such sale after the payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability or engagement in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser and may enter the purchaser's name in the register as holder of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.	Application of proceeds of such sale.
<b>Calls on Shares</b>	
23. The Directors may from time to time make such calls as they may think fit upon the members in respect of all moneys unpaid 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. The Directors may make arrangements on the issue of shares for a difference between the shareholders in the amount of calls to be paid and in the times of payment. The provisions of these Articles with respect to calls may in any share incentive scheme for employees approved by the Company be varied with respect to any shares issued pursuant to such scheme.	Calls.
24. 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 call.
25. A copy of the notice referred to in Article 24 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 members.
26. 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.
27. 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 Hongkong Government Gazette and once at least in both an English language newspaper in English and a Chinese language newspaper in Chinese.	Notice of call may be advertised.
28. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.	When call deemed to have been made.
29. 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.
30. The Directors may from time to time and at their absolute discretion extend the time fixed for any call, and may similarly 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.

Interest on unpaid calls.	31. 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 for 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 in its absolute discretion waive payment of such interest wholly or in part.
Suspension of privileges while call unpaid.	32. No member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another member) at any general meeting either personally or by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member until all calls or instalments due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.
Evidence in action for call.	33. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register as the holder, or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member sued, in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
Sums payable on allotment deemed a call.	34. 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.
Payment of calls in advance.	35. The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him and upon all or any of the moneys so advanced the Company may pay interest at such rate (if any) not exceeding twenty per cent. per annum as the Board may decide provided that not until a call is made any payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the shares or the due portion of the shares upon which payment has been advanced by such member before it is called up. The Board may at any time repay the amount so advanced upon giving to such member not less than one month's notice in writing of their 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.

### **Transfer of Shares**

Form of transfer.	36. All transfers of shares may be effected by transfer in writing in the usual common form or in such other form as the Directors may accept and may be under hand only. All instruments of transfer must be left at the registered office or at such other place as the Directors may appoint.
Execution of transfer.	37. The instrument of transfer of any share shall be executed by or on behalf of the transferor and by or on behalf of the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect thereof. Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.

38.	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 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 share) on which the Company has a lien.	Board may refuse to register transfers.
39.	<p>The Board may also decline to recognise any instrument of transfer unless:-</p> <p>(a) a fee of HK\$2 (or such higher amount as shall for the time being be approved by The Stock Exchange of Hong Kong Limited) or such lesser sum as the Board may from time to time require is paid to the Company for registering any transfer or other document relating to or affecting the title to the shares involved or for otherwise making an entry in the register relating to such shares;</p> <p>(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;</p> <p>(c) the instrument of transfer is in respect of only one class of share;</p> <p>(d) the shares concerned are free of any lien in favour of the Company; and</p> <p>(e) the instrument of transfer is properly stamped.</p>	Requirements as to transfer.
40.	No transfer shall be made to an infant or to a person of unsound mind or under other legal disability.	No transfer to an infant etc.
41.	If the Board shall refuse 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 notice of such refusal, as required by Section 69 of the Ordinance.	Notice of refusal.
42.	Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued 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 a new certificate in respect thereof shall be issued to him without charge. The Company shall also retain the transfer.	Certificate on transfer.
43.	The registration of transfers may be suspended and the register closed at such times and for such period as the Board may from time to time determine and either generally or in respect of any class of shares, provided always that such registration shall not be suspended or the register closed for more than thirty 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**

44.	In the case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.	Death of registered holder or joint holder of shares.
-----	---	---

Registration of personal representatives and trustees in bankruptcy.	45. 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.
Notice of election to be registered.	46. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall testify his election by executing to his nominee a transfer of such share. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.
Registration of nominee.	
Retention of dividends, etc., of shares of deceased or bankrupt member.	47. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Director 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 79 being met, such a person may vote at meetings.

#### **Forfeiture of Shares**

If call or instalment not paid notice may be given.	48. 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 thereafter during such time as any part of the call or instalment remains unpaid, without prejudice to the provisions of Article 32 hereof, 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.
Form of notice.	49. 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.
If notice not complied with shares may be forfeited.	50. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture. The Directors may accept the surrender of any shares liable to be forfeited hereunder and in such cases references in these Articles to forfeiture shall include surrender.
Forfeited share to become property of Company.	51. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale or disposal the forfeiture may be cancelled on such terms as the Directors think fit.

52. 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, at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Article any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that 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.

Amounts to be paid notwithstanding forfeiture.

53. 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. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Evidence of forfeiture, and transfer of forfeited share.

54. When any share shall have been forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register, but no forfeiture shall be invalidated by any failure to give such notice or make such entry as aforesaid.

Notice after forfeiture.

55. Notwithstanding any such forfeiture as aforesaid the Directors may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, permit the shares forfeited to be bought back 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 buy back forfeited share.

56. 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.

57. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Forfeiture for non-payment of any sum due on shares.

### **Stock**

58. 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.

Transfer of stock.	59. The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations as and subject to which the shares from which the stock arose might previously 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 issued in respect of any stock.
Rights of stockholders.	60. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding up, voting at meetings, and other matters, as if they held the shares from which the stock arose, but no such right, privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right, privilege or advantage.
Interpretation.	61. All such of the provisions of these presents as are applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

### **Alteration of Capital**

Consolidation and division of capital and sub-division and cancellation of shares.	62. (a) The Company may from time to time by ordinary resolution:- <ul style="list-style-type: none"> <li>(i) consolidate and divide all or any of its share capital into shares of larger or smaller amount than its existing shares; on any consolidation of fully paid shares into shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any persons shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for that purpose, and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;</li> <li>(ii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled; and</li> <li>(iii) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the 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.</li> </ul>
--	---

- |     |  |                       |
|-----|--|-----------------------|
| (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. | Reduction of capital. |
|-----|--|-----------------------|

### **General Meetings**

- |     |   |  |
|-----|---|--|
| 63. | The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Directors shall appoint.  | When annual general meeting to be held.      |
| 64. | All general meetings other than annual general meetings shall be called extraordinary general meetings.   | Extraordinary general meetings.              |
| 65. | The Directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on requisition as provided by the Companies Ordinance, or, in default, may be convened by the requisitionists.  | Convening of extraordinary general meetings. |
| 66. | An annual general meeting and a meeting called for the passing of a special resolution shall be called by 21 days' notice in writing at the least, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by 14 days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company. | Notices of meetings.                         |
| 67. | <p>(a) The accidental omission to give any such notice to, or the non-receipt of any such notice by, any person entitled to receive such notice shall not invalidate any resolution passed or any proceeding at any such meeting.</p> <p>(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.</p>   | As to omission to give notice.               |

### **Proceedings at General Meetings**

- |     |  |                   |
|-----|--|-------------------|
| 68. | All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting, with the exception of sanctioning dividends, the reading considering and adopting of the 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 to the Directors. | Special business. |
| 69. | For all purposes the quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. No business other than the appointment of a Chairman shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business.  | Quorum.           |



When if quorum not present meeting to be dissolved and when to be adjourned.	70. If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Board, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the member or members present in person shall be a quorum and may transact the business for which the meeting was called.
Chairman of general meeting.	71. The Chairman of the Directors shall take the chair at every general meeting, or, if there be no such Chairman or, if at any general meeting such Chairman shall not be present within fifteen minutes after the time appointed for holding such meeting, the members present and entitled to vote shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members present and entitled to vote shall choose one of the their own number to be Chairman.
Power to adjourn general meeting, business of adjourned meeting.	72. 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 the 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.
How questions to be decided.	73. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:- <ul style="list-style-type: none"> <li>(a) by the Chairman; or</li> <li>(b) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or</li> <li>(c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or</li> <li>(d) by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.</li> </ul> <p>Unless a poll be so demanded and the demand is not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution. The demand for a poll may be withdrawn.</p>
Poll.	74. If a poll is demanded as aforesaid, it shall (subject as provided in Article 75) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded, as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

- |   |  |
|---|--|
| <p>75. Any poll duly demanded on the election of a chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.</p>   | <p>In what cases poll taken without adjournment.</p>         |
| <p>76. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote. In case of any dispute as to the admission or rejection of any vote the Chairman shall determine the same, and such determination shall be final and conclusive.</p> | <p>Chairman to have casting vote.</p>                        |
| <p>77. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.</p>  | <p>Business may proceed notwithstanding demand for poll.</p> |

### Votes of Members

- |  |   |
|--|---|
| <p>78. 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 members who (being an individual) is present in person or (being a corporation) is present by a representative duly authorised under Section 115 of the Ordinance, shall have one vote, and on a poll every member present in person or by proxy or by duly authorised representative shall have one vote for every fully paid share of which he is the holder and have for every partly paid share of which he is the holder the fraction of one vote equal to the proportion which the nominal amount due and paid up thereon bears to the nominal value of the share, but no amount paid or credited as paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share. Notwithstanding anything contained in these Articles, where more than one proxy is appointed by a member of the Company which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. 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.</p> | <p>Votes of members.</p>                                  |
| <p>79. Any person entitled under Article 45 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 such shares; provided that forty-eight hours at least 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 entitlement to such shares, or the Director shall have previously admitted his right to vote at such meeting in respect thereof.</p>  | <p>Votes in respect of deceased and bankrupt members.</p> |
| <p>80. 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.</p>   | <p>Joint holders.</p>                                     |
| <p>81. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in cases of mental disorders, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may, on a poll, vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the office of the Company not less than forty-eight hours before the time for holding the meeting, or adjourned meeting or poll, as the case may be.</p>  | <p>Votes of member of unsound mind.</p>                   |

Qualification for voting.	82. (a) Save as herein expressly provided, no person other than a member duly registered and who shall have paid everything for the time being due from him and payable to the Company in respect of his shares and is entitled to attend and vote shall be entitled to be present or to vote (save as proxy for another member) either personally or by proxy, or to be reckoned in a quorum (save as proxy for another member), at any general meeting.
Objections to votes.	(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.
Restrictions to votes.	(c) Where any shareholder is, under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, 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 shareholder in contravention of such requirement or restriction shall not be counted.
Proxies.	83. Any member of the Company entitled to attend and vote at a meeting of the Company or a meeting of the holder of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
Instrument appointing proxy to be in writing.	84. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised.
Appointment of proxy must be deposited.	85. 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 not less than forty-eight hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after expiration of twelve months from the date of its execution, except at an adjourned meeting or on poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held with twelve months from such date. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
Form of proxy.	86. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve.
Authority under instrument appointing proxy.	87. The instrument appointing a proxy to vote at a general meeting shall: (i) be deemed to confer authority upon the proxy to demand or join in demanding a poll and to vote on any resolution (or amendment thereto) put to the meeting for which it is given as the proxy thinks fit provided that any form issued to a member for use by him for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the member, according to his intention, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business; and (ii) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

88. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or unsoundness of mind 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 intimation in writing of such death, unsoundness of mind, revocation or transfer as aforesaid shall have been received by the Company at the registered office, or at such other place as is referred to in Article 85 of these Articles, prior to two hours before the commencement of the meeting, adjourned meeting or poll, as the case may be, at which the proxy is used.

When vote by proxy valid though authority revoked.

89. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members 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 representative at meetings.

89A. If a clearing house (or its nominee(s)), being a corporation, is a member or warrant holder of the Company, it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of members and/or warrant holders' meeting of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares and/or warrants in respect of which each such person is so authorised. Each person so authorised under this provision shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares and/or warrants of the Company held by the clearing house (or its nominee(s)) including the right to vote individually on a show of hands.

### **Registered Office**

90. 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**

91. The number of Directors shall not be less than two.

Number.

92. 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. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.

Directors may fill vacancies.

93. (a) Any 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 for such period of absence from Hong Kong or such period of unavailability due to illness or disability or for such meeting as may be specified therein 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 terminate on the happening of any event which, were he a Director, would cause him to vacate such office, or if his appointor ceases to be a Director.

- (c) An alternate Director shall (except when absent from Hong Kong, for which purpose he shall be deemed absent from Hong Kong on any day if he has given to the Secretary notice of his intention to be absent from Hong Kong for any period including such day and has not revoked such notice) be entitled to receive notices of meeting 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 the provisions of these Articles shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall attend and such meeting as an alternate for more than one Director his voting rights shall be cumulative. If his appointor is for the time being absent from Hong Kong or temporarily unable to act through ill-health or disability, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committees 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 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.

No qualification  
shares for Directors.

94. A Director need not hold any qualification shares but shall nevertheless be entitled to receive notice of and to attend and speak at all general meetings of the Company and at all separate meetings of all classes of shares of the Company.

Directors'  
remuneration.

95. The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the Board may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. The foregoing provisions shall not apply to a Director who holds any salaried employment or office in the Company except in the case of sums paid in respect of Directors' fees.

Directors' expenses.

96. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses reasonably incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company.

Special  
remuneration.

97. The Board may grant special remuneration to any Director who, being called upon, shall perform any special or extra services to 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, participation in profits or otherwise as may be arranged.

98. Notwithstanding the foregoing Articles 95, 96 and 97, the remuneration of a Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the 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.

99. (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 of unsound mind.
- (iii) If he absents himself from the meetings of the Board during a continuous period of six 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 provision of the Companies Ordinance.
- (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 114 hereof, he is dismissed or removed therefrom by the Board under Article 115.

- (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.

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

Directors may contract with Company.

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

- (c) A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profit or other benefit received by him as 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 thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.
- (d) A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).
- (e) Subject to the Ordinance and to paragraph (g) of this Article, where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) to the office or place of profit with the Company or any such other company as aforesaid.
- (f) Subject to the Ordinance and to the next paragraph of this Article, no Director or proposed or intending Director shall be disqualified by this office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby establish.
- (g) A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For this purpose, a general notice to the Board by a Director to the effect that:-
  - (i) he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or

- (ii) he is to be regarded as interest in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him,

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

- (h) Save as otherwise provided by the Articles, a Director shall not vote (or be counted in the quorum at a meeting) on any resolution of the Board in respect of any contract or arrangement or any other proposal in which he or any of his associates has a material interest, but this prohibition shall not apply to any of the following matters:

- (i) the giving of any security or indemnity either:-
  - (a) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
  - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) [Intentionally deleted]
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:-
  - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or
  - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates;



- (v) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.
- (i) [Intentionally deleted]
- (j) [Intentionally deleted]
- (k) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the Chairman of the meeting) or his associate(s) or as to the entitlement of any Director (other than such Chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman of the meeting and his ruling in relation to such other Director or his associate(s) shall be final and conclusive except in a case where the nature or extent of the interest of the Director or his associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the Chairman of the meeting or his associate(s), such question shall be decided by a resolution of the Board (for which purpose such Chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Chairman or his associate(s) as known to such Chairman has not been fairly disclosed to the Board. For the purposes of this paragraph and in relation to an alternate Director, an interest of his appointor or his associate(s) shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.

### **Rotation of Directors**

Rotation and retirement of Directors.

101. 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 provided that every Director shall be subject to retirement by rotation at least once every three years. No Director shall hold office for a continuous period in excess of 3 years, or past the third annual general meeting, following the Director's appointment or re-election, whichever is longer, without submitting himself for re-election at an 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 Director shall be eligible for re-election. No Director appointed by the Board pursuant to Article 92 shall be taken into account in determining which particular Director(s) or the number of Directors who are to retire by rotation in accordance with this Article 101.

Meeting to fill up vacancies.

102. The Company at any general meeting at which any Directors retire in manner aforesaid, may fill up the vacated offices by electing a like number of persons to be Directors.

Retiring Directors to remain in office till successors appointed.

103. If at any general meeting at which an election of Directors ought to take place, the place of a retiring Director is not filled up, the retiring Director 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 his place is filled up, unless it shall be expressly resolved at such meeting to reduce the number of Directors, or not to fill such vacated office, or unless a resolution for the re-election of such Director shall have been put to such meeting and lost.

104. 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.
105. No person shall be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company at least seven days before the date of general meeting. Such period for lodgment of the notices shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days prior to the date of such meeting, provided that such period shall be at least seven days.	Notices to be given when person proposed for election.
106. The Company shall keep at its office a register containing all such particulars of its Directors as are required by the Ordinance to be kept therein 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 or their particulars as required by the Ordinance.	Register of Directors and notification of changes to Registrar.
107. The Company may by ordinary resolution remove any Director (including a Managing or other Executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract of service between him and the Company) and may elect another person in his stead. Any person so elected shall hold office for 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.

### **Borrowing Powers**

108. 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.
109. 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.
110. 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.
111. 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.
112. 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.

Charge of uncalled capital.	113. 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.
-----------------------------	--

### **Managing Directors etc.**

Power to appoint Managing Directors, etc.	114. The Board may from time to time appoint any one or more of its body to the office of Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director and/or such other office in the management of the 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 Articles 98.
---	--

Removal of managing Director, etc.	115. Every Director appointed to an office under Article 114 hereof 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.
------------------------------------	--

Cessation of appointment.	116. A Director appointed to an office under Article 114 hereof 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 ceases to hold the office of Director for any cause.
---------------------------	---

Powers may be delegated.	117. The Directors may from time to time entrust to and confer upon a Managing Director, Joint Managing Director, Deputy Managing Director or Executive Director all or any of the powers of the 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 of Directors**

General powers of Company vested in Directors.	<p>118. (a) Subject to any exercise by the Directors of the powers conferred by Articles 117, 119, 120, 121, 127, 139 and 140 hereof, 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 by the Company and are not hereby or by the Ordinance expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Ordinance and of these Articles and to any regulations from time to time made by the Company in general meeting not being inconsistent with such provisions or these Articles: Provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.</p> <p>(b) Without prejudice to the general powers conferred by these Articles it is hereby expressly declared that the Directors shall have the following powers:-</p> <p>(i) To give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed.</p> <p>(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.</p>
--	---

## **Managers**

119. The Directors may from time to time appoint a general manager, a 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.

120. 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.

121. The Directors may enter into such agreement or agreements with any such general manager, manager or managers upon such terms and conditions in all respects as 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.

## **Chairman**

122. The Directors may elect a Chairman of their meetings and determine the period (not being a period extending beyond the date of the annual general meeting at which such Chairman is due to retire by rotation under Article 101) for which he is to hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present or is unwilling so to act within five minutes after the time appointed for holding the same, the Directors present may choose one of their member to be Chairman of the meeting.

Chairman.

## **Proceedings of the Directors**

123. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit and may determine the quorum necessary for the transaction of business. Unless otherwise determined, two Directors shall be a quorum. For the purpose of this Article an alternate Director shall be counted in a quorum but notwithstanding that an alternate Director is an alternate for more than one Director he shall for quorum purposes count as only one Director. Any Director may participate in a meeting of the Board or of any such committee of the Board by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other.

Meetings of Directors, quorum, etc.

124. A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Board. Notice thereof shall be given to each Director either in writing or by telephone or by telex or telegram 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. Provided however that notice need not be given to any Director for the time being absent from Hong Kong. A Director may waive notice of any meeting and any such waiver may be prospective or retrospective.

Convening of Board meeting.

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

How questions to be decided.

Powers of meeting.	126. 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 the Articles of the Company for the time being vested in or exercisable by the Directors generally.
Power to appoint committee and to dedegate.	127. The Directors may delegate any of their powers to committees consisting of such member or 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 person 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.
Acts of committee to be of same effect as acts of Directors.	128. 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 or the Company.
Proceedings of committee.	129. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors.
When acts of Directors of committee to be valid notwithstanding defects.	130. 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 any such Director or person acting as aforesaid or that he had by virtue of Article 99(a) ceased to be a Director, be as valid as if every such person had been duly appointed and had not ceased to be a Director.
Directors' powers when vacancies exist.	131. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the minimum number fixed by or pursuant to these Articles, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.
Directors' resolutions.	132. A resolution in writing signed by a majority of the Directors, or their alternate Directors, for the time being entitled to receive notice of a written resolution of Directors or members of meeting of the Board or by a majority of the members of a committee for the time being shall be as valid and effectual for all purposes as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly convened and held. A written notification of confirmation of such resolution in writing signed by a Director or his alternate Director or, as the case may be, a member of such committee shall be deemed to be his signature to such resolution in writing for the purpose of this Article. Such resolution in writing may consist of several documents, each signed by one or more Directors or their alternate Directors or, as the case may be, members of such committee. A resolution which is signed and sent by a Director or his alternate Director or a member of such committee by cable, facsimile message, telex message or other electronic means shall be treated as being signed by him for the purpose of this Article.

### **President**

President.	133. The Directors may, at any time and from time to time, appoint any one of their number or any former Director of the company who, in their opinion, has rendered outstanding services to the Company, or any other person to be President of the Company for life or any other period. The President shall not, by virtue of his office, be deemed a Director or be entitled to any remuneration. Nevertheless where he is not a Director he may, by invitation of the Directors, attend meetings of the Directors for the purpose of giving advice and the Directors may remunerate him in respect of advice and assistance from time to time given by him.
------------	--

### **Secretary**

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

### **Management – Miscellaneous**

137. (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 other than autographic to be specified in such resolution or that such certificates need not be signed by any person. Every instrument executed in manner provided by this Article shall be deemed to be sealed and executed with the authority of the Directors previously given.
- (b) The Company may have an official seal for use for sealing certificates for shares or other securities issued by the Company as permitted by Section 73A of the Ordinance (and no signature of any Director, officer or other person and no mechanical reproduction thereof shall be required on any such certificates or other document and any such certificates or other document to which such official seal is affixed shall be valid and deemed to have been sealed and executed with the authority of the Board notwithstanding the absence of any such signature or mechanical reproduction as aforesaid) and an official seal for use abroad under the provisions of the Companies Ordinance where and as the Board shall determine, and the Company may by writing under the seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company for the purpose of affixing and using such official seal and they 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.
- Seal.
- Official seal.

Cheques and banking arrangements.	138. 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, endorsed 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 account shall be kept with such banker or bankers as the Board shall from time to time determine.
Power to appoint attorney.	139. (a) The Board may from time to time, and at any time, by power of attorney under the common 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 discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers authorities and discretions vested in him.
Execution of deeds by attorney.	(b) The Company may, by writing under its common 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 in any place not situate within Hong Kong, and every deed signed by such attorney on behalf of the Company and under its seal shall bind the Company and have the same effect as if it were under the common seal of the Company.
Local boards.	140. The Board may establish any committees, local boards or agencies for managing any of the affairs of the Company, either in Hong Kong or elsewhere, and may appoint any persons to be members of such committees, local boards or agencies and may fix their remuneration, and may delegate to any committee, local board, or agent any of the powers, authorities and discretions vested in the Board (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any local board, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
Pension funds, donations, etc.	141. The Board may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or is allied or associated with the Company or with any such subsidiary company, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and who hold or who have held any salaried employment or office in the Company or such other company, and the wives, widows, families and dependants of any such persons. The Board may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid, and may make payments for or towards the insurance of any such persons as aforesaid, and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. The Board may do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit and such donation, gratuity, pension, allowance or emoluments.

### **Capitalisation of Reserves**

142. (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 holding ordinary shares in proportion to the number of ordinary shares (whether or not fully paid) held by them respectively 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 proportions aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution: Provided that a share premium account and a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid up shares.
- Power to capitalise.
- (b) Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid 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 to 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.

### **Subscription Rights Reserve**

143. (a) If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions 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 Rights 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 Rights 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 payment up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to subparagraph (iii) of this paragraph (a) on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Rights Reserve in paying up such additional shares in full as and when the same are allotted;
- (ii) the Subscription Rights Reserve will 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 will then only be used to make good losses of the Company if and so far as is required by law;
- (iii) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrant holder credited as fully paid such additional nominal amount of shares as is equal to the different 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 Rights 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 and credited as fully paid to the exercising warrant holders;

- (iv) if upon the exercise of the subscription rights represented by any warrant the amount standing to the credit of the Subscription Rights 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 distributions 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 the subscription rights.
- (d) The provisions of this Article as to the establishment and maintenance of the Subscription Rights 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 Rights 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 Rights 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 Rights Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and shareholders.

#### **Dividends and Reserves**

144. 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.

Board's power to pay interim dividends.

145. (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.
- (b) The Board may also pay half-yearly or at other suitable 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 justify the payment.

Provisions as to dividends.

146. (a) No dividend shall be payable except out of the profits of the Company. No dividend shall carry interest.
- (b) For so long as any share issued under any share incentive scheme for employees remains subject to restrictions on dividends, voting and transfer imposed thereby, but without prejudice to the entitlement of the holder of such share to participate in any distribution on capitalization of reserves under Article 142, no dividend whether payable in cash or in specie or by way of allotment of fully paid shares under Article 148 hereof shall be declared or paid on such Share.

Dividend in specie.

147. 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 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 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.

Scrip dividends.

148. (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:-
- (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 shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply:-
- (aa) the basis of any such allotment shall be determined by the Directors;

- (bb) the Directors, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
  - (cc) the right of election may be exercised in whole or in part;
  - (dd) 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 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 (including profits carried and standing to the credit of any reserve or reserves or other special account other than the Subscription Rights Reserve or Conversion Rights Reserve or Capital Redemption Reserve Fund (if there be any such Reserves)) as the Directors may determine, such sum as may be required to pay up in full appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or
- (ii) That the shareholders 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 as the Directors may think fit. In such case, the following provisions shall apply:-
- (aa) the basis of any such allotment shall be determined by the Directors;
  - (bb) the Directors, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
  - (cc) the right of election may be exercised in whole or in part;

- (dd) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised ("the elected shares") and in lieu thereof shares shall be allotted credited as fully paid 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 (including profits carried and standing to the credit of any reserve or reserves or other special account other than the Subscription Rights Reserve or Conversion Rights Reserve or Capital Redemption Reserve Fund (if there be any such Reserves)) as the Directors may determine, such sum as may be required to pay 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)
  - (i) The shares allotted pursuant to the provisions of paragraph (a) shall rank *pari passu* in all respects with the shares of the same class (if any) shares then in issue save only as regards participation in the relevant dividend.
  - (ii) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (a), 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 agreement made pursuant to such authority shall be effective and binding on all concerned.
- (c) 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 shareholders to elect to receive such dividend in cash in lieu of such allotment.
- (d) The Directors may on any occasion determine that an allotment of shares under paragraph (a)(i) of this Article or a right or election to receive an allotment of shares under paragraph (a)(ii) of this Article shall not be made or made available to any shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the allotment of shares or the circulation of an offer of such right of election would or might be unlawful, and in such event the provisions aforesaid shall be read and construed subject to such determination.

<p>149. 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 divide.</p>	<p>Reserves.</p>
<p>150. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid 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 shall be treated for the purposes of this Article as paid up on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such shares shall rank for dividend accordingly.</p>	<p>Dividends to be paid in proportion to paid up capital.</p>
<p>151. (a) The Directors may retain any dividends or other moneys payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.</p> <p>(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 in relation to the shares of the Company.</p>	<p>Retention of dividends etc.</p> <p>Deduction of debts.</p>
<p>152. Any general meeting sanctioning a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the member, be set off against the call.</p>	<p>Dividend and call together.</p>
<p>153. A transfer of shares shall not pass the right to any dividend or bonus declared thereon before the registration of the transfer.</p>	<p>Effect of transfer.</p>
<p>154. If two or more persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividends, interim dividends or bonuses and other moneys payable in respect of such shares.</p>	<p>Receipts for dividends on shares held by joint holders.</p>
<p>155. Unless otherwise directed by the Directors, any dividend or bonus may be paid by cheque or warrant sent through the post to the registered address of the member entitled, or, in case of joint holders, to the registered address of that one whose name stands first in the register in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be sent at the risk of the holder or joint holder, as the case may be, and 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.</p>	<p>Payment by Post.</p>

Unclaimed dividends.	156. 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 or any profit or benefit derived therefrom. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Directors and shall revert to the Company.
Record dates.	157. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares on a particular date or at a point of time on a particular date, 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 interest in respect of such dividend of transferors and transferees of any such shares. The provisions of this Article shall mutatis mutandis apply to bonuses, capitalisation issue, distributions of realised capital profits or offers or grants made by the Company to the members.
Company may cease sending dividend warrants.	158. Without prejudice to the rights of the Company under Article 156, the Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.
Company may sell shares of untraceable members.	<p>158A. The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a member who is untraceable, but no such sale shall be made unless:-</p> <ul style="list-style-type: none"> <li>(i) all cheques or warrants, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Articles of the Company have remained uncashed;</li> <li>(ii) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and</li> <li>(iii) the Company has caused an advertisement to be inserted in English in an English language newspaper and in Chinese in a Chinese language newspaper giving notice of its intention to sell such shares and has notified The Stock Exchange of Hong Kong Limited of such intention and a period of three months has elapsed since the date of such advertisement.</li> </ul>

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 (iii) of this Article and ending at the expiry of the period referred to in that paragraph.

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

### **Accounts**

- |  |   |
|--|---|
| <p>159. 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 Ordinance or necessary to give a true and fair view of the Company's affairs and to explain its transactions.</p>  | <p>Accounts to be kept.</p>   |
| <p>160. 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.</p>   | <p>Where accounts to be kept.</p>   |
| <p>161. The Directors shall from time to time determine whether and to what extent, at what times places and under what conditions or regulations the accounts and books of the Company, or any of them, shall be open to the inspection of the members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company, except as conferred by the Ordinance or authorised by the Directors or by the Company in general meeting.</p>   | <p>Inspection by members.</p>   |
| <p>162. (a) The Directors shall from time to time in accordance with the provisions of the Ordinance lay before the Company in general meeting such profit and loss accounts, balance sheets, group accounts and reports as are so required by the Ordinance.</p>  | <p></p>   |
| <p>(b) Every balance sheet of the Company shall be signed pursuant to the provisions of the 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 at its annual general meeting, together with a copy of the Directors' report and a copy of the Auditors' report, shall not less than twenty-one days before the date of the meeting, be delivered or sent by post to the registered address of every member of, and every holder of debentures of, the Company and every person registered under Article 45 and every other person entitled to receive notices of general meetings of the Company provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.</p> | <p>Annual profit and loss account and balance sheet.</p> <p>Annual report of Directors and balance sheet to be sent to members.</p> |



## **Audit**

- |   |  |
|---|--|
| Auditors.                                   | 163. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Companies Ordinance.  |
| Remuneration of Auditors.                   | 164. Subject as otherwise provided by the Ordinance the remuneration of the Auditors shall be fixed by the Company in general meeting.   |
| When accounts to be deemed finally settled. | 165. Every statement of accounts, audited by the Company's Auditors and presented by the Directors at an annual general meeting, shall after approval at such meeting, be conclusive except as regards any error discovered therein within three months of the approval thereof. Whenever any such error is discovered within that period, it shall forthwith be corrected, and the statement of accounts amended in respect of the error shall be conclusive. |

## **Notices**

- |  |   |
|--|---|
| Service of notices.  | 166. Any notice or document to be given or issued under these Articles shall be in writing, and may be served by the Company on any member either personally or by sending it through the post in a prepaid letter, envelope or wrapper addressed to such member at his registered address as appearing in the register or by delivering or leaving it at such registered address as foresaid or (in the case of a notice) by advertisement in both an English language newspaper in English and a Chinese language newspaper in Chinese. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.  |
| Members out of Hong Kong.  | 167. A member shall be entitled to have notices served on him at any address within Hong Kong. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who does not notify the Company of an address in Hong Kong may notify the Company of an address outside Hong Kong and the Company may serve notices on him at such overseas address. In the absence of notification by a member of an address in Hong Kong for the purpose of service of notice, such member shall be deemed to have received any notice which shall have been displayed at the registered office of the Company and shall have 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. |
| When notice by post deemed to be served.   | 168. Any notice sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is put into a post office situated with Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly prepaid (and in the case of an address outside Hong Kong where airmail service can be extended thereto airmail postage prepaid), addressed and put into such post office and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice was so addressed and put into such post office shall be conclusive evidence thereof.  |
| Service of notice to persons entitled on death, mental disorder or bankruptcy of a member. | 169. A notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member by sending it through the post in a prepaid letter addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by and 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.   |

170. 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 previously to his name and address being entered on the register shall be duly given to the person from whom he derives his title to such share.

Transferee to be bound by prior notices.

171. Any notice or document delivered or sent by post or left at the registered address of any member in pursuance of these presents, shall notwithstanding that such member be then deceased and whether or not the Company has notice of his decease be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his personal representative and all persons (if any) jointly interested with him in any such shares.

Notice valid though Member deceased.

172. The signature to any notice to be given by the Company may be written or printed.

How notice to be signed.

### **Information**

173. 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, mystery of trade 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 secret information.

### **Documents**

174. (a) Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee of Directors and any books, records, documents and accounts, relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and, where any books, records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee of Directors which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

Authentication of documents.

(b) (i) The Company shall be entitled to destroy the following documents at the following times:-

Destruction of documents.

(aa) registered instruments of transfer: at any time after the expiration of seven years from the date of registration thereof;

(bb) allotment letters: at any time after the expiration of seven years from the date of issue thereof;

- (cc) copies of powers of attorney, grants of probate and letters of administration: at any time after the expiration of two years after the account to which the relevant power of attorney, grant of probate or letters of administration related has been closed;
  - (dd) dividend mandates and notifications of change of address: at any time after the expiration of two years from the date of recording thereof;
  - (ee) cancelled share certificates: at any time after the expiration of one year from the date of the cancellation thereof.
- (ii) It shall conclusively be presumed in favour of the Company:-
- (aa) that every entry in the register purporting to be made on the basis of any such documents so destroyed was duly and properly made; and
  - (bb) that every such document so destroyed was valid and effective and had been duly and properly registered, cancelled, or recorded in the books or records of the Company, as the case may be.
- (iii) (aa) The provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (bb) Nothing herein contained 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 other circumstances which would not attach to the Company in the absence of this Article;
- (cc) Reference herein to the destruction of any document include references to the disposal thereof in any manner.

### **Winding Up**

Division of assets in liquidation.

175. 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 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 contributory shall be compelled to accept any shares in respect of which there is a liability.

176. 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 advertisement in an English language newspaper in English and a Chinese language newspaper in Chinese as he shall deem appropriate or by a registered letter sent through the post and addressed to such member at his address as mentioned in the register, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

Service of process.

### **Indemnity**

177. (a) Every Director, manager, Secretary or other officer and every Auditor of the Company shall be entitled to be indemnified out of the asset 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 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, manager, Secretary or other officer or Auditor shall be liable for any loss, damage 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. But this Article shall only have effect in so far as its provisions are not avoided by the said Section.
- (b) Subject to Section 165 of the Ordinance, if any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.

Indemnity.

Names, Addresses and Descriptions of Subscribers

(Sd.)  
(AU CHI CHEUNG)  
74, Argyle Street, G/F., Kowloon.  
Merchant

(Sd.)  
(KOO WAI NGOK)  
74, Argyle Street, G/F., Kowloon.  
Merchant

(Sd.)  
(LAM PAK KONG)  
7, Lock Road, 1st floor, Kowloon.  
Merchant

Dated the 19th day of November, 1952.

WITNESS to the above signatures:

(Sd.) P. H. SIN  
Solicitor  
Hong Kong.