
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Innovax Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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INNOVAX HOLDINGS LIMITED

創陞控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2680)

**(1) NOTICE OF ANNUAL GENERAL MEETING
AND PROPOSALS FOR:
(2) RE-ELECTION OF DIRECTORS,
(3) GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,
(4) TERMINATION OF EXISTING SHARE OPTION SCHEME,
ADOPTION OF NEW SHARE OPTION SCHEME, AND
(5) AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF
ASSOCIATION**

A notice convening the AGM of Innovax Holdings Limited to be held at Unit A to C, 20/F, Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong on Friday, 18 August 2023 at 2:00 p.m. is set out on pages 13 to 17 of this circular.

Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM (i.e. not later than 2:00 p.m. on Wednesday, 16 August 2023) or any adjournment thereof. Completion and return of the form of proxy will not preclude any Shareholders from attending and voting in person at the AGM or any adjournment thereof if they so wish.

14 July 2023

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
NOTICE OF ANNUAL GENERAL MEETING	13
APPENDIX I — DETAILS OF THE DIRECTORS PROPOSED FOR RE-ELECTION	18
APPENDIX II — EXPLANATORY STATEMENT ON BUY-BACK MANDATE	20
APPENDIX III — THE NEW SCHEME	23
APPENDIX IV — THIRD AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION	45

DEFINITIONS

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

“AGM” or “Annual General Meeting”	annual general meeting of the Company to be held at Unit A to C, 20/F, Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong on Friday, 18 August 2023 at 2:00 p.m. or any adjournment thereof
“Articles” or “Articles of Association”	the existing second amended and restated articles of association of the Company
“Board”	the board of Directors
“BSI”	Billion Shine International Investment Limited, a company limited by shares incorporated in British Virgin Islands on 28 April 2017
“Buy-back Mandate”	the general and unconditional mandate proposed to be granted to the Directors to buy back Shares not exceeding 10% of the total number of Shares in issue as at the date of passing of the relevant resolution at the AGM
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	Innovax Holdings Limited (創隆控股有限公司), an exempted company incorporated in Cayman Islands with limited liability on 14 June 2016, the issued Shares of which are listed on the Main Board of the Stock Exchange
“controlling shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“core connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“Existing Scheme”	the existing share option scheme of the Company adopted pursuant to a resolution passed by the then Shareholders on 24 August 2018
“General Mandate”	the general and unconditional mandate proposed to be granted to the Directors to allot, issue and deal with additional Shares not exceeding 20% of the total number of Shares in issue as at the date of passing of the relevant resolution at the AGM
“Group”	the Company and its subsidiaries

DEFINITIONS

“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	30 June 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Memorandum” or “Memorandum of Association”	means the existing second amended and restated memorandum of association of the Company
“Memorandum and Articles of Association”	means the Memorandum and the Articles
“New Articles”	means the third amended and restated articles of association of the Company proposed to be adopted by the Shareholders at the Annual General Meeting
“New Memorandum”	means the third amended and restated memorandum of association of the Company proposed to be adopted by the Shareholders at the Annual General Meeting
“New Memorandum and Articles of Association”	means the New Memorandum and the New Articles
“New Scheme”	means the new share option scheme proposed to be adopted by the Company at the AGM for the benefit of the employees and directors of the Group and other eligible participants, the details of which are set out in Appendix III of this circular
“Nomination Committee”	the nomination committee of the Board
“Remuneration Committee”	the remuneration committee of the Board
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs

LETTER FROM THE BOARD



INNOVAX HOLDINGS LIMITED

創陞控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2680)

Executive Directors:

Mr. Chung Chi Man (*Chairman*)

Mr. Poon Siu Kuen, Calvin (*Chief Executive Officer*)

Independent non-executive Directors:

Dr. Wu Kwun Hing

Mr. Yip Siu Hong

Ms. Chan Ka Lai, Vanessa

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Headquarters and Principal place of
Business in Hong Kong:*

Unit A to C, 20/F

Neich Tower

128 Gloucester Road

Wanchai

Hong Kong

14 July 2023

Dear Shareholders,

**(1) NOTICE OF ANNUAL GENERAL MEETING
AND PROPOSALS FOR:
(2) RE-ELECTION OF DIRECTORS,
(3) GENERAL MANDATES TO ISSUE AND BUY BACK SHARES,
(4) TERMINATION OF EXISTING SHARE OPTION SCHEME,
ADOPTION OF NEW SHARE OPTION SCHEME, AND
(5) AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF
ASSOCIATION**

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM relating, in particular, to (i) the re-election of Directors; (ii) the grant of the General Mandate and Buy-back Mandate; (iii) the termination of the Existing Scheme and adoption of the New Scheme; and (iv) proposed amendments to the Memorandum and Articles of Association and to provide you with the notice of AGM.

LETTER FROM THE BOARD

PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 84(1) of the Articles of Association, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at the AGM and shall be eligible for re-election. Mr. Poon Siu Kuen, Calvin, an executive Director, and Dr. Wu Kwun Hing, an independent non-executive Director, will retire by rotation at the AGM and, being eligible, offered themselves for re-election at the AGM.

In accordance with the nomination policy of the Company and the objective criteria (including without limitation, gender, age, ethnicity, cultural and educational background, professional experiences and knowledge) with due regard for the benefits of diversity, as set out under the board diversity policy of the Company, the Nomination Committee has reviewed the re-election of the Directors through:

- (a) evaluating the performance and contribution of the retiring Directors during the last financial year of the Company and the period thereafter up to the date of evaluation; and
- (b) assessing the independence of Dr. Wu Kwun Hing, and considered whether they remained independent and suitable to continue to act in such role.

After due evaluation and assessment, the Nomination Committee is of the opinion that:

- (a) the performance of the retiring Directors was satisfactory and contributed effectively to the operation of the Board; and
- (b) based on the information available to the Nomination Committee and the annual written independence confirmation received from Dr. Wu Kwun Hing, upon his appointment as an independent non-executive Directors, the Nomination Committee was satisfied that each of them
 - i. fulfills the requirements of an independent non-executive Director as stipulated under Rule 3.13 of the Listing Rules; and
 - ii. is the person of integrity and independent in character and judgement.

Accordingly, Nomination Committee has recommended Mr. Poon Siu Kuen and Dr. Wu Kwun Hing for re-election at the AGM.

The remuneration of the Directors is determined with reference to their duties, responsibilities, experience and to the prevailing market conditions. Pursuant to the Article of Association, the fees payable to the Directors for their services will from time to time be determined by an ordinary resolution; any Director who holds any executive office or who serves on any committee, or who otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a Director, may be paid such additional remuneration by way of salary, commission or

LETTER FROM THE BOARD

otherwise as the Board may determine. The amount of remuneration paid or payable for the year ended 28 February 2023 to each of the Directors are set out in the Company's 2022/2023 annual report.

Details of the Directors proposed to be re-elected at the AGM are set out in Appendix I to this circular.

PROPOSED GRANTING OF THE GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

At the AGM, ordinary resolutions will be proposed to grant to the Directors (1) a general unconditional mandate to buy back Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed not exceeding 10% of the total number of Shares in issue as at the date of passing of the ordinary resolution of the Buy-back Mandate (i.e. a total of 40,000,000 Shares on the basis that the issued share of the Company (400,000,000 Shares) remains unchanged on the date of the AGM); (2) a general unconditional mandate to allot, issue and deal with additional Shares not exceeding the aggregate of (a) 20% of the total number of Shares in issue as at the date of passing of the ordinary resolution of the General Mandate (i.e. a total of 80,000,000 Shares on the basis that the issued share of the Company (400,000,000 Shares) remains unchanged on the date of the AGM) and (b) the aggregate number of Shares bought back by the Company (if any) under the Buy-Back Mandate.

The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Buy-back Mandate or issue new Shares pursuant to the General Mandate.

An explanatory statement on the Buy-back Mandate as required by the Listing Rules and under the Companies Ordinance, is set out in the Appendix II to this circular.

LETTER FROM THE BOARD

TERMINATION OF EXISTING SCHEME AND ADOPTION OF NEW SCHEME

The Existing Scheme

Under the existing limit of the Existing Scheme, the Directors were authorised to grant options to subscribe for up to 40,000,000 Shares, representing 10% of the issued share capital of the Company as at the date of the annual general meeting of the Company held on 24 August 2018.

The following table sets out the details of the Company's share options since the adoption of Existing Scheme on 24 August 2018 to the Latest Practicable Date:

Name of category	Date of grant of share options	Granted	Exercised	Lapsed	Cancelled	Outstanding as at the Latest Practicable Date	Exercise Price
Directors and Chief Executives							
Mr. Chung Chi Man	9 March 2022	400,000	—	—	—	400,000	HK\$0.324
Mr. Poon Siu Kuen, Calvin	9 March 2022	400,000	—	—	—	400,000	HK\$0.324
Dr. Wu Kwun Hing	9 March 2022	400,000	—	—	—	400,000	HK\$0.324
Ms. Chau Ka Lai, Vanessa	9 March 2022	400,000	—	—	—	400,000	HK\$0.324
Former Director							
Mr. Choi Wai Ping	9 March 2022	400,000	—	—	—	400,000	HK\$0.324
Employees							
Ms. Chau Lok Yuen, Amy	9 March 2022	400,000	—	—	—	400,000	HK\$0.324
Mr. Li Lap Sun	9 March 2022	400,000	—	—	—	400,000	HK\$0.324
13 other employees	9 March 2022	<u>37,200,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>37,200,000</u>	HK\$0.324
Total		<u>40,000,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>40,000,000</u>	

Since the adoption of the Existing Scheme and up to the Latest Practicable Date, there are 40,000,000 share options granted but yet exercised were outstanding, representing approximately 10% of the total number of Shares in issue. Options granted prior to the termination of the Existing Scheme shall continue to valid and exercisable in accordance with the Existing Scheme.

The New Scheme

In view of the amendment of terms of Existing Scheme to comply with the amended Chapter 17 of the Listing Rules, the Company proposes to terminate the Existing Scheme and adopt the New Scheme which will take effect upon the passing of relevant ordinary resolution by the Shareholders at the AGM. After adoption of the New Scheme and prior to grant of any Options to the Eligible Participants, the Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the new Shares to be issued upon exercise of the Options to be granted.

LETTER FROM THE BOARD

The New Scheme is set out in Appendix III to this circular. Unless otherwise stated, the defined terms in Appendix III shall apply to the disclosure herein.

The purpose of the New Scheme is to reward the Eligible Participants who have contributed or will contribute to the Group, to motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group and to attract and maintain on-going business relationship with the Eligible Participants.

Pursuant to the terms of the New Scheme, Eligible Participants include the Employee Participants and Service Providers. Service Providers include person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including person(s) who work for the Company as independent contractors (including advisers, consultants, distributors, contractors, suppliers and agents of any member of the Group) where the continuity and frequency of their services are akin to those of employees, but excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions; and (ii) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity. Service Providers, being advisers and consultants, shall provide services to the Group in connection with the provision of business development, business advisory and business referrals relating to services of corporate finance advisory, securities financing, research, asset management and money lending and dealing and brokerage services for securities trading and futures contracts trading, being the Group's principal business activities. They shall provide research, due diligence work, business consultation, business development, business advisory and business referrals services that could cultivate as business transactions or investments in relation to the Group's principal business activities in order to qualify for the New Scheme. The works of distributors, contractors, suppliers and agents include provision of advisory services, consultancy services, sales and marketing services, technology services and/or administrative services to the Group. The eligibility of each of the Eligible Participant shall be determined by the Board from time to time on the basis of the contribution or potential contribution of the Eligible Participant to the development and growth of the Group.

In assessing the eligibility of Employee Participants, the Board will consider, among others, (i) their skills, knowledge, experience, expertise and other relevant personal qualities; (ii) their performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (iii) their contribution made or expected to be made to the growth of the Group; and (iv) their educational and professional qualifications, and knowledge in the industry.

In assessing the eligibility of Service Providers, the Board will consider, among others:

- (i) in respect of advisers and consultants, their expertise, professional qualifications and industry experience; their performance and track record, including whether the Service Providers have a proven track record of delivering quality services; the Group's period of

LETTER FROM THE BOARD

engagement of or collaboration with the Service Providers; and their actual or potential contribution to the Group in terms of a reduction in cost or an increase in turnover or profit; and

- (ii) in respect of distributors, contractors, suppliers and agents, the scale of the Service Providers' business dealings with the Group in terms of purchases or sales attributable to them; their ability to maintain the quality of services; their performance and track record, including whether the Service Providers have a proven track record of delivering quality services; the benefits and strategic value brought by the Service Providers to the Group's development and future prospects in terms of the profits and/or income attributable to the Service Providers' collaboration with the Group; the scale of the Service Providers' collaboration with the Group; the length of business relationships between the Service Providers and the Group; and the business opportunities and external connections that the Service Providers have introduced or will potentially introduce to the Group.

Grant of Options to Service Providers would not only align the interest of the Group with Service Providers, but also strengthen their loyalty to the Group and provide incentives to them for (i) a higher degree of participation and involvement in promoting the business of the Group; and (ii) maintaining a stable and long-term relationship with the Group.

The Board (including the independent non-executive Directors) is of the view that, apart from the contributions of employees, the success of the Group may also come from the efforts and co-operation of Service Providers who play a part in the development and continued success of the Group's business and operations, and have contributed or may contribute to the Group in the future. The Service Providers were one of the eligible participants under the Existing Scheme, the Board is of the view that it would be in the Company's interest to retain such flexibility to grant Options to the Service Providers in recognition of their contribution to the Group. In light of the foregoing, the Board (including the independent non-executive Directors) is of the view that the New Scheme is fair and reasonable and in line with the industry norm of using share incentive to encourage Service Providers to provide quality services and/or products on a long-term basis and strengthen their loyalty in order to maintain sustainable relationship with the Service Providers and ensure stable and sufficient supply of the relevant services and/or products.

As the Group is principally engaged in the provision of various types of financial and securities services, the Group may require different types of professional services to be provided by the Service Providers on a recurring basis to assist in the Group's new initiatives and projects in order to capture new business opportunities. The Board will determine whether the Service Providers providing such professional services are eligible to participate in the New Scheme based on whether such professional services provided are in line with the Group's business need and the industry norm, desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group, having regard to the Group's key business segments and focuses from time to time. The Board (including the independent non-executive Directors) is of the

LETTER FROM THE BOARD

view that the inclusion of Service Providers as Eligible Participants is fair and reasonable and aligns with the purpose of the New Scheme and the criteria for selection of Service Providers are appropriate and in the interest of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the total number of Shares in issue is 400,000,000. Assuming there is no change in the number of Shares in issue since the Latest Practicable Date, the maximum number of Shares which may be issued upon exercise of all options to be granted under the New Scheme and other share option scheme(s) of the Company (if any) and the awards to be granted under share award scheme(s) of the Company (if any), is 40,000,000 Shares, representing 10% of the total number of Shares in issue as at the Latest Practicable Date. The Scheme Mandate Limit complies with the requirements of the Listing Rules and strikes a balance between achieving the purpose of the New Scheme and protecting the Shareholders from potential excessive dilution effect as a result of issue of new Shares on exercise of Options which may be granted under the New Scheme. The total number of Shares which may be issued in respect of all Options to be granted to the Service Provider(s) under the New Scheme and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company shall not exceed 1% of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Service Provider Sublimit. The Board is of the view that the 1% Service Provider Sublimit can provide adequate safeguard against excessive dilution of existing Shareholders' holdings.

Vesting period for the Options shall not be less than twelve (12) months.

The basis for determining the Exercise Price is specified in the rules of the New Scheme (see Clause 6 of Appendix III to this circular). Such basis will serve to preserve the value of the Company and encourage the Eligible Participants to acquire proprietary interests in the Company. The basis of the Exercise Price complies with the requirements of the Listing Rules and is consistent with the purpose of the New Scheme as it encourages the Eligible Participants to contribute to the Company and benefit from an increase in market price of the Shares.

Options shall lapse automatically if a grantee ceases to be an Eligible Participant by reason of termination of relationship with the Group, including, but not limited to, if the Eligible Participant has been guilty of serious misconduct, or has committed any act of bankruptcy or has been convicted of any criminal offence involving his/its integrity or honesty. The above clawback mechanism is consistent with the purpose of the New Scheme as an Eligible Participant falling under any of the above grounds should not be rewarded under the New Scheme.

As at the Latest Practicable Date,

- (i) the Company has not engaged any trustee for administration of the New Scheme. If the Company is to engage any trustee in the future, such trustee will not be a Director and no Director will have any direct or indirect interest in the trustee;
- (ii) the Company does not have any share option scheme or share award scheme other than the Existing Scheme;

LETTER FROM THE BOARD

- (iii) the Company has not formulated any plan to grant Options under the New Scheme and the Company will continue to assess from time to time whether there is a need to formulate such plan; and
- (iv) to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the proposed adoption of the New Scheme and no Shareholder is required to abstain from voting on the resolution in relation thereto.

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Option which must be satisfied before an Option may be exercised. Save as determined by the Board and provided in the offer letter of the grant of the relevant Option, there is no performance target which must be achieved before an Option can be exercised. The Board considers that it is not practicable to expressly set out a generic set of performance targets in the New Scheme, as each Grantee will play different roles and contribute in different ways to the Group. The Board considers it more beneficial to the Company to retain the flexibility to determine when and to what extent such conditions are appropriate.

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 7 July 2023. Pursuant to the Consultation Conclusions on Listing Regime for Overseas Issuers published by the Stock Exchange in November 2021, the Listing Rules have been amended with effect from 1 January 2022 which requires, among others, listed issuers to adopt a uniform set of core shareholder protection standards for listed issuers as set out in Appendix 3 of the Listing Rules. Furthermore, the Company proposes to modernize and provide flexibility to the Company in relation to the conduct of general meetings. As such, the Board proposes the amendments for the purposes of, among others, (i) allow a general meeting to be held as an electronic meeting; (ii) bring the Memorandum and Articles of Association in line with relevant amendments made to the Listing Rules and applicable laws of the Cayman Islands; and (iii) incorporate certain housekeeping amendments to the Memorandum and Articles of Association (collectively the “**Proposed Amendments**”).

Details of the Proposed Amendments are set out in Appendix IV of this circular. The Company has been advised by its legal advisers that the Proposed Amendments conform with the relevant requirements of Appendix 3 to the Listing Rules and are not inconsistent with the laws of the Cayman Islands, respectively. The Company also confirms that there is nothing unusual about the Proposed Amendments for a company listed on the Stock Exchange.

The Board proposes to put forward to the Shareholders for approval at the Annual General Meeting a special resolution to adopt the New Memorandum and Articles of Association. The proposed adoption of the New Memorandum and Articles of Association is subject to the passing of a special resolution at the Annual General Meeting, and will become effective upon the approval by the Shareholders at the Annual General Meeting.

LETTER FROM THE BOARD

AGM

The notice of AGM is set out on pages 13 to 17 of this circular.

The register of members of the Company will be closed from Tuesday, 15 August 2023 to Friday, 18 August 2023 (both dates inclusive), for the purpose of determining the entitlements of the Shareholders to attend and vote at the AGM, during which period no transfer of Shares will be registered. In order to qualify to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 14 August 2023.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.innovax.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the AGM (i.e. not later than 2:00 p.m. on Wednesday, 16 August 2023) or at any adjournment thereof. The completion and return of a form of proxy will not preclude you from attending and voting at the AGM in person should you so wish.

VOTING

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Board considers that all proposed resolutions set out in the notice of AGM, including, among others, (a) the re-election of Directors, (b) the grant of the General Mandate and the Buy-back Mandate, (c) termination of Existing Scheme and adoption of New Scheme and (d) the proposed amendments to the Memorandum and Articles of Association and adoption of New Memorandum and Articles of Association, are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

RESPONSIBILITY STATEMENT

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

By order of the Board
Innovax Holdings Limited
Chau Lok Yi
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING



INNOVAX HOLDINGS LIMITED

創陞控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2680)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Innovax Holdings Limited (the “**Company**”) will be held at Unit A to C, 20/F, Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong on Friday, 18 August 2023 at 2:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the Board and auditor for the year ended 28 February 2023.
- 2(i)(a). To re-elect Mr. Poon Siu Kuen, Calvin as an executive Director.
- 2(i)(b). To re-elect Dr. Wu Kwun Hing as an independent non-executive Director.
- 2(ii). To authorize the Board of Directors to fix the remuneration of the Directors.
3. To re-appoint BDO Limited as auditor of the Company and to authorise the Board of Directors to fix its remuneration.
4. **“THAT:**
 - (a) subject to paragraph (b) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for the Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers whether during or after the end of the Relevant Period (as defined below) be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate number of Shares allotted or agreed to be allotted by the Directors of the Company pursuant to the approval in paragraph (a) of this Resolution, other than pursuant to a (i) rights issue, (ii) any scrip dividend scheme or similar arrangement providing for the allotment of the Shares in lieu of the whole or part of a dividend on the Shares or (iii) a specific authority granted by the Shareholders in general meeting, shall not exceed the aggregate of:
 - (A) 20% of the total number of Shares in issue as at the date of passing of this Resolution; and
 - (B) (if the Directors of the Company are so authorised by a separate ordinary resolution of the Shareholders) the aggregate number of Shares bought back by the Company (if any) under the general mandate to buy back Shares referred to in Resolution numbered 5 below,and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution numbered 4, “Relevant Period” means the period from the passing of the resolution until the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the end of the period within which the Company is required by the Articles of Association or any applicable laws to hold its next annual general meeting; and
 - (iii) the date on which the mandate is varied or revoked by an ordinary resolution of the Shareholders in a general meeting.
- (d) for the purpose of this resolution numbered 4, “Shares” mean ordinary shares of the Company and “Shareholders” mean holders of the Shares.”

5. **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to buy back the Shares on The Stock Exchange of Hong Kong Limited, or on any other stock exchange on which the Shares may be listed (and which is recognised by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited for this purpose), be and is hereby generally and unconditionally approved;
- (b) the maximum number of Shares to be bought back by the Company pursuant to the approval in paragraph (a) shall not exceed in aggregate 10% of the total number of the Shares in issue as at the date of passing of this Resolution and at such price or prices as may be determined by the Directors of the Company, provided the

NOTICE OF ANNUAL GENERAL MEETING

purchase price shall not be 5% or more than the average closing market price for the five preceding trading days on which the Shares were traded on the Stock Exchange, and otherwise in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, and the said approval shall be limited accordingly; and

- (c) for the purpose of this resolution numbered 5, “Relevant Period” means the period from the passing of the resolution until the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the end of the period within which the Company is required by the Articles of Association or any applicable laws to hold its next annual general meeting; and
 - (iii) the date on which the mandate is varied or revoked by an ordinary resolution of the shareholders of the Company in a general meeting; and
 - (d) for the purpose of this resolution numbered 5, “Shares” mean ordinary shares of the Company and “Shareholders” mean holders of the Shares.”
6. “**THAT** conditional on the passing of Resolutions 4 and 5, the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue, grant or otherwise deal with additional Shares in the Company pursuant to Resolution 4 be and is hereby extended by the addition thereto of the total number of Shares bought back by the Company under the general mandate granted pursuant to Resolution 5, provided that such number of Shares shall not exceed 10% of the total number of Shares in issue as at the date of passing of Resolutions 4 and 5.”
7. “**THAT** the existing share option scheme of the Company adopted on 24 August 2018 be and is hereby terminated and shall cease to have with any further effect save and except that the Existing Scheme will remain in force to the extent necessary to give effect to the exercise of the options granted thereunder prior to termination thereof.”
8. “**THAT** subject to and conditional upon the passing of ordinary resolution 7, the new share option scheme of the Company as described in the circular of the Company dated 14 July 2023 (the “**New Scheme**”), a copy of which is included in the Appendix III to the circular, be approved and adopted and that the Directors be authorised to grant options thereunder and (subject to the Listing Committee of Stock Exchange granting approval of the listing of, and permission to deal in the shares of the Company to be allotted) to allot and issue shares of the Company pursuant to the New Scheme and take all such steps as may be necessary or desirable to implement the New Scheme.”

NOTICE OF ANNUAL GENERAL MEETING

9. **“THAT** subject to and conditional upon the passing of ordinary resolution 8, the Scheme Mandate Limit as defined in the circular (being 10% of the total number of Shares in issue as at the date of adoption of the New Scheme) be and is hereby approved and adopted and that any director of the Company be and is hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as he/she may consider necessary, desirable or expedient to effect and implement the Scheme Mandate Limit.”
10. **“THAT** subject to and conditional upon the passing of ordinary resolution 8, the Service Provider Sublimit (as defined in the New Scheme) on the total number of Shares that may be issued in respect of all share options or share awards to be granted to Service Providers (as defined in the New Scheme) under the New Scheme or all other share option schemes or share award schemes of the Company (i.e. 1% of the shares of the Company in issue as at the date of passing of this resolution) be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

SPECIAL RESOLUTION

11. To consider and, if thought fit, pass with or without modification the following resolution as a special resolution:

“THAT, AS A SPECIAL RESOLUTION:

- (i) the proposed amendments (the **“Proposed Amendments”**) to the existing memorandum of association and articles of association of the Company (the **“Existing Memorandum and Articles of Association”**), details of which are set out in Appendix IV to the circular of the Company dated 14 July 2023, be and are hereby approved;
- (ii) the third amended and restated memorandum of association and articles of association of the Company (the **“New Memorandum and Articles of Association”**), which contains all the Proposed Amendments and a copy of which has been produced to this meeting and marked **“A”** and initialled by the chairman of the meeting, be and are hereby approved and adopted as the memorandum of association and articles of association of the Company, in substitution for and to the exclusion of the Existing Memorandum and Articles of Association with immediate effect; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) any Director, company secretary and/or the registered office provider of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents and make all such arrangements as he/she shall, in his/her absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments and the adoption of the New Memorandum and Articles of Association, including without limitation, attending to the necessary filings with the Registrar of Companies in the Cayman Islands and Hong Kong.”

By Order of the Board
Innovax Holdings Limited
Chau Lok Yi
Company Secretary

Hong Kong, 14 July 2023

Notes:

1. In order to determine the eligibility to attend and vote at the above meeting, the register of members of the Company will be closed from Tuesday, 15 August 2023 to Friday, 18 August 2023 (both dates inclusive). To qualify to attend and vote at the meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 14 August 2023.
2. Any member of the Company entitled to attend and vote at the above meeting (or any adjournment thereof) is entitled to appoint one or more persons as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
3. In the case of joint registered holders of any shares in the Company, any one of such persons may vote at the above meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders are present at the above meeting personally or by proxy, that one so present whose name stands first in the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
4. In order to be valid, the completed form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours (i.e. Wednesday, 16 August 2023 at 2:00 p.m.) before the time appointed for holding the above meeting or adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM and any adjournment thereof if you so wish, and if such event, the form of proxy will be deemed to be revoked.
5. Shareholders are suggested to telephone the Company's hotline on (852) 2311 0322 for arrangements of the meeting in the event that a gale warning (tropical cyclone no. 8 or above) or “extreme conditions” caused by super typhoons or black rainstorm warning is hoisted on the day of the meeting.

As at the date of this announcement, the Board comprises: Mr. Chung Chi Man as the Chairman and executive Director, Mr. Poon Siu Kuen, Calvin as the chief executive officer and executive Director, Dr. Wu Kwun Hing, Mr. Yip Siu Hong and Ms. Chan Ka Lai, Vanessa as the independent non-executive Directors.

The following are the details of the Directors proposed to be re-elected at the AGM.

EXECUTIVE DIRECTOR

Mr. POON Siu Kuen, Calvin (潘兆權), aged 52, is the chief executive officer and executive Director. Mr. Poon is primarily responsible for overall management of the Group and supervision and management of the Group's corporate finance advisory business. He is a responsible officer of Innovax Capital Limited for type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities and is a sponsor principal of Innovax Capital Limited.

Mr. Poon has over 23 years of experience in corporate finance. Prior to joining the Group in February 2015, Mr. Poon worked as an accountant at KPMG Hong Kong from December 1996 to February 2000. From July 2001 to December 2005, he was employed by Kingsway Capital Limited, a financial services company, as an associate director, where he handled various IPO projects, M&A transactions and fund raising exercises. He then joined China Everbright Capital Limited, a financial services company from December 2005 to February 2015 with his last position being the executive director of the corporate finance department.

Mr. Poon obtained a bachelor degree in civil engineering and a master degree in practising accounting from Monash University in Australia in October 1995 and November 2000, respectively. He has been an associate member of CPA Australia since September 1997, and advanced to full CPA status in April 2000.

Mr. Poon has entered into a service contract with the Company for a fixed term of three years commencing from 14 September 2018. Mr. Poon is entitled to an annual salary of approximately HK\$2,400,000 exclusive of any sum receivable as allowances or other remuneration from the Group with discretionary bonus as determined by the Remuneration Committee in respect of each complete financial year of the Company with reference to the Group's operation result. Such emoluments are determined by reference to the prevailing market conditions.

Save as disclosed above, there is no information which is disclosable nor is Mr. Poon involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Poon that need to be brought to the attention of the Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr. WU Kwun Hing (胡觀興), aged 56, was appointed as an independent non-executive Director on 24 August 2018. He is mainly responsible for supervising and providing independent advice to the Board. He joined the Group as an independent non-executive director of Innovax Capital Limited on 16 March 2015.

Dr. Wu has over 30 years of experience in engineering, including extensive experience on major infrastructure projects. Dr. Wu is currently a technical director of Atkins China Limited since September 2020. From May 2018 to July 2020, Dr. Wu was the chief tunnel ventilation and station air-conditioning engineer of Oriental Consultants Global Co. Ltd. From September 1992 to November 2017, Dr. Wu worked at WSP (Asia) Limited (formerly known as Parsons Brinckerhoff (Asia) Limited), an engineering professional services firm, with his last position being a technical director. In December 2017, he founded SimEng Technologies Limited, an engineering consultancy company, and served as a director.

Dr. Wu obtained a bachelor degree in mechanical engineering from the Hong Kong Polytechnic University in 1992 and a PhD in mechanical engineering from the Hong Kong University of Science and Technology in 2008. Dr. Wu is a fellow member of the Hong Kong Institution of Engineers since November 2022.

Dr. Wu has entered into letter of appointment with the Company for a fixed term of three years commencing 1 June 2022. Under the terms of service contract, Dr. Wu is entitled to an annual director's fee of HK\$120,000. Such emoluments are determined by reference to, among other things, the prevailing market conditions.

Save as disclosed above, there is no information which is disclosable nor is Dr. Wu involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Dr. Wu that need to be brought to the attention of the Shareholders.

Both the Board and the Nomination Committee consider the re-election of the above Directors is in the best interests of the Company and the Shareholders as a whole. The proposed re-election of the above Directors will be considered by separate resolutions at the AGM.

This appendix serves as an explanatory statement, as required by the Listing Rules, and also as a memorandum of the terms of a proposed buy-back, as required by Section 239(2) of the Companies Ordinance, to provide information to Shareholders with regard to the Buy-Back Mandate.

1 SHARE CAPITAL

As at the Latest Practicable Date, the total number of Shares in issue was 400,000,000 Shares. Subject to the passing of the resolution regarding the Buy-back Mandate and on the basis that the issued share of the Company remains unchanged on the date of AGM, the Company would be allowed to buy back a maximum of 40,000,000 Shares, during the period in which the Buy-back Mandate remains in force, representing not more than 10% of the total number of Shares in issue as at the date of the AGM

2 REASONS FOR BUY-BACKS

The Directors believe that the ability to buy back Shares is in the interests of the Company and the Shareholders. Buy-backs may, depending on the circumstances, result in an increase in the net assets value and/or earnings per Share. The Directors have sought the grant of a general mandate to buy back Shares to give the Company the flexibility to do so if and when appropriate. The number of Shares to be bought back on any occasion and the price and other terms upon which the same are bought back will be decided by the Directors at the relevant time having regard to the circumstance then pertaining and will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders.

3 FUNDING OF BUY-BACKS

In buying back Shares, the Company may only apply funds lawfully available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws and regulations of Cayman Island and any other applicable laws, as the case may be.

There could be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited accounts for the year ended 28 February 2023) if the Buy-back Mandate were to be carried out in full at any time during the share buy- back period. However, the Directors will not propose to exercise the Buy-back Mandate if, in the opinion of the Directors, this would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing position of the Company.

4 SHARE BUY-BACKS MADE BY THE COMPANY

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

5 SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months preceding the Latest Practicable Date are as follows:

Month	Price per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
June 2022	0.35	0.30
July 2022	0.33	0.27
August 2022	0.315	0.243
September 2022	0.255	0.22
October 2022	0.238	0.178
November 2022	0.228	0.182
December 2022	0.248	0.191
January 2023	0.34	0.197
February 2023	0.315	0.22
March 2023	0.325	0.255
April 2023	0.325	0.26
May 2023	0.435	0.28
June 2023 (up to the Latest Practicable Date)	0.36	0.29

6 GENERAL

The Buy-back Mandate will expire upon the earliest of: (i) the conclusion of the next annual general meeting of the Company; or (ii) the end of the period within which the Company is required by the Articles of Association or any applicable laws to hold its next annual general meeting; or (iii) the date on which the Buy-back Mandate is varied or revoked by an ordinary resolution of the Shareholders in a general meeting.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to, in the event that the proposal is approved at the AGM, sell any Shares to the Company.

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make any buy-backs of Shares pursuant to the Buy-back Mandate in accordance with the Listing Rules and the applicable laws and regulations of Cayman Islands.

No core connected person of the Company (as defined in the Listing Rules) has notified the Company that he or she has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Buy-back Mandate is approved at the AGM.

7 TAKEOVERS CODE

If, as a result of any buy-back of Shares, a Shareholder’s proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (with the meaning under the Takeovers Code), depending on the level of such increase, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 or Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, the following interests in Shares were recorded in the register of interests in shares and short positions of the Company maintained under Section 336 of the SFO:

Name of substantial Shareholder	<i>Note</i>	Number of Shares held/interested	Percentage of shareholding (as at the Latest Practicable Date)	Percentage of shareholding (if the Shares Buy-back Mandate is exercised in full)
Chung Chi Man	(1), (3)	300,400,000	75.1%	83.4%
BSI	(1)	300,000,000	75%	83.3%
Lee Yin Har	(2)	300,000,000	75%	83.3%

Notes:

- (1) Mr. Chung and Billion Shine International Investment Limited (“BSI”) are the Controlling Shareholders. Mr. Chung owns the entire issued share capital of BSI. By virtue of the SFO, Mr. Chung is deemed to be interested in such Shares held by BSI.
- (2) Ms. Lee Yin Har is the spouse of Mr. Chung. She is deemed, or taken to be, interested in all Shares in which Mr. Chung is interested in for the purpose of the SFO.
- (3) On 9 March 2022, Mr. Chung had been granted by the Company 400,000 options to purchase shares of the Company. Accordingly, Mr. Chung has an additional interests in the underlying shares of the Company pursuant to the share options.

Save as aforesaid and based on the information available to the Directors as at the Latest Practicable Date, the Directors are not aware of any consequences or implications which may arise under the Takeovers Code as a result of exercising the power to buy back Shares under the Buy-back Mandate. The Directors do not have any present intention to exercise the Buy-back Mandate to such extent as will trigger the Takeovers Code.

The Directors do not propose to buy back Shares which would result in the aggregate number of Shares of the Company in issue in public reducing to below the prescribed minimum percentage required by the Stock Exchange.

INNOVAX HOLDINGS LIMITED

創陞 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

SHARE OPTION SCHEME

Conditionally adopted by ordinary resolution of the shareholders passed at the annual general meeting held at 18 August 2023

TABLE OF CONTENTS

	<i>Page</i>
1. DEFINITIONS	24
2. CONDITIONS	27
3. PURPOSE, DURATION AND CONTROL OF SCHEME	28
4. DETERMINATION OF ELIGIBILITY	28
5. GRANT OF OPTIONS	30
6. OPTIONS TO CONNECTED PERSONS	32
7. EXERCISE PRICE	33
8. PERFORMANCE TARGETS AND CLAWBACK MECHANISM	34
9. EXERCISE OF OPTIONS	34
10. LAPSE OF OPTION	36
11. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION	37
12. CAPITAL RESTRUCTURING	39
13. VALUE OF OPTIONS	40
14. SUFFICIENT SHARE CAPITAL	40
15. DISPUTES	40
16. ALTERATION OF THIS SCHEME	40
17. TERMINATION	41
18. CANCELLATION OF OPTIONS GRANTED	41
19. DISCLOSURE IN ANNUAL AND INTERIM REPORTS	41
20. GENERAL	41
21. GOVERNING LAW	43

Innovax Holdings Limited**創陞控股有限公司**

(incorporated in the Cayman Islands with limited liability)

RULES OF THE SHARE OPTION SCHEME**1. DEFINITIONS**

1.1 In this Scheme, except where the context otherwise requires, the following words and expressions have the following meanings:

“**Acceptance Date**” means the date upon which an Offer must be accepted by the relevant Eligible Participant, being a date not later than 30 days after the Offer Date;

“**Adoption Date**” means 18 August 2023, the date on which this Scheme was approved by the Shareholders;

“**approved independent financial adviser**” means such independent financial adviser as approved by the Board;

“**Articles**” means the articles of association of the Company as amended from time to time;

“**associate**” shall have the meaning ascribed to it in the Listing Rules;

“**Auditors**” means the auditors for the time being of the Company;

“**Board**” means the board of Directors from time to time or a duly authorised committee thereof;

“**Business Day**” means a day on which the Stock Exchange is open for the business of dealing in securities;

“**Cancelled Shares**” means those Shares which were the subject of options which had been granted and accepted under this Scheme or any of the other schemes but subsequently cancelled. For the avoidance of doubt, “**Cancelled Shares**” shall exclude “**Lapsed Shares**”;

“**Commencement Date**” means, in respect of an Option, the date upon which such Option is deemed to be granted and accepted in accordance with Clause 5.4;

“**Company**” means Innovax Holdings Limited (創陞控股有限公司), a company incorporated in the Cayman Islands with limited liability on 14 June 2016;

“**Companies Ordinance**” means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;

“**Connected Person**” has the meaning ascribed to it in the Listing Rules;

“**Director**” means any director of the Company from time to time;

“**Eligible Participant(s)**” means the Employee Participants and the Service Providers;

“**Employee Participant(s)**” means the directors, chief executive and employees of the Company or any of its subsidiaries, provided that the Board shall have absolute discretion to determine whether or not one falls within such category;

“**Exercise Date**” means the date of the notice given by the Grantee in respect of the exercise of the Option in accordance with Clause 9.1;

“**Exercise Price**” means the price per Share, determined by the Board, at which a Grantee may subscribe for Shares on the exercise of an Option in accordance with Clause 7;

“**Expiry Date**” means, in respect of an Option, the date of the expiry of the Option as may be determined by the Board which shall not be later than the last day of the Option Period in respect of such Option;

“**Grantee**” means any Eligible Participant who accepts an Offer in accordance with the rules of this Scheme;

“**Group**” means the Company and its Subsidiaries;

“**HK\$**” means Hong Kong dollars, the lawful currency of Hong Kong;

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

“**Lapsed Shares**” means those Shares which were the subject of options which had been granted and accepted under this Scheme or any of the other schemes but subsequently lapsed. For the avoidance of doubt, “**Lapsed Shares**” shall exclude “**Cancelled Shares**”;

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

“**Offer**” means an offer of the grant of an Option or Options made in accordance with the Scheme;

“**Offer Date**” means in respect of an Option, the date on which such Option is offered in writing to an Eligible Participant which must be a Business Day;

“**Option**” means a right granted by the Company under the Scheme, which right permits (but does not obligate) a Grantee to subscribe for Shares in accordance with the terms of this Scheme;

“**Option Period**” means in respect of an Option, the period to be notified by the Board to each Grantee within which the Option may be exercisable provided that such period of time shall not exceed a period of ten years commencing on the Commencement Date;

“**other schemes**” means other than this Scheme, all the schemes involving the grant by the Company of options over Shares or other securities of the Company to, or for the benefit of, specified participants of such schemes or any arrangement involving the grant of options to participants over Shares or other securities of the Company which, in the opinion of the Stock Exchange, is analogous to a share option scheme or share award scheme as described in Chapter 17 of the Listing Rules;

“**Personal Representative(s)**” means a person or persons who, in accordance with the laws of succession applicable in respect of the death of such Grantee is or are entitled to exercise the Option accepted by such Grantee (to the extent not already exercised) in consequence of the death of such Grantee;

“**Service Provider(s)**” means person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including person(s) who work for the Company as independent contractors (including advisers, consultants, distributors, contractors, suppliers and agents of any member of the Group) where the continuity and frequency of their services are akin to those of employees, but excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions; and (ii) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity;

“**Service Provider Sublimit**” has the meaning ascribed to it in Clause 11;

“**Scheme**” means the share option scheme, the rules of which are set out in this document in its present or any amended form;

“**Scheme Administrator**” means the committee of the Board or person(s) to which the Board has delegated its authority (as applicable) to administer the Scheme in accordance with the terms and conditions hereunder;

“**Scheme Mandate Limit**” has the meaning ascribed to it in Clause 11;

“**Scheme Period**” means a period of ten years commencing on the Adoption Date and expiring at the close of business on the business day immediately preceding the tenth anniversary thereof;

“**Shares**” means ordinary shares of HK\$0.01 each in the capital of the Company or, if there has been a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital in the share capital of the Company, shares forming part of the ordinary

equity share capital of the Company of such other nominal amount as shall result from any such capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital in the share capital of the Company;

“**Shareholders**” means the shareholders of the Company from time to time;

“**Stock Exchange**” means The Stock Exchange of Hong Kong Limited or (if applicable) such other stock exchange on which the issued share capital of the Company is primarily listed;

“**Subsidiary**” means an entity, including but not limited to such associate(s) as set forth in the accountants’ report of the Company from time to time, which is a subsidiary for the time being of the Company within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) whether incorporated in the People’s Republic of China or elsewhere and “**Subsidiaries**” shall be construed accordingly; and

“**substantial shareholder**” has the meaning ascribed to it in the Listing Rules.

1.2 In this Scheme, unless the context otherwise requires:

- (a) Clause headings are inserted for convenience of reference only and shall not affect the interpretation of this Scheme;
- (b) references to Clauses are to Clauses of this Scheme;
- (c) the singular includes the plural and vice versa;
- (d) references to one gender shall include both genders and the neuter;
- (e) any reference to any statute or statutory provision shall include any statute or statutory provision which amends or replaces, or has amended or replaced it, and shall include any subordinate legislation made under the relevant statute; and
- (f) a reference to a “person” shall be construed so as to include any individual, firm, business, company, body corporate or unincorporated or other juridical person, government, federation, state or agency thereof or any joint venture, association, partnership or trust (whether or not having separate legal personality).

2. CONDITIONS

2.1 This Scheme shall take effect subject to and is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at a general meeting of the Company to approve and adopt the Scheme and to authorise the Board to grant Options thereunder and to allot and issue Shares pursuant to the exercise of any Options; and

- (b) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares which fall to be issued by the Company pursuant to the exercise of any Options (subject to an initial limit of 10% of the aggregate number of Shares in issue on the date of such Shareholders' resolution to approve and adopt the Scheme).

3. PURPOSE, DURATION AND CONTROL OF SCHEME

- 3.1 The purpose of this Scheme is to enable the Company to grant Options to Eligible Participants as incentives or rewards for their contribution or potential contribution to the Group and to provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:
 - (a) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
 - (b) attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group;
- 3.2 Subject to Clause 17, this Scheme shall be valid and effective for the Scheme Period after which no further Options shall be offered but the provisions of this Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme and Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with this Scheme.
- 3.3 This Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to this Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

4. DETERMINATION OF ELIGIBILITY

- 4.1 The basis of eligibility of any Eligible Participant to the grant of any Option shall be determined by the Board from time to time on the basis of the Eligible Participant's contribution or potential contribution to the development and growth of the Group.
- 4.2 In assessing whether Options are to be granted to any Eligible Participant, the Board shall take into account various factors, including but not limited to, the nature and extent of contributions provided by such Eligible Participant to the Group, the special skills or technical knowledge possessed by them which is beneficial to the continuing development of the Group, the positive impacts which such Eligible Participant has brought to the Group's business and development and whether granting Options to such Eligible Participant is an appropriate incentive to motivate such Eligible Participant to continue to contribute towards the betterment of the Group.

- (a) In assessing the eligibility of an Employee Participant, the Board will consider all relevant factors as appropriate, including, among others:
- (i) his/her skills, knowledge, experience, expertise and other relevant personal qualities;
 - (ii) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
 - (iii) his/her contribution made or expected to be made to the growth of the Group; and
 - (iv) his/her educational and professional qualifications, and knowledge in the industry.
- (b) In assessing the eligibility of a Service Provider, the Board will consider all relevant factors as appropriate, including, among others:
- (i) in respect of advisers and consultants:
 - A. the expertise, professional qualifications and industry experience of the Service Provider;
 - B. the performance of the Service Provider and track record, including whether the Service Provider has a proven track record of delivering quality services;
 - C. the prevailing market fees chargeable by other services providers;
 - D. the Group's period of engagement of or collaboration with the Service Provider; and
 - E. the Service Provider's actual or potential contribution to the Group in terms of a reduction in cost or an increase in turnover or profit;
 - (ii) in respect of distributors, contractors, suppliers and agents:
 - A. the scale of the Service Provider's business dealings with the Group in terms of purchases or sales attributable to him/her/it;
 - B. the ability of the Service Provider to maintain the quality of services;
 - C. the performance of the Service Provider(s) and track record, including whether the Service Provider has a proven track record of delivering quality services;
 - D. the benefits and strategic value brought by the Service Provider to the Group's development and future prospects in terms of the profits and/or income attributable to the Service Provider's collaboration with the Group;

- E. the scale of the Service Provider's collaboration with the Group and the length of business relationships between the Service Provider and the Group; and
 - F. the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group.
- (c) Amongst the Service Providers eligible for the granting of the Options:
- (i) advisers and consultants shall provide services to the Group in connection with the provision of business development, business advisory and business referrals relating to services of corporate finance advisory, securities financing, research, asset management and money lending and dealing and brokerage services for securities trading and futures contracts trading, being the Group's principal business activities. They shall provide research, due diligence work, business consultation, business development, business advisory and business referrals services that could cultivate as business transactions or investments in relation to the Group's principal business activities.
 - (ii) distributors, contractors, suppliers and agents shall provide advisory services, consultancy services, sales and marketing services, technology services and/or administrative services to the Group.

5. GRANT OF OPTIONS

- 5.1 The total number of Shares issued and to be issued upon exercise of the Options and the options or awards granted under any other share option scheme and share award scheme of the Group (including both exercised or outstanding options but excluding any options and awards lapsed in accordance with the terms of the scheme) to each Grantee in any 12-month period up to and including the date of such grant shall not exceed one (1) per cent of the issued share capital of the Company for the time being ("**1% Individual Limit**").
- 5.2 If the Board determines to make an Offer to an Eligible Participant which exceed the 1% Individual Limit:
- (a) the issue of a circular by the Company to the Shareholders containing the identity of the Eligible Participant, the numbers of and terms of the Options to be granted (and options previously granted to such participant), the purpose of granting the Options to such Eligible Participant and an explanation as to how the terms of the Options serve such purpose; and
 - (b) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his associates (as defined in the Listing Rules) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before the Shareholders' approval and the date of the Board meeting at which the

Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of the Shares. The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine.

- 5.3 If the Board determines to make an Offer to an Eligible Participant in accordance with Clause 5.1, the Board shall forward to the relevant Eligible Participant an offer document in such form as the Board may from time to time determine which states (or, alternatively, documents accompanying the offer document which state), among others:
- (a) the Eligible Participant's name, address and, occupation/position;
 - (b) the Offer Date;
 - (c) the Acceptance Date;
 - (d) the Commencement Date or, if the Option Period does not commence on the Commencement Date, the date of commencement of the Option Period;
 - (e) the number of Shares in respect of which the Option is offered;
 - (f) the Exercise Price and the manner of payment of the Exercise Price for the Shares on and in consequence of the exercise of the Option;
 - (g) the Expiry Date in relation to that Option;
 - (h) the method of acceptance of the Option which shall, unless the Board otherwise determines, be as set out in Clause 5.4; and
 - (i) such other terms and conditions (including, without limitation, any minimum period for which an Option must be held before it can be exercised and/or any performance targets which must be achieved before the Option can be exercised) relating to the Offer which in the opinion of the Board are fair and reasonable but not being inconsistent with this Scheme and the Listing Rules.
- 5.4 An Option shall be deemed to have been granted and accepted by the Grantee and to have taken effect when the duplicate offer document constituting acceptance of the Option duly signed by the Grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company on or before the relevant Acceptance Date. Such remittance shall in no circumstances be refundable and shall be deemed as part payment of the Exercise Price.
- 5.5 Any Offer may be accepted in respect of less than the number of Shares for which it is offered provided that it must be accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate

offer document constituting acceptance of the Option in the manner as set out in Clause 5.4. To the extent that the Offer is not accepted by the Acceptance Date, it shall be deemed to have been irrevocably declined.

- 5.6 The Options shall not be listed or dealt in on the Stock Exchange.
- 5.7 An Option and an Offer shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option held by him or any Offer made to him or attempt to do so (save that the Grantee may nominate a nominee in whose name the Shares issued pursuant to this Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding Options or any part thereof granted to such Grantee.
- 5.8 For so long as the Shares are listed on the Stock Exchange, the Board shall not make any Offer after inside information has come to its knowledge until the Board has announced the information. In particular, no Options shall be granted during the period commencing one month immediately before the earlier of:
- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's annual results, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (b) the deadline for the Company to announce its results for (i) any year or half-year period under the Listing Rules, and (ii) where the Company has elected to publish them, any quarterly or any other interim period,

and ending on the actual date of publication of the results for such year, half year, quarterly or interim period (as the case may be), and where the grant of Options is to a Director:

- (a) no Options shall be granted during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

6. OPTIONS TO CONNECTED PERSONS

- 6.1 If the Board determines to make an Offer to a Director, chief executive or substantial shareholder of the Company or any of their respective associates, such Offer shall be subject to the approval by the independent non-executive Directors (and in the event that the Board makes an Offer to an independent non-executive Director, the vote of such independent non-executive Director shall not be counted for the purposes of approving such grant).

- 6.2 If the Board determines to make an Offer to a substantial shareholder or an independent non-executive Director (or any of their respective associates) and that grant would result in the Shares issued and to be issued in respect of all options (including the Options) or awards granted (excluding any options (including the Options) or awards lapsed in accordance with the terms of the relevant schemes) to such person in the 12-month period up to and including the Offer Date representing in aggregate over 0.1 per cent, or such other percentage as may be from time to time provided under the Listing Rules, of the Shares in issue on the Offer Date, such grant shall be subject to, (i) the issue of a circular by the Company to the Shareholders; and (ii) the approval by the Shareholders in general meeting at which the proposed Grantee, his/her associates and all connected persons of the Company shall abstain from voting in favour at such general meeting. The Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules. Unless provided otherwise in the Listing Rules, the date of the Board meeting at which the Board proposes to grant the proposed Options to that Eligible Participant shall be taken as the Offer Date for the purpose of calculating the Exercise Price.
- 6.3 Any change in the terms of any Option granted to a Director, chief executive or substantial shareholder of the Company which would result in the number and value of the shares exceeding that set out in Clause 6.2 shall be subject to:
- (a) a circular regarding the change has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of the Listing Rules; and
 - (b) the change has been approved by the Shareholders in general meeting at which all Connected Persons abstained from voting in favour at such meeting.
- 6.4 The circular to be issued by the Company to the Shareholders pursuant to Clause 6.2 shall contain the following information:
- (a) the details of the number and terms (including the Exercise Price) of the Options to be granted to each Eligible Participant which must be fixed before the Shareholders' meeting and the Offer Date (which shall be the date of the Board meeting at which the Board proposes to grant the proposed Options to that Eligible Participant);
 - (b) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole; and their recommendation to the independent Shareholders as to voting;
 - (c) the information required under Rule 17.02(2)(c) of the Listing Rules; and
 - (d) the information required under Rule 2.17 of the Listing Rules.

7. EXERCISE PRICE

7.1 The Exercise Price in relation to each Option offered to an Eligible Participant shall, subject to the adjustments referred to in Clause 12, be determined by the Board. in its absolute discretion but in any event shall not be less than the highest of:

- (a) the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the Offer Date;
- (b) the average of the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five Business Days immediately preceding the Offer Date; and
- (c) the nominal value of a Share.

7.2 For the purpose of calculating the Exercise Price, the Offer Day shall be deemed as the date of Board meeting at which the relevant Offer is approved.

8. PERFORMANCE TARGETS AND CLAWBACK MECHANISM

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Option which must be satisfied before an Option may be exercised. Save as the clawback mechanism set out in Clause 10, save as determined by the Board and provided in the offer of the grant of the relevant Option, there is no performance target which must be achieved before an Option can be exercised under the terms of the Share Option Scheme nor any other clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participant.

9. EXERCISE OF OPTIONS

9.1 Subject to Clause 9.3, an Option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the Grantee by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Exercise Price for the Shares in respect of which the notice is given. Within 21 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the Auditors or the approved independent financial adviser as the case may be pursuant to Clause 12, the Company shall allot and issue the relevant number of Shares to the Grantee credited as fully paid and issue to the Grantee certificates in respect of the Shares so allotted.

9.2 The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company.

9.3 Subject as hereinafter provided and to the extent as allowed by the relevant laws and regulations, as determinate otherwise by the Board, an Option may be exercised by a Grantee at any time or times during the Option Period provided that:

- (a) in the event of the Grantee ceasing to be an Eligible Participant (including the termination of his/her employment) for any reason other than on his death, ill-health, injury, disability or the termination of his relationship with the Group on one or more of the grounds specified in Clause 10.1(e), the Option to the extent not already exercised on the date of such cessation (which date shall be, in relation to a Grantee who is an Eligible Participant by reason of his employment with the Group or any related entities, the last actual working day with the Group or the related entity whether salary is paid in lieu of notice or not) shall lapse automatically on the date of cessation;
- (b) in the case of the Grantee ceasing to be an Eligible Participant by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of the Board) and none of the events which would be a ground for termination of his relationship with the Group under Clause 10.1(e) has occurred, the Grantee or the Personal Representative(s) of the Grantee shall be entitled within a period of 12 months (or such longer period as the Board may determine) from the date of cessation of being an Eligible Participant or death to exercise the Option in full (to the extent not already exercised);
- (c) if a general offer (whether by way of take-over offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror), the Company shall use its best endeavours to procure that such offer is extended to all the Grantees (on the same terms *mutatis mutandis*, and assuming that they shall become, by the exercise in full of the options granted to them, Shareholders). If such offer, having been approved in accordance with applicable laws and regulatory requirements becomes, or is declared unconditional, the Grantee (or his legal personal representative(s)) shall be entitled to exercise his option in full (to the extent not already exercised) at any time within 14 days after the date on which such general offer becomes or is declared unconditional;
- (d) if, pursuant to the Companies Ordinance a compromise or arrangement between the Company and its members and/or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all the Grantees (together with a notice of the existence of the provisions of this Clause) on the same day as it despatches to members and/or creditors of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee shall be entitled to exercise all or any of his Options in whole or in part at any time prior to 12 noon (Hong Kong time) on the Business Day immediately preceding the date of the meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement and if there are more than one meeting for

such purpose, the date of the first meeting. With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and determine. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Options in such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court (whether upon the terms presented to the relevant court or upon any other terms as may be approved by such court) the rights of the Grantees to exercise their respective Options shall with effect from the date of the making of the order by the relevant court be restored in full as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss damage sustained by any Grantee as a result of the aforesaid suspension; and

- (e) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or in the case of the death of the Grantee, his Personal Representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid and procure that such Grantee be registered as a member of the Company with respect to the relevant Shares in time for him to be able to attend and vote at such general meeting.

9.4 No dividends shall be payable in relation to Shares that are the subject of Options that have not been exercised. The Shares to be allotted upon the exercise of an Option shall not carry voting rights until completion of the registration of the Grantee (or such other person nominated by the Grantee) as the holder thereof. Subject as aforesaid, the Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the Articles and the laws of Hong Kong and shall rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully-paid Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date of issue. Shares issued on the exercise of an Option shall not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

9.5 Every Grantee must hold an Option for at least 12 months before he can exercise such Option.

10. LAPSE OF OPTION

10.1 An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the Expiry Date relevant to that Option;
- (b) the expiry of any of the periods referred to in Clause 9.3(a), 9.3(b), 9.3(c), 9.3(d) or 9.3(e);
- (c) the date on which the scheme of arrangement of the Company referred to in Clause 9.3(d) becomes effective;
- (d) the date of commencement of the winding-up of the Company (as determined in accordance with the Companies Ordinance);
- (e) the date on which the Grantee ceases to be an Eligible Participant by reason of the termination of his relationship with the Group on any one or more of the following grounds:
 - (i) that he has been guilty of serious misconduct;
 - (ii) that he has been convicted of any criminal offence involving his integrity or honesty or in relation to an employee of the Group;
 - (iii) that he has become insolvent, bankrupt or has made arrangements or compositions with his creditors generally; or
 - (iv) on any other ground as determined by the Board that would warrant the termination of his employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Group. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the relationship of a Grantee has or has not been terminated on one or more of the grounds specified in this Clause shall be conclusive; and
- (f) the date on which the Board shall exercise the Company's right to cancel the Option at any time after the Grantee commits a breach of Clause 5.7 or the Options are cancelled in accordance with Clause 18.

10.2 The Company shall owe no liability to any Grantee for the lapse of any Option under this Clause 10.

11. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 11.1 The total number of Shares which may be allotted and issued in respect of all Options to be granted under this Scheme and any other share option scheme(s) and share award scheme(s) of the Group shall not in aggregate exceed ten (10) per cent of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit (“**Scheme Mandate Limit**”) unless the Company obtains an approval from the Shareholders pursuant to Clauses 11.4 and 11.6 below.
- 11.2 Subject to Clause 11.1, the total number of the Shares which may be issued upon the exercise of all Options to be granted to the Service Provider(s) under the Scheme and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company (the “**Service Provider Sublimit**”) shall not exceed 1% of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Service Provider Sublimit. The Service Provider Sublimit shall be within the Scheme Mandate Limit.
- 11.3 For the avoidance of doubt, the Shares underlying any options (including the Options) granted under the Scheme or any other share option scheme(s) of the Company which have been cancelled will be counted for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit. Where the Company has reissued such cancelled options, the Shares underlying both the cancelled options and the re-issued options will be counted as part of the total number of Shares subject to Clauses 11.1 and 11.2. The options (including the Options) or awards lapsed in accordance with the terms of the Scheme or (as the case may be) any other share option scheme(s) or share award scheme(s) of the Company will, however, not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.
- 11.4 The Company may seek approval of the Shareholders in a general meeting of the Company to refresh the Scheme Mandate Limit and the Service Provider Sublimit after three years from the approval of the Shareholders for the adoption of this Scheme or the last refreshment. The total number of Shares which may be allotted and issued upon exercise of all Options to be granted under this Scheme and any other share option scheme(s) and share award scheme(s) of the Company under the Scheme Mandate Limit as refreshed shall not exceed ten (10) per cent of the Shares in issue as at the date of approval of the refreshed scheme mandate limit and the Service Provider Sublimit as refreshed shall not exceed one (1) per cent. The Company shall send a circular to the Shareholders containing the number of options (including the Options) and awards that were already granted under the Scheme Mandate Limit and the Service Provider Sublimit, and the reason for the refreshment.
- 11.5 No refreshment to the Scheme Mandate Limit and the Service Provider Sublimit shall take effect within three years after the Adoption Date or the effective date of a previous refreshment unless the Company complies with rules 17.03C(1)(b) and (c) of the Listing Rules. Such requirements do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule

13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.

- 11.6 The Company may seek separate Shareholders' approval in general meeting to grant Options under this Scheme beyond the Scheme Mandate Limit or, if applicable, the extended limit referred to in Clause 11.4 and/or Clause 11.6 to Eligible Participants identified by the Company before such approval is sought. The number and terms of Options or awards to be granted to such Eligible Participant must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Exercise Price.
- 11.7 The Scheme Mandate Limit or the Service Provider Sublimit (or as increased in accordance with Clauses 11.4 or Clause 11.6, as the case may be) shall be adjusted, in such manner as the Auditors or the approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company in accordance with Clause 12 whether by way of capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of share capital of the Company but in any event shall not exceed the limit prescribed in Clause 11.4.

12. CAPITAL RESTRUCTURING

12.1 In the event of any capitalisation issue, rights issue, open offer (if there is a price dilutive element), sub-division, consolidation or redenomination of shares, or reduction of capital of the Company in accordance with applicable laws and regulatory requirements, such corresponding alterations (if any) shall be made (except on an issue of securities of the Company as consideration in a transaction which shall not be regarded as a circumstance requiring alteration or adjustment) in:

- (a) the number of Shares subject to any outstanding Options;
- (b) the Exercise Price;
- (c) the Shares to which the Option relates;
- (d) the method of exercise of the Option; and/or
- (e) any combination thereof,

as the Auditors or the approved independent financial adviser shall at the request of the Company or any Grantee, certify in writing either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that a Grantee shall have the same proportion of the issued share capital of the Company for which any grantee of an option is entitled to subscribe pursuant to options held by him before such alteration and the aggregate subscription price payable on full

exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

The capacity of the Auditors or the approved independent financial adviser, as the case may be, in this Clause is that of experts and not arbitrators and their certificate shall, in the absence of manifest error, be final and conclusive and binding on the Company and the Grantees. Any adjustment to be made in accordance with this Clause shall comply with the Listing Rules and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time. The costs of the Auditors or the approved independent financial advisor to the Company shall be borne by the Company. Notice of such adjustment shall be given to the Grantees by the Company.

12.2 In respect of any adjustments required by Clause 12.1, other than any made on a capitalisation issue, the Auditors or the approved independent financial adviser, as the case may be, shall confirm to the Board in writing that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange from time to time.

13. VALUE OF OPTIONS

The information on value of the Options granted in any financial period will be provided to the Shareholders based on Black-Scholes option pricing model, the binomial model or a comparable generally accepted methodology as at the end of relevant financial period for any annual or interim reports of the Company.

14. SUFFICIENT SHARE CAPITAL

Subject to Clause 9.2, the Board shall at all times set aside for the purposes of this Scheme, out of the authorised but unissued share capital of the Company, such number of Shares as the Board may from time to time determine to be sufficient to meet subsisting requirements for the exercise of outstanding Options.

15. DISPUTES

Any dispute arising in connection with this Scheme (whether as to the number of Shares subject to an Option, the amount of the Exercise Price or otherwise) shall be referred to the Auditors or the approved independent financial advisor to the Company who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby. The costs of the Auditors or the approved independent financial advisor to the Company shall be borne equally by the Company and the relevant Grantee.

16. ALTERATION OF THIS SCHEME

16.1 The Board or Scheme Administrator is entitled to amend the terms of this Scheme without the Shareholders' approval, provided that:

- (a) any alteration to the term of the Scheme which is of a material nature or any alteration to the provisions relating to the matters set out in rule 17.03 of the Listing Rules to the advantage of the Eligible Participants must be approved by the Shareholders;
- (b) any change to the terms of Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), unless such change of terms takes effect automatically under existing terms of this Scheme;
- (c) the amended terms of this Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules; and
- (d) any change to the authority of the Board or Scheme Administrators to alter the terms of this Scheme must be approved by the Shareholders.

17. TERMINATION

17.1 The Company by ordinary resolution in general meeting or the Board may at any time resolve to terminate the operation of this Scheme and in such event no further Offers shall be made but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option granted prior to the termination or otherwise as may be required in accordance with the provisions of this Scheme and Options granted prior to such termination shall continue to be valid and exercisable in accordance with this Scheme.

17.2 Details of the Options granted, including Options exercised or outstanding, under this Scheme shall be disclosed in the circular to Shareholders seeking approval of the new scheme established after the termination of this Scheme.

18. CANCELLATION OF OPTIONS GRANTED

Any cancellation of Options granted but not exercised can be cancelled by the Board but must be approved by the Grantees of the relevant Options in writing. Where the Company cancels the Options and makes a new grant to the same Grantee, such new grant may only be made under the Scheme with available Scheme Mandate Limit and Service Provider Sublimit or the limits approved by the Shareholders pursuant to Clauses 11.4 and 11.6. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit).

19. DISCLOSURE IN ANNUAL AND INTERIM REPORTS

The Board shall procure that details of this Scheme and other schemes of the Group including such details as required under the Listing Rules are disclosed in the annual reports and interim reports of the Company in compliance with the Listing Rules in force from time to time.

20. GENERAL

20.1 The Company shall bear the costs of establishing and administering this Scheme (including the costs of the Auditors or the approved independent financial advisor, as the case may be, in relation to the preparation of any certificate or the provision of any other services in relation to this Scheme).

20.2 A Grantee shall be entitled to inspect copies of all notices and other documents sent by the Company to Shareholders at the same time or within a reasonable time of any such notices or documents being sent, which shall be made available to him, during normal office hours at the Company's principal place of business in Hong Kong.

20.3 Any notices, documents or other communication between the Company and a Grantee shall be in writing and may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong and, in the case of the Grantee, his address in Hong Kong as notified to the Company from time to time.

20.4 Any notice or other communication served:

- (a) by the Company shall be deemed to have been served 48 hours after the same was put in the post or if delivered by hand, when delivered; and
- (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.

20.5 All allotments and issues of Shares pursuant to this Scheme shall be subject to any necessary consents under the relevant laws, enactments or regulations for the time being to which the Company is subject. A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction for, or in connection with the grant or exercise of an Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in this Scheme.

20.6 This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

20.7 This Scheme shall not form part of any contract of employment between the Group and any Eligible Participant who is an employee of the Group and the rights and obligations of any Eligible Participant under the terms of his office or employment shall not be affected by his

participation in it and this Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

20.8 The Company shall maintain all necessary books of account and records relating to the Scheme.

20.9 This Scheme shall in all respects be administered by the Board which (a) shall administer the Scheme in accordance with the provisions hereof and all applicable requirements of the Listing Rules and (b) may make such rules not being inconsistent with the terms and conditions hereof and the Listing Rules for the conduct of the Scheme and the determination and terms of each entitlement under an Option as the Board thinks fit.

20.10 A Grantee who is a member of the Board may, subject to and in accordance with the Articles, notwithstanding his interest, vote on any Board resolution concerning the Scheme (other than in respect of his own participation therein) and may retain any benefit under the Scheme.

21. GOVERNING LAW

This Scheme and all Options granted hereunder are governed by and shall be construed in accordance with the laws of Hong Kong.

The Companies ~~Act~~Law (As Revised)
Exempted Company Limited by Shares

**THIRD~~SECOND~~ AMENDED AND
RESTATED MEMORANDUM AND
ARTICLES OF ASSOCIATION**

OF

Innovax Holdings Limited
創陞控股有限公司

(Adopted by a special resolution passed on [●] 2023~~Conditionally adopted by a special resolution
passed on 24 August 2018 with effect from the listing of the shares of the Company on The Stock
Exchange of Hong Kong Limited
and with effect from 14 September 2018)~~)

INDEX

SUBJECT	Article No.
Table A	1
Interpretation	2
Share Capital	3
Alteration Of Capital	4–7
Share Rights	8–9
Variation Of Rights	10–11
Shares	12–15
Share Certificates	16–21
Lien	22–24
Calls On Shares	25–33
Forfeiture Of Shares	34–42
Register Of Members	43–44
Record Dates	45
Transfer Of Shares	46–51
Transmission Of Shares	52–54
Untraceable Members	55
General Meetings	56–58
Notice Of General Meetings	59–60
Proceedings At General Meetings	61–65
Voting	66–74
Proxies	75–80
Corporations Acting By Representatives	81
Written Resolutions Of Members	82
Board Of Directors	83
Retirement Of Directors	84–85
Disqualification Of Directors	86
Executive Directors	87–88
Alternate Directors	89–92
Directors’ Fees And Expenses	93–96
Directors’ Interests	97–100
General Powers Of The Directors	101–106
Borrowing Powers	107–110
Proceedings Of The Directors	111–120
Managers	121–123
Officers	124–127
Register of Directors and Officers	128
Minutes	129
Seal	130
Authentication Of Documents	131

**APPENDIX IV THIRD AMENDED AND RESTATED MEMORANDUM AND
ARTICLES OF ASSOCIATION**

SUBJECT	Article No.
Destruction Of Documents	132
Dividends And Other Payments	133–142
Reserves	143
Capitalisation	144–145
Subscription Rights Reserve	146
Accounting Records	147–151
Audit	152–157
Notices	158–160
Signatures	161
Winding Up	162–163
Indemnity	164
Amendment To Memorandum and Articles of Association and Name of Company	165
Information	166

**THE COMPANIES ACT (As Revised)
~~LAW~~ EXEMPTED COMPANY LIMITED BY SHARES
~~THIRD~~SECOND AMENDED AND
RESTATED MEMORANDUM OF ASSOCIATION**

OF

**Innovax Holdings Limited
創陸控股有限公司**

(Adopted pursuant to special resolutions passed on ~~24 August 2018~~ [●] 2023)

1. The name of the Company is Innovax Holdings Limited and its dual foreign name is 創陸控股有限公司.
2. The Registered Office of the Company shall be at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted and shall include, but without limitation:
 - (a) to act and to perform all the functions of a holding company in all its branches and to coordinate the policy and administration of any subsidiary company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled directly or indirectly by the Company;
 - (b) to act as an investment company and for that purpose to subscribe, acquire, hold, dispose, sell, deal in or trade upon any terms, whether conditionally or absolutely, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company wherever incorporated, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to meet calls thereon.
4. Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of the Companies-Act (as revised) of the Cayman Islands~~Law (Revised)~~.

**APPENDIX IV THIRD AMENDED AND RESTATED MEMORANDUM AND
ARTICLES OF ASSOCIATION**

5. Nothing in this Memorandum shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licensed.
6. The Company shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
8. The authorized share capital of the Company is HK\$10,000,000 divided into 1,000,000,000 shares of a nominal or par value of HK\$0.01 each, with the power for the Company, insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said share capital subject to the provisions of the Companies Act (as revised) of the Cayman Islands ~~Law (Revised)~~ and the Articles of Association of the Company and to issue any part of its capital, whether original, redeemed or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions; and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained.
9. The Company may exercise the power contained in the Companies Act (as revised) of the Cayman Islands ~~Law~~ to deregister in the Cayman Islands and be registered by way of continuation in another jurisdiction.

**THE COMPANIES ~~ACT~~LAW (AS REVISED)
EXEMPTED COMPANY LIMITED BY SHARES**

THIRD~~SECOND~~ AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

Innovax Holdings Limited
創陞控股有限公司

(Adopted by a special resolution passed on [●] 2023 ~~Conditionally adopted by a special resolution passed on 24 August 2018 with effect from the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited and with effect from 14 September 2018)~~

TABLE A

1. The regulations in Table A in the Schedule to the ~~Companies Law (Revised)~~Law (as defined in Article 2) do not apply to the Company.

INTERPRETATION

2. (1) In these Articles, unless the context otherwise requires, the words standing in the first column of the following table shall bear the meaning set opposite them respectively in the second column.

WORD	MEANING
“Articles”	these Articles <u>of Association</u> in their present form or as <u>amended, restated, supplemented</u> or amended or substituted from time to time.
“Auditor”	the auditor of the Company for the time being and may include any individual or partnership.
“Board” or “Directors”	the board of directors of the Company or the directors present at a meeting of directors of the Company at which a quorum is present.

“business day”	shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day for the reason of a Number 8 or higher Typhoon Signal, Black Rainstorm Warning or other similar event, such day shall for the purposes of these Articles be counted as a business day.
“capital”	the share capital of the Company from time to time.
“Chairman”	<u>has the meaning ascribed to it under Article 115.</u>
“Circumstances”	<u>has the meaning ascribed to it under Article 64A.</u>
“clear days”	in relation to the period of a notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
“clearing house”	a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction, <u>including in the case of the Company, Hong Kong Securities Clearing Company Limited.</u>
“close associate”	in relation to any Director, shall have the same meaning as defined in the rules of the Designated Stock Exchange (“Listing Rules”) as modified from time to time, except that for purposes of Article 100 where the transaction or arrangement to be approved by the Board is a connected transaction referred to in the Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules. <u>has the meaning attributed to it in the rules of the Designated Stock Exchange.</u>
“Company”	Innovax Holdings Limited 創隆控股有限公司.
“competent regulatory authority”	a competent regulatory authority in the territory where the shares of the Company are listed or quoted on a stock exchange in such territory.
“debenture” and “debenture holder”	include debenture stock and debenture stockholder respectively.

App. 3
4(1)

**APPENDIX IV THIRD AMENDED AND RESTATED MEMORANDUM AND
ARTICLES OF ASSOCIATION**

“Designated Stock Exchange”	a stock exchange in respect of which the shares of the Company are listed or quoted and where such stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company.
“Deputy Chairman”	<u>has the meaning ascribed to it under Article 115.</u>
“dollars” and “\$”	dollars, the legal currency of Hong Kong.
“head office”	such office of the Company as the Directors may from time to time determine to be the principal office of the Company.
“HK Companies Ordinance”	<u>the Companies Ordinance (Chapter 622) of the laws of Hong Kong.</u>
“Law”	<u>The Companies Law, Cap. 22 (Law 3 of 1961 Act, (as consolidated and revised) of the Cayman Islands, as amended or supplemented from time to time.</u>
“Member”	a duly registered holder from time to time of the shares in the capital of the Company.
“Memorandum”	<u>the memorandum of association of the Company, as amended, restated, supplemented or substituted from time to time.</u>
“month”	a calendar month.
“Notice”	written notice unless otherwise specifically stated and as further defined in these Articles.
“Office”	the registered office of the Company for the time being.
“ordinary resolution”	a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, <u>by proxy or, in the case of such Members being a corporations, by their respective its duly authorised corporate representative or, where proxies are allowed, by proxy</u> at a general meeting of which Notice has been duly given in accordance with <u>these</u> Articles 59 .
“paid up”	paid up or credited as paid up.

“Register”	the principal register and where applicable, any branch register of Members to be maintained at such place within or outside the Cayman Islands as the Board shall determine from time to time.
“Registration Office”	in respect of any class of share capital such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.
“Seal”	common seal or any one or more duplicate seals of the Company (including a securities seal) for use in the Cayman Islands or in any place outside the Cayman Islands.
“Secretary”	any person, firm or corporation appointed by the Board to perform any of the duties of secretary of the Company and includes any assistant, deputy, temporary or acting secretary.
“special resolution”	<p>a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, <u>by proxy or</u>, in the case of such Members as are corporations, by their respective duly authorised <u>corporate representatives</u> or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with <u>these Articles</u> 59.</p> <p>a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles or the Statutes.</p>
“Statutes”	the Law and every other law of the Legislature of the Cayman Islands for the time being in force applying to or affecting the Company, its memorandum of association and/or these Articles.
“Subsidiary and Holding Company”	has the meanings attributed to them in the rules of the Designated Stock Exchange.

“substantial shareholder” a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the rules of the Designated Stock Exchange from time to time) of the voting power at any general meeting of the Company.

“year” a calendar year.

- (2) In these Articles, unless there be something within the subject or context inconsistent with such construction:
- (a) words importing the singular include the plural and vice versa;
 - (b) words importing a gender include both gender and the neuter;
 - (c) words importing persons include companies, associations and bodies of persons whether corporate or not;
 - (d) the words:
 - (i) “may” shall be construed as permissive;
 - (ii) “shall” or “will” shall be construed as imperative;
 - (e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing words or figures in a visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;
 - (f) references to any law, ordinance, statute or statutory provision shall be interpreted as relating to any statutory modification or re- enactment thereof for the time being in force;
 - (g) save as aforesaid words and expressions defined in the Statutes shall bear the same meanings in these Articles if not inconsistent with the subject in the context;
 - (h) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not;

- (i) Section 8 of the Electronic Transactions ~~Act~~^{Law} (2003~~as revised~~) of the Cayman Islands, as amended from time to time, shall not apply to these Articles to the extent it imposes obligations or requirements in addition to those set out in these Articles.

SHARE CAPITAL

3. (1) The authorized share capital of the Company at the date on which these Articles come into effect shall be HK\$10,000,000 divided into 400,000,000 shares of a par value of \$0.01 each. App. 3
9
- (2) Subject to the Law, the Company's Memorandum and Articles of Association and, where applicable, the rules of any Designated Stock Exchange and/or any competent regulatory authority, the Company shall have the power to purchase or otherwise acquire its own shares and such power shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it in its absolute discretion thinks fit and any determination by the Board of the manner of purchase shall be deemed authorised by these Articles for purposes of the Law. The Company is hereby authorised to make payments in respect of the purchase of its shares out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the Law.
- (3) Subject to compliance with the rules and regulations of the Designated Stock Exchange and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.
- (4) No share shall be issued to bearer.

ALTERATION OF CAPITAL

4. The Company may from time to time by ordinary resolution in accordance with the Law alter the conditions of its Memorandum of Association to:
- (a) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
- (b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (c) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words "non-voting" shall appear in the App. 3
10(1)
10(2)

designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”;

- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Company’s Memorandum of Association (subject, nevertheless, to the Law), and may by such resolution 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, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;
 - (e) 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 capital by the amount of the shares so cancelled or, in the case of shares, without par value, diminish the number of shares into which its capital is divided.
5. The Board may settle as it considers expedient any difficulty which arises in relation to any consolidation and division under the last preceding Article and in particular but without prejudice to the generality of the foregoing may issue certificates in respect of fractions of shares or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale (after deduction of the expenses of such sale) in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to their purchaser or resolve that such net proceeds be paid to the Company for the Company’s benefit. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.
6. The Company may from time to time by special resolution, subject to any confirmation or consent required by the Law, reduce its share capital or any capital redemption reserve or other undistributable reserve in any manner permitted by law.
7. Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company, and such shares shall be subject to the provisions contained in these Articles with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.

SHARE RIGHTS

- 8. (1) Subject to the provisions of the Law and the Company’s Memorandum and Articles of Association and to any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Board may determine. App. 3
6(1)
- (2) Subject to the provisions of the Law, the rules of any Designated Stock Exchange and the Memorandum and Articles of Association of the Company, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.
- 9. Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike. App. 3
8(1)
8(2)

VARIATION OF RIGHTS

- 10. Subject to the Law and without prejudice to Article 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the ~~holders of not less than three-fourths in nominal value~~ Members together holding not less than three-fourths in nominal value of the voting rights of issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company shall, *mutatis mutandis*, apply, but so that:
 - (a) the necessary quorum (other than at an adjourned or a postponed meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorized representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, two holders present in person or (in the case of a Member being a corporation) its duly authorized representative or by proxy (whatever the number of shares held by them) shall be a quorum; ~~and~~ App. 3
6(1)
6(2)
 - (b) every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him; and

~~(b)~~(c) any holder of shares of the class present in person or by proxy or authorised representative may demand a poll.

11. The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking *pari passu* therewith.

SHARES

12. (1) Subject to the Law, these Articles, any direction that may be given by the Company in general meeting and, where applicable, the rules of any Designated Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine but so that no shares shall be issued at a discount. Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.
- (2) The Board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.
13. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Law. Subject to the Law, the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one and partly in the other.
14. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any fractional part of a share or (except only as otherwise provided by these Articles or by law) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

App 3
Para 15

15. Subject to the Law and these Articles, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose.

SHARE CERTIFICATES

16. Every share certificate shall be issued under the Seal or a facsimile thereof or with the Seal printed thereon and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon and may otherwise be in such form as the Directors may from time to time determine. The seal of the Company may only be affixed to a share certificate with the authority of the Directors, or be executed under the signature of appropriate officials with statutory authority, unless otherwise determined by the Directors. No certificate shall be issued representing shares of more than one class. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates (or certificates in respect of other securities) need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon. App 3
2(1)
17. (1) In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.
- (2) Where a share stands in the names of two or more persons, the person first named in the Register shall 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 shares, be deemed the sole holder thereof.
18. Every person whose name is entered, upon an allotment of shares, as a Member in the Register shall be entitled, without payment, to receive one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board from time to time determines.
19. Share certificates shall be issued within the relevant time limit as prescribed by the Law or as the Designated Stock Exchange may from time to time determine, whichever is the shorter, after allotment or, except in the case of a transfer which the Company is for the time being entitled to refuse to register and does not register, after lodgment of a transfer with the Company.
20. (1) Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued to the transferee in respect of the shares transferred to him at such fee as is

provided in paragraph (2) of this Article. If any of the shares included in the certificate so given up shall be retained by the transferor a new certificate for the balance shall be issued to him at the aforesaid fee payable by the transferor to the Company in respect thereof.

- (2) The fee referred to in paragraph (1) above shall be an amount not exceeding the relevant maximum amount as the Designated Stock Exchange may from time to time determine provided that the Board may at any time determine a lower amount for such fee.
21. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed a new certificate representing the same shares may be issued to the relevant Member upon request and on payment of such fee as the Designated Stock Exchange may determine to be the maximum fee payable or such lesser sum as the Board may determine and, subject to compliance with such terms (if any) as to evidence and indemnity and to payment of the costs and reasonable out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of damage or defacement, on delivery of the old certificate to the Company provided always that where share warrants have been issued, no new share warrant shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed. App. 3
2(2)

LIEN

22. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company shall also have a first and paramount lien on every share (not being a fully paid share) registered in the name of a Member (whether or not jointly with other Members) for all amounts of money presently payable by such Member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Article. App. 3
1(2)
23. Subject to these Articles, the Company may sell in such manner as the Board determines any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of fourteen (14) clear 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 the intention to sell in default, has been served on the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

24. The net proceeds of the sale shall be received by the Company and applied in or towards payment or discharge of the debt or liability in respect of which 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 share prior to the sale) be paid to the person entitled to the share at the time of the sale. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

CALLS ON SHARES

25. Subject to these Articles and to the terms of allotment, the Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium), and each Member shall (subject to being given at least fourteen (14) clear days' Notice specifying the time and place of payment) pay to the Company as required by such notice the amount called on his shares. A call may be extended, postponed or revoked in whole or in part as the Board determines but no Member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.
26. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable either in one lump sum or by instalments.
27. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect thereof or other moneys due in respect thereof.
28. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the amount unpaid from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board may determine, but the Board may in its absolute discretion waive payment of such interest wholly or in part.

29. 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 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.
30. 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.
31. Any amount payable in respect of a share upon allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and payable on the date fixed for payment and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call duly made and notified.
32. On the issue of shares the Board may differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.
33. 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 moneys uncalled and unpaid or instalments payable upon any shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate (if any) as the Board may decide. The Board may at any time repay the amount so advanced upon giving to such Member not less than one (1) month's Notice of its 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. Such payment in advance shall not entitle the holder of such share or shares to participate in respect thereof in a dividend subsequently declared.

App. 3
3(1)

FORFEITURE OF SHARES

34. (1) If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than fourteen (14) clear days' Notice:
- (a) requiring payment of the amount unpaid together with any interest which may have accrued and which may still accrue up to the date of actual payment; and

- (b) stating that if the Notice is not complied with the shares on which the call was made will be liable to be forfeited.
- (2) If the requirements of any such Notice are not complied with, any share in respect of which such Notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect, and such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share but not actually paid before the forfeiture.
35. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such Notice.
36. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Articles to forfeiture will include surrender.
37. Any share so forfeited shall be deemed the property of the Company and may be sold, re-allotted or otherwise disposed of to such person, upon such terms and in such manner as the Board determines, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board determines.
38. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but nevertheless shall remain liable to pay the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, 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. (20%) per annum) as the Board determines. The Board may enforce payment thereof if it thinks fit, and without any deduction or allowance for the value of the forfeited 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.
39. A declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration shall (subject to the execution of an instrument of transfer by the Company if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any), nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture,

sale or disposal of the share. When any share shall have been forfeited, notice of the declaration shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry.

40. Notwithstanding any such forfeiture as aforesaid the Board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, 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 it thinks fit.
41. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.
42. 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.

REGISTER OF MEMBERS

43. (1) The Company shall keep in one or more books a Register of its Members and shall enter therein the following particulars, that is to say:
 - (a) the name and address of each Member, the number and class of shares held by him and the amount paid or agreed to be considered as paid on such shares;
 - (b) the date on which each person was entered in the Register; and
 - (c) the date on which any person ceased to be a Member.
 - (2) The Company may keep an overseas or local or other branch register of Members resident in any place, and the Board may make and vary such regulations as it determines in respect of the keeping of any such register and maintaining a Registration Office in connection therewith.
44. ~~Except when the Register is closed, the Register in Hong Kong and branch register of Members, as the case may be, shall be open to inspection for at least two (2) hours during business hours by Members without charge or by any other person, upon a maximum payment of HK\$2.50 or such lesser sum specified by the Board, at the Office or such other place at which the Register is kept in accordance with the Law or, if appropriate, upon a maximum payment of HK\$1.00 or such lesser sum specified by the Board at the Registration Office. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper or any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any electronic~~

App. 3
Para 20(2)(e)

means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares, and by sending a notice to the Members, such period may be extended for no more than another thirty (30) days in respect of any year by an ordinary resolution of the Members passed in that year in accordance with the HK Companies Ordinance.

RECORD DATES

45. Subject to the rules of any Designated Stock Exchange, notwithstanding any other provision of these Articles the Company or the Directors may fix any date as the record date for:
- (a) determining the Members entitled to receive any dividend, distribution, allotment or issue and such record date may be on, or at any time not more than thirty (30) days before or after, any date on which such dividend, distribution, allotment or issue is declared, paid or made;
 - (b) determining the Members entitled to receive notice of and to vote at any general meeting of the Company.

TRANSFER OF SHARES

46. Subject to these Articles, any Member may transfer all or any of his shares by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.
47. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so. Without prejudice to the last preceding Article, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. 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.
48. (1) The Board may, in its absolute discretion, and without giving any reason therefor, 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,

App. 3
1(2)
1(3)

without prejudice to the foregoing generality, refuse to register a transfer of any share to more than four (4) joint holders or a transfer of any share (not being a fully paid up share) on which the Company has a lien.

- (2) No transfer shall be made to an infant or to a person of unsound mind or under other legal disability.
- (3) The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the Register to any branch register or any share on any branch register to the Register or any other branch register. In the event of any such transfer, the ~~shareholder~~ Member requesting such transfer shall bear the cost of effecting the transfer unless the Board otherwise determines.

- (4) Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time determine, and which agreement the Board shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares upon the Register shall be transferred to any branch register nor shall shares on any branch register be transferred to the Register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Register, at the Office or such other place at which the Register is kept in accordance with the Law.

App. 3
1(I)

49. Without limiting the generality of the last preceding Article, the Board may decline to recognise any instrument of transfer unless:

- (a) a fee of such maximum sum as the Designated Stock Exchange may determine to be payable or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof;
- (b) the instrument of transfer is in respect of only one class of share;
- (c) the instrument of transfer is lodged at the Office or such other place at which the Register is kept in accordance with the Law or the Registration Office (as the case may be) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and
- (d) if applicable, the instrument of transfer is duly and properly stamped.

App. 3
1(I)

50. If the Board refuses to register a transfer of any share, it shall, within two (2) months after the date on which the transfer was lodged with the Company, send to each of the transferor and transferee notice of the refusal.
51. The registration of transfers of shares or of any class of shares may, after notice has been given by advertisement in any newspapers or by any other means in accordance with the requirements of any Designated Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.

TRANSMISSION OF SHARES

52. If a Member dies, the survivor or survivors where the deceased was a joint holder, and his legal personal representatives where he was a sole or only surviving holder, will be the only persons recognised by the Company as having any title to his interest in the shares; but nothing in this Article will release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share which had been solely or jointly held by him.
53. Any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a Member may, upon such evidence as to his title being produced as may be required by the Board, elect either to become the holder of the share or to have some person nominated by him registered as the transferee thereof. If he elects to become the holder he shall notify the Company in writing either at the Registration Office or Office, as the case may be, to that effect. If he elects to have another person registered he shall execute a transfer of the share in favour of that person. The provisions of these Articles relating to the transfer and registration of transfers of shares shall apply to 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 signed by such Member.
54. A person becoming entitled to a share by reason of the death or bankruptcy or winding-up of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Article 72(2) being met, such a person may vote at meetings.

UNTRACEABLE MEMBERS

55. (1) Without prejudice to the rights of the Company under paragraph (2) of this Article, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions.

Appendix
12(1)

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.

- (2) 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:
- (a) all cheques or warrants in respect of dividends of the shares in question, 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 have remained uncashed;
 - (b) 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
 - (c) the Company, if so required by the rules governing the listing of shares on the Designated Stock Exchange, has given notice to, and caused advertisement in newspapers in accordance with the requirements of, the Designated Stock Exchange to be made of its intention to sell such shares in the manner required by the Designated Stock Exchange, and a period of three (3) months or such shorter period as may be allowed by the Designated Stock Exchange has elapsed since the date of such advertisement.

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

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

GENERAL MEETINGS

56. An annual general meeting of the Company shall be held in each financial year other than the financial year of the Company's adoption of these Articles, provided that such ~~(within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting must be held within six (6) months after the end of the Company's financial year or not more than eighteen (18) months after the date of adoption of these Articles,~~ unless a longer period would not infringe the rules of the Designated Stock Exchange, if any. The annual general meeting may be held at such time and place as may be determined by the Board.

App. 3
Para 14(1)(2)

57. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting. General meetings may be held in any part of the world as may be determined by the Board. A general meeting of the Members or any class thereof may be held by means of such telephone, video, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meetings.

58. The Board may whenever it thinks fit call extraordinary general meetings. Any one or more Members holding at the date of deposit of the requisition, shares in the share capital of the Company that represent not less than one-tenth of the voting paid up capital of the Company carrying the rights of voting at general meetings of the Company on a one vote per share basis and shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

App. 3
Para 14(5)

NOTICE OF GENERAL MEETINGS

59. (1) An annual general meeting must be called by Notice of not less than twenty-one (21) clear days' Notice ~~and not less than twenty (20) clear business days.~~ All other general meetings (including ~~an~~ extraordinary general meetings) must be called by Notice ~~of not less than fourteen (14) clear days' Notice and not less than ten (10) clear business days~~ but ~~if permitted by the rules of the Designated Stock Exchange,~~ a general meeting may be called by shorter notice, subject to the Law, if it is so agreed:

App. 3
Para 14(2)

(a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend, speak and vote thereat; and

- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend, speak and vote at the meeting, being a majority together representing not less than ninety-five per cent. (95%) in normal value of the issued shares giving that right~~total voting rights at the meeting of all the Members.~~
- (2) The notice shall specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of the business. The notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.
60. The accidental omission to give Notice of a meeting or (in cases where instruments of proxy are sent out with the Notice) to send such instrument of proxy to, or the non-receipt of such Notice or such instrument of proxy by, any person entitled to receive such Notice shall not invalidate any resolution passed or the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

61. (1) 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:
- (a) the declaration and sanctioning of dividends;
 - (b) consideration and adoption 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;
 - (c) the election of Directors whether by rotation or otherwise in the place of those retiring;
 - (d) appointment of Auditors (where special notice of the intention for such appointment is not required by the Law) and other officers;
 - (e) the fixing of the remuneration of the Auditors, and the voting of remuneration or extra remuneration to the Directors;
 - (f) the granting of any mandate or authority to the Directors to offer, allot, grant options over or otherwise dispose of the unissued shares in the capital of the Company representing not more than twenty per cent. (20%) in nominal value of its existing issued share capital; and

(g) the granting of any mandate or authority to the Directors to repurchase securities of the Company.

(2) No business other than the appointment of a chairman of a meeting shall be transacted at any general meeting unless a quorum is present at the commencement of the business. Two (2) Members entitled to speak and vote and present in person or by proxy or (in the case of a Member being a corporation) by its duly authorised representative or, for quorum purpose only, two persons appointed by the clearing house as authorised representative(s) or proxy(ies), shall form a quorum for all purposes.

61A. All Members have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the rules of the Designated Stock Exchange, to abstain from voting to approve the matter under consideration.

App. 3
Para 14(3)

62. If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.

63. The Chairman of the Company or if there is more than one Chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as Chairman at a general meeting. If at any meeting no Chairman, is present within fifteen (15) minutes after the time appointed for holding the meeting, or is willing to act as Chairman, the Deputy Chairman of the Company or if there is more than one Deputy Chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman of the meeting. If no chairman or deputy chairman is present or is willing to act as chairman of the meeting, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman of the meeting if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman of the meeting chosen shall retire from the chair, the 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 shall elect one of their number to be chairman of the meeting.

64. The chairman of the meeting may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting but it shall not be necessary to specify

in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.

64A. If, after the sending of notice of a general meeting but before the general meeting is held, or after the adjournment of a general meeting but before the adjourned general meeting is held (whether or not notice of the adjourned meeting is required), the Board, in their absolute discretion, consider that it is inappropriate, impracticable, unreasonable or undesirable for any reason to hold the general meeting on the date or at the time or place specified in the notice calling the meeting, they may change or postpone the meeting to another date, time and/or place without approval from the Members. Without prejudice to the generality of the foregoing, the Directors shall have the power to provide in every notice calling a general meeting the circumstances in which a postponement of the relevant general meeting may occur automatically without further notice, including without limitation where a number 8 or higher typhoon signal, black rainstorm warning or other similar event is in force at any time, or that there is an outbreak of pandemic or other form of pandemic that, in the opinion of the Board, cause the Company unable to hold the relevant general meeting, on the day of the meeting (such circumstances, the “Circumstances”). This Article shall be subject to the following:

- (a) when a meeting is so postponed due to one or more of the Circumstances as set out in the original notice of a general meeting, the Company shall endeavour to post a notice of such postponement with a new date for the postponed general meeting (if such new date has not yet been provided in the original notice of the general meeting) on the Company’s website as soon as practicable (provided that failure to post such a notice shall not affect the automatic postponement of such meeting), but otherwise the Company shall, in accordance with paragraph (b) below, endeavor to publish a new notice of a postponed general meeting;
- (b) subject to paragraph (a) above, when a meeting is postponed or changed in accordance with this Article, subject to and without prejudice to Article 64, unless already specified in the original notice of the meeting, the Board shall fix the date, time and place for the postponed or changed meeting and shall notify the Members of such details in such manner as the Board may determine and in compliance with the notice requirements under Article 59; further all proxy forms shall be valid (unless revoked or replaced by a new proxy) if they are received as required by these Articles not less than forth-eight (48) hours before the time of the postponed or changed meeting; and
- (c) notice of the business to be transacted at the postponed or changed meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the postponed or changed meeting is the same as that set out in the original notice of general meeting circulated to the Members.

65. If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

VOTING

66. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting (a) on a show of hands~~poll~~ every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote~~-, and (b) on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in these Articles, where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.~~~~for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a~~~~by~~-poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands ~~in which case every Member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.~~ For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.
- (2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll, a poll may be demanded:
- (a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to speak and vote at the meeting; or

App. 3
Para 14(3)

- (b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to attend, speak and vote at the meeting; or
- (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and 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 shares conferring that right.

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

- 67. Where a resolution is voted on by a show of hands, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.
- 68. On a poll votes may be given either personally or by proxy.
- 69. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.
- 70. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Articles or by the Law. In the case of an equality of votes, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.
- 71. Where there are joint holders of any share any one of such joint holders may vote, either in person 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 the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding. 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.

**APPENDIX IV THIRD AMENDED AND RESTATED MEMORANDUM AND
ARTICLES OF ASSOCIATION**

72. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, by his receiver, committee, *curator bonis* or other person in the nature of a receiver, committee or *curator bonis* appointed by such court, and such receiver, committee, *curator bonis* or other person may vote by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting or postponed meeting, as the case may be.

(2) Any person entitled under Article 53 to be registered as the holder of any shares 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 (48) hours at least before the time of the holding of the meeting, ~~or~~ adjourned meeting or postponed meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his entitlement to such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

73. (1) No Member shall, unless the Board otherwise determines, be entitled to attend, speak and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares in the Company have been paid.

(2) Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.

App. 3
Para 14(3), (4)

74. If:

- (a) any objection shall be raised to the qualification of any voter; or
- (b) any votes have been counted which ought not to have been counted or which might have been rejected; or
- (c) any votes are not counted which ought to have been counted;

the objection or error shall not vitiate the decision of the meeting or adjourned meeting or postponed meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting or postponed meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be

referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

PROXIES

75. Any Member entitled to attend, speak and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend, speak and vote instead of him. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and attend, speak and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a Member. In addition, a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise. App. 3
Para 18
76. 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 its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts. App. 3
Para 18
77. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting, ~~or adjourned meeting~~ or postponed meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending, speaking and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
78. Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to attend, speak and vote on any amendment of a resolution put to the meeting for which it is given as App. 3
11(d)

the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment or postponement of the meeting as for the meeting to which it relates.

79. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) two (2) hours at least before the commencement of the meeting, ~~or~~ adjourned meeting or postponed meeting, at which the instrument of proxy is used.
80. Anything which under these Articles a Member may do by proxy he may likewise do by his duly appointed attorney and the provisions of these Articles relating to proxies and instruments appointing proxies shall apply *mutatis mutandis* in relation to any such attorney and the instrument under which such attorney is appointed.

CORPORATIONS ACTING BY REPRESENTATIVES

81. (1) Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.
- (2) If a clearing house (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members, or (where appropriate and subject to the Law) at any meeting of creditors of the Company, provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and 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 of the Company held by the clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands and the right to speak.
- (3) Any reference in these Articles to a duly authorised representative of a Member being a corporation shall mean a representative authorised under the provisions of this Article.

App. 13B
2(2)

App. 3 ~~43B-6~~
Para 19

WRITTEN RESOLUTIONS OF MEMBERS

82. A resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of all persons for the time being entitled to receive notice of and to attend, speak and vote at general meetings of the Company shall, for the purposes of these Articles, be treated as a resolution duly passed at a general meeting of the Company and, where relevant, as a special resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last Member to sign, and where the resolution states a date as being the date of his signature thereof by any Member the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant Members.

BOARD OF DIRECTORS

83. (1) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2). There shall be no maximum number of Directors unless otherwise determined from time to time by the Members in general meeting. The Directors shall be elected or appointed in the first place by the subscribers to the Memorandum of Association or by a majority of them and thereafter in accordance with Article 84 called for such purpose and who shall hold office for such term as the Members may determine or, in the absence of such determination, in accordance with Article 84 or until their successors are elected or appointed or their office is otherwise vacated.
- (2) Subject to the Articles and the Law, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board, or as an addition to the existing Board.
- (3) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board ~~to fill a casual vacancy~~ shall hold office until the first annual general meeting of Members after his appointment and be eligible ~~subject to~~ re-election at such meeting ~~and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.~~
- (4) Neither a Director nor an alternate Director shall be required to hold any shares of the Company by way of qualification and a Director or alternate Director (as the case may be) who is not a Member shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and of all classes of shares of the Company.

App. 3
4(2)

- (5) The Members may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove a Director (including a managing Director or other executive Director, but without prejudice to any claim for damages under any contract) at any time before the expiration of his ~~period~~term of office notwithstanding anything to the contrary in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement).
- (6) A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (5) above may be filled by the election or appointment by ordinary resolution the Members at the meeting at which such Director is removed.
- (7) 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 (2).

App. 3
Para 4(3)
App. 13B
5(4)

RETIREMENT OF DIRECTORS

84. (1) Notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.
- (2) A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re- election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article 83(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.
85. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend, speak and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the despatch of the notice of the

App. 3
4(4)
4(5)

general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

DISQUALIFICATION OF DIRECTORS

86. The office of a Director shall be vacated if the Director:
- (1) resigns his office by notice in writing delivered to the Company at the Office or tendered at a meeting of the Board;
 - (2) becomes of unsound mind or dies;
 - (3) without special leave of absence from the Board, is absent from meetings of the Board for six consecutive months, and his alternate Director, if any, shall not during such period have attended in his stead and the Board resolves that his office be vacated;
 - (4) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
 - (5) is prohibited by law from being a Director; or
 - (6) ceases to be a Director by virtue of any provision of the Statutes or is removed from office pursuant to these Articles.

EXECUTIVE DIRECTORS

87. The Board may from time to time appoint any one or more of its body to be a managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period (subject to their continuance as Directors) and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director. A Director appointed to an office under this Article shall be subject to the same provisions as to removal as the other Directors of the Company, and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.
88. Notwithstanding Articles 93, 94, 95 and 96, an executive director appointed to an office under Article 87 hereof shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, and either in addition to or in lieu of his remuneration as a Director.

ALTERNATE DIRECTORS

89. Any Director may at any time by Notice delivered to the Office or head office or at a meeting of the Directors appoint any person (including another Director) to be his alternate Director. Any person so appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present. An alternate Director may be removed at any time by the body which appointed him and, subject thereto, the office of alternate Director shall continue until the happening of any event which, if he were a Director, would cause him to vacate such office or if his appointor ceases for any reason to be a Director. Any appointment or removal of an alternate Director shall be effected by Notice signed by the appointor and delivered to the Office or head office or tendered at a meeting of the Board. An alternate Director may also be a Director in his own right and may act as alternate to more than one Director. An alternate Director shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the Director appointing him and shall be entitled to such extent 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 exercise and discharge all the functions, powers and duties 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 were a Director save that as an alternate for more than one Director his voting rights shall be cumulative.
90. An alternate Director shall only be a Director for the purposes of the Law and shall only be subject to the provisions of the Law insofar as they relate to the duties and obligations of a Director when performing the functions of the Director for whom he is appointed in the alternative and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. 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 by the Company to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company any fee in his capacity as an alternate Director except only such part, if any, of the remuneration otherwise payable to his appointor as such appointor may by Notice to the Company from time to time direct.
91. Every person acting as an alternate Director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director). If his appointor is for the time being absent from Hong Kong or otherwise not available or unable to act, the signature of an alternate Director to any resolution in writing of the Board or a committee of the Board of which his appointor is a member shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.

92. An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director, however, such alternate Director or any other person may be re-appointed by the Directors to serve as an alternate Director PROVIDED always that, if at any meeting any Director retires but is re-elected at the same meeting, any appointment of such alternate Director pursuant to these Articles which was in force immediately before his retirement shall remain in force as though he had not retired.

DIRECTORS' FEES AND EXPENSES

93. The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting and shall (unless otherwise directed by the resolution by which it is voted) be divided amongst the Board in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. Such remuneration shall be deemed to accrue from day to day.
94. Each Director shall be entitled to be repaid or prepaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director.
95. Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (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 or in substitution for any ordinary remuneration provided for by or pursuant to any other Article.
96. The Board shall obtain the approval of the Company in general meeting before making any payment to any Director or past Director of the Company by way of compensation for loss of office, or as consideration for or in connection with his retirement from office (not being payment to which the Director is contractually entitled).

App. 13B
5(4)

DIRECTORS' INTERESTS

97. A Director may:
- (a) 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. Any remuneration (whether by way of salary, commission, participation

in profits or otherwise) paid to any Director in respect of any such other office or place of profit shall be in addition to any remuneration provided for by or pursuant to any other Article;

- (b) act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm may be remunerated for professional services as if he were not a Director;
- (c) continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company promoted by the Company or in which the Company may be interested as a vendor, shareholder or otherwise and (unless otherwise agreed) no such Director shall be accountable for any remuneration, profits or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of or from his interests in any such other company. Subject as otherwise provided by these Articles the Directors may exercise or cause to be exercised the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as Directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) or voting or providing for the payment of remuneration to the director, managing director, joint managing director, deputy managing director, executive director, manager or other officers of such other company and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.

98. Subject to the Law and to these Articles, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with Article 99 herein.

99. 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 considered, 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 the purposes of this Article, a general Notice to the Board by a Director to the effect that:

App. 13B
5(3)

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

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

100. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

App. 3
4(1)

- (i) any contract or arrangement for the giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associate(s) or obligations incurred or undertaken by him or any of his close associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement 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 close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

- (iv) any contract or arrangement in which the Director or his close 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; or
 - (v) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to Directors or his close associate(s) and to employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.
- (2) 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 as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

GENERAL POWERS OF THE DIRECTORS

101. (1) The business of the Company shall be managed and conducted by the Board, which may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) which are not by the Statutes or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Statutes and of these Articles and to such regulations being not inconsistent with such provisions, as may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.
- (2) Any person contracting or dealing with the Company in the ordinary course of business shall be entitled to rely on any written or oral contract or agreement or deed, document or instrument entered into or executed as the case may be by any two of the Directors

acting jointly on behalf of the Company and the same shall be deemed to be validly entered into or executed by the Company as the case may be and shall, subject to any rule of law, be binding on the Company.

- (3) Without prejudice to the general powers conferred by these Articles it is hereby expressly declared that the Board shall have the following powers:
- (a) 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;
 - (b) 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; and
 - (c) to resolve that the Company be deregistered in the Cayman Islands and continued in a named jurisdiction outside the Cayman Islands subject to the provisions of the Law.
- (4) The Company shall not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the HK Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong.

App. 13B
5(2)

Article 101(4) shall only have effect for so long as the shares of the Company are listed on The Stock Exchange of Hong Kong Limited.

102. The Board may establish any regional or local boards or agencies for managing any of the affairs of the Company in any place, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration (either by way of salary or by 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 staff employed by them upon the business of the Company. The Board may delegate to any regional or local board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board (other than its powers to make calls and forfeit shares), with power to sub- delegate, and may authorise the members of any of them to fill any vacancies therein and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby.

103. The Board may by power of attorney appoint under the Seal 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. Such attorney or attorneys may, if so authorised under the Seal of the Company, execute any deed or instrument under their personal seal with the same effect as the affixation of the Company's Seal.
104. The Board may entrust to and confer upon a managing director, joint managing director, deputy managing director, an executive director or any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.
105. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, 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 accounts shall be kept with such banker or bankers as the Board shall from time to time determine.
106. (1) The Board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's moneys to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit under the Company or any of its subsidiary companies) and ex-employees of the Company and their dependants or any class or classes of such person.
- (2) The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex- employees or their dependants are or may become entitled under any

such scheme or fund as mentioned in the last preceding paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to an employee either before and in anticipation of or upon or at any time after his actual retirement.

BORROWING POWERS

107. The Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Law, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
108. Debentures, 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.
109. Any debentures, bonds or other securities may be issued at a discount (other than shares), 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.
110. (1) 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.
- (2) The Board shall cause a proper register to be kept, in accordance with the provisions of the Law, of all charges specifically affecting the property of the Company and of any series of debentures issued by the Company and shall duly comply with the requirements of the Law in regard to the registration of charges and debentures therein specified and otherwise.

PROCEEDINGS OF THE DIRECTORS

111. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the chairman of the meeting shall have an additional or casting vote.
112. A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or via electronic mail or by telephone or in such other manner as the Board may from time to time determine whenever he shall be required so to do by any Director.

113. (1) The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two (2). An alternate Director shall be counted in a quorum in the case of the absence of a Director for whom he is the alternate provided that he shall not be counted more than once for the purpose of determining whether or not a quorum is present.
- (2) Directors may participate in any meeting of the Board by means of a conference telephone or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participating were present in person.
- (3) Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of such Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.
114. The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director, notwithstanding that the number of Directors is below the number fixed by or in accordance with these Articles as the quorum or that there is only one continuing Director, may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company but not for any other purpose.
115. The Board may elect one or more chairman (the “Chairman(s)”) and one or more deputy chairman (the “Deputy Chairman(s)”) of its meetings and determine the period for which they are respectively to hold such office. If no Chairman or Deputy Chairman is elected, or if at any meeting no chairman or deputy chairman is present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
116. A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.
117. (1) The Board may delegate any of its powers, authorities and discretions to committees, consisting of such Director or Directors and other persons as it thinks fit, and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board.

- (2) All acts done by any such committee in conformity with such regulations, and in fulfilment of the purposes for which it was appointed, but not otherwise, shall have like force and effect as if done by the Board, and the Board shall have power, with the consent of the Company in general meeting, to remunerate the members of any such committee, and charge such remuneration to the current expenses of the Company.
118. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Article.
119. A resolution in writing signed by all the Directors except such as are temporarily unable to act through ill-health or disability, and all the alternate Directors, if appropriate, whose appointors are temporarily unable to act as aforesaid shall (provided that such number is sufficient to constitute a quorum and further provided that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Articles) be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or alternate Directors and for this purpose a facsimile signature of a Director or an alternate Director shall be treated as valid. Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.
120. All acts bona fide done by the Board or by any committee or by any person acting as a Director or members of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

MANAGERS

121. The Board 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.

122. The appointment of such general manager, manager or managers may be for such period as the Board may decide, and the Board may confer upon him or them all or any of the powers of the Board as they may think fit.
123. The Board may enter into such agreement or agreements with any such general manager, manager or managers upon such terms and conditions in all respects as the Board may in their 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.

OFFICERS

124. (1) The officers of the Company ~~may~~ shall consist of at least one ~~C~~chairman, one Deputy Chairman, the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Law and these Articles.
- (2) The Directors shall, as soon as may be after each appointment or election of Directors, elect amongst the Directors, ~~a~~ the Chairman and if more than one (1) Director is proposed for this office, the Directors may elect more than one chairman in such manner as the Directors may determine.
- (3) The officers shall receive such remuneration as the Directors may from time to time determine.
125. (1) The Secretary and additional officers, if any, shall be appointed by the Board and shall hold office on such terms and for such period as the Board may determine. If thought fit, two (2) or more persons may be appointed as joint Secretaries. The Board may also appoint from time to time on such terms as it thinks fit one or more assistant or deputy Secretaries.
- (2) The Secretary shall attend all meetings of the Members and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the Law or these Articles or as may be prescribed by the Board.
126. The officers of the Company shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Directors from time to time.
127. A provision of the Law 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.

REGISTER OF DIRECTORS AND OFFICERS

128. The Company shall cause to be kept in one or more books at its Office a Register of Directors and Officers in which there shall be entered the full names and addresses of the Directors and Officers and such other particulars as required by the Law or as the Directors may determine. The Company shall send to the Registrar of Companies in the Cayman Islands a copy of such register, and shall from time to time notify to the said Registrar of any change that takes place in relation to such Directors and Officers as required by the Law.

MINUTES

129. (1) The Board shall cause minutes to be duly entered in books provided for the purpose:
- (a) of all elections and appointments of officers;
 - (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
 - (c) of all resolutions and proceedings of each general meeting of the Members, meetings of the Board and meetings of committees of the Board and where there are managers, of all proceedings of meetings of the managers.
- (2) Minutes shall be kept by the Secretary at the head office.

SEAL

130. (1) The Company shall have one or more Seals, as the Board may determine. For the purpose of sealing documents creating or evidencing securities issued by the Company, the Company may have a securities seal which is a facsimile of the Seal of the Company with the addition of the word “Securities” on its face or in such other form as the Board may approve. The Board shall provide for the custody of each Seal and no Seal shall be used without the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, any instrument to which a Seal is affixed shall be signed autographically by one Director and the Secretary or by two Directors or by such other person (including a Director) or persons as the Board may appoint, either generally or in any particular case, save that as regards any certificates for shares or debentures or other securities of the Company the Board may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature. Every instrument executed in manner provided by this Article shall be deemed to be sealed and executed with the authority of the Board previously given.
- (2) Where the Company has a Seal for use abroad, the Board may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such Seal and the Board may impose restrictions on

App. 3
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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 other Seal as aforesaid.

AUTHENTICATION OF DOCUMENTS

131. Any Director or the Secretary or any person appointed by the Board for the purpose may authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee, 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 if any books, records, documents or accounts are elsewhere than at the Office or the head office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person so appointed by the Board. 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 Board or any committee which is so certified 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.

DESTRUCTION OF DOCUMENTS

132. (1) The Company shall be entitled to destroy the following documents at the following times:
- (a) any share certificate which has been cancelled at any time after the expiry of one (1) year from the date of such cancellation;
 - (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two (2) years from the date such mandate variation cancellation or notification was recorded by the Company;
 - (c) any instrument of transfer of shares which has been registered at any time after the expiry of seven (7) years from the date of registration;
 - (d) any allotment letters after the expiry of seven (7) years from the date of issue thereof; and
 - (e) copies of powers of attorney, grants of probate and letters of administration at any time after the expiry of seven (7) years after the account to which the relevant power of attorney, grant of probate or letters of administration related has been closed;

and it shall conclusively be presumed in favour of the Company 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 every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that: (1) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim; (2) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (1) above are not fulfilled; and (3) references in this Article to the destruction of any document include references to its disposal in any manner.

- (2) Notwithstanding any provision contained in these Articles, the Directors may, if permitted by applicable law, authorise the destruction of documents set out in subparagraphs (a) to (e) of paragraph (1) of this Article and any other documents in relation to share registration which have been microfilmed or electronically stored by the Company or by the share registrar on its behalf provided always that this Article shall apply only to the destruction of a document in good faith and without express notice to the Company and its share registrar that the preservation of such document was relevant to a claim.

DIVIDENDS AND OTHER PAYMENTS

133. Subject to the Law, the Company in general meeting may from time to time declare dividends in any currency to be paid to the Members but no dividend shall be declared in excess of the amount recommended by the Board.
134. Dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Law.
135. Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:
- (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share; and

App-1
243

- (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
136. 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 and may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates, whenever such profits, in the opinion of the Board, justifies such payment.
137. The Board may deduct from any dividend or other moneys payable to a Member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
138. No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.
139. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.
140. All dividends or bonuses unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend or bonuses unclaimed after a period of six (6) years from the date of declaration shall be forfeited and shall revert to the Company. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

141. Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue certificates in respect of fractions of shares, 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 Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend, and such appointment shall be effective and binding on the Members. The Board may resolve that no such assets shall be made available to Members with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, such distribution of assets would or might, in the opinion of the Board, be unlawful or impracticable and in such event the only entitlement of the Members aforesaid shall be to receive cash payments as aforesaid. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

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

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

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

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

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

- (iv) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised (“the non-elected shares”) and in satisfaction thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account, share premium account, capital redemption reserve other than the Subscription Rights Reserve (as defined below)) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or
- (b) that the Members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:
 - (i) the basis of any such allotment shall be determined by the Board;
 - (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks’ Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
 - (iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
 - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised (“the elected shares”) and in lieu thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account, share premium account, capital redemption reserve other than the Subscription Rights Reserve (as defined below)) as the Board may determine,

such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the elected shares on such basis.

- (2) (a) The shares allotted pursuant to the provisions of paragraph (1) of this Article shall rank *pari passu* in all respects with shares of the same class (if any) then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub-paragraph (a) or (b) of paragraph (1) of this Article in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (1) of this Article shall rank for participation in such distribution, bonus or rights.
- (b) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Article, with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Board may authorise any person to enter into on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.
- (3) The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (1) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to ~~shareholders~~ Members to elect to receive such dividend in cash in lieu of such allotment.
- (4) The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (1) of this Article shall not be made available or made to any ~~shareholders~~ Members with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of such rights of election or the allotment of shares would or might, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

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

RESERVES

143. (1) The Board shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. Unless otherwise provided by the provisions of these Articles, the Board may apply the share premium account in any manner permitted by the Law. The Company shall at all times comply with the provisions of the Law in relation to the share premium account.
- (2) Before recommending any dividend, the Board may set aside out of the profits of the Company such sums as it determines as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute.

CAPITALISATION

144. The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and capital redemption reserve and the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in paying up in full unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of

this Article, a share premium account and any capital redemption reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such Members credited as fully paid.

145. The Board may settle, as it considers appropriate, any difficulty arising in regard to any distribution under the last preceding Article and in particular may issue certificates in respect of fractions of shares or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

SUBSCRIPTION RIGHTS RESERVE

146. The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the Law:

- (1) 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:
- (a) 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 paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub- paragraph (c) below 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;
 - (b) the Subscription Rights Reserve shall not be used for any purpose other than that specified above unless all other reserves of the Company (other than share premium account) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by law;
 - (c) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is

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

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

- (2) Shares allotted pursuant to the provisions of this Article shall rank *pari passu* in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned. Notwithstanding anything contained in paragraph (1) of this Article, no fraction of any share shall be allotted on exercise of the subscription rights.
- (3) The provision 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.
- (4) A certificate or report by the auditors for the time being of the Company 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 exercising warrant holders 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~~ Members.

ACCOUNTING RECORDS

147. The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions. The financial year end of the Company shall be the last calendar day of February in each calendar year or as otherwise determined by the Board.

App. 13B
4(1)

148. The accounting records shall be kept at the Office or, at such other place or places as the Board decides and shall always be open to inspection by the Directors. No Member (other than a Director) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board or the Company in general meeting.

149. Subject to Article 150, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the Company at the annual

App. 3
5
~~App. 13B 3(2)~~
4(2)

general meeting held in accordance with Article 56 provided that this Article shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.

150. Subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 149 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.
151. The requirement to send to a person referred to in Article 149 the documents referred to in that article or a summary financial report in accordance with Article 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Article 149 and, if applicable, a summary financial report complying with Article 150, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

AUDIT

152. (1) ~~At the annual general meeting or at a subsequent extraordinary general meeting in each year, the Members shall~~ may by ordinary resolution appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the conclusion of the next annual general meeting. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.
- (2) The Members may, at any general meeting convened and held in accordance with these Articles, by ~~special~~ ordinary resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.
- (3) Subject to the rules of the Designated Stock Exchange, the Board may fill any casual vacancy in the office of auditors, but while any such vacancy continues the surviving or continuing auditors (if any) may act, and the remuneration of any auditors appointed to

App. 42B
4633
17

**APPENDIX IV THIRD AMENDED AND RESTATED MEMORANDUM AND
ARTICLES OF ASSOCIATION**

fill any casual vacancy may be fixed by the Board. Subject to Article 152(2), an auditor appointed under this Article shall hold office until the next following annual general meeting of the Company after his appointment and shall then be eligible for re-appointment by the Members under Article 152(1) at such remuneration to be fixed by or on the authority of the Members pursuant to Article 152(1).

153. Subject to the Law the accounts of the Company shall be audited at least once in every year.
154. The remuneration of the Auditor shall be fixed by the Company in general meeting by an ordinary resolution, or in such manner as the Members may determine. App. 13B 4(2)
155. If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed.
156. The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto; and he may call on the Directors or officers of the Company for any information in their possession relating to the books or affairs of the Company.
157. The statement of income and expenditure and the balance sheet provided for by these Articles shall be examined by the Auditor and compared by him with the books, accounts and vouchers relating thereto; and he shall make a written report thereon stating whether such statement and balance sheet are drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. The financial statements of the Company shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor shall be submitted to the Members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the Auditor should disclose this fact and name such country or jurisdiction.

NOTICES

158. Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at App. 3
7(1)
7(2)
7(3)

any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company's website or the website of the Designated Stock Exchange, and (where required by the rules governing the listing of shares on the Designated Stock Exchange) giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability, where required, may be given to the Member by any of the means set out above other than by posting it on a website. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

159. Any Notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the Notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A Notice placed on the Company's website or the website of the Designated Stock Exchange, is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;
- (c) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and
- (d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.

160. (1) Any Notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the Notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.
- (2) A Notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, 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.
- (3) Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every Notice in respect of such share which prior to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.

SIGNATURES

161. For the purposes of these Articles, a facsimile or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received.

WINDING UP

162. (1) The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.
- (2) A resolution that the Company ~~be wound up by the court or~~ be wound up voluntarily shall be a special resolution.

App. 3
Para 21

163. (1) Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) if the Company shall be wound up and the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively and (ii) if the Company shall be wound up and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.
- (2) If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Law, 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 properties of one kind or shall consist of properties to be divided as aforesaid 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 the 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 or other property in respect of which there is a liability.
- (3) In the event of winding-up of the Company in Hong Kong, every Member who is not for the time being in Hong Kong shall be bound, within fourteen (14) days after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong and stating that person's full name, address and occupation upon whom all summonses, notices, process, orders and judgements 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 as he shall deem appropriate or by a registered letter sent through the post and addressed to such Member at his address as appearing in the register, and such notice shall be deemed to be service on the day following that on which the advertisement first appears or the letter is posted.

INDEMNITY

164. (1) The Directors, Secretary and other officers and every Auditor for the time being of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and everyone of them, and everyone of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.
- (2) Each Member agrees to waive any claim or right of action he might have, whether individually or by or in the right of the Company, against any Director on account of any action taken by such Director, or the failure of such Director to take any action in the performance of his duties with or for the Company; PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director.

**AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION
AND NAME OF COMPANY**

165. No Article shall be rescinded, altered or amended and no new Article shall be made until the same has been approved by a special resolution of the Members. A special resolution shall be required to alter the provisions of the memorandum of association or to change the name of the Company.

App. 342B-1
Para 16

INFORMATION

166. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the members of the Company to communicate to the public.