

The existing memorandum and articles of association (the "Articles") of the Company were adopted on 7th December, 2001. The following is a summary of certain provisions of the Articles:

Alteration of capital

The Company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

The Company may from time to time by ordinary resolution (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (b) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken, by any person and diminish the amount of its share capital by the amount of the shares so cancelled; and (c) sub-divide its shares or any of them into share of smaller amount and the resolution may determine that, as between the holders of the shares resulting from the sub-division, any of the shares may have any preference or advantage over or to be subject to any restrictions as compared with the others, subject nevertheless to the provisions of the Companies Ordinance.

The Company may by special resolution reduce its capital, any capital redemption reserve fund or any share premium account in any manner subject to the provisions of the Companies Ordinance.

Modification of rights

Subject to the provisions of the Companies Ordinance, if at any time the share capital is divided into different classes of shares, the rights attached to any class of shares may be varied with the consent in writing of the holders of not less than three fourths in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting, all the provisions of the Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy not less than one third in nominal value of the issued shares of that class and that every holder of shares of that class shall be entitled on a poll to one vote for every share of that class, held by him, and any holder of shares of the class present in person or by proxy may demand a poll and that at an adjourned meeting of the holders two holders present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

Votes of members

Subject to any special terms as to voting for the time being attached to any shares, on a show of hands every member who is present in person at a general meeting of the Company, shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

A member of the Company, being a recognised clearing house within the meaning of the Securities and Futures (Clearing Houses) Ordinance of Hong Kong or its nominee may authorise such person or persons as it thinks fit to act as its representative (or representatives) at any general meeting of the Company or at any separate meeting of any class of members provided that, if more than one person is so authorised, the authorisation must specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be entitled to exercise the same power on behalf of the clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise if it were a registered holder of the shares of the Company.

Borrowing powers

The Directors may exercise all the powers of the Company to raise or borrow money and to mortgage or charge its undertaking, property and uncalled capital of the Company and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Directors

Unless and until otherwise determined by ordinary resolution of the Company, the number of Directors shall be not less than two. A Director is not required to hold any qualification shares.

The Company may by special resolution remove any Director before the expiration of his period of office and may (subject to the Articles) appoint another person who is willing to act to be a Director in his place.

At every annual general meeting one third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one third shall retire from office. The chairman of the Board, the managing director and/or deputy chairman of the Company shall not, whilst holding office as such be subject to retirement by rotation or be taken into account in determining the number of Directors to retire at each annual general meeting.

Without prejudice to the provisions in the Articles for retirement by rotation or otherwise contained in the Articles, the office of a Director shall be vacated if by notice in writing served upon him and signed by all his co-Directors.

No Director shall be required to vacate office by reason only of his having attained any particular age.

The Directors may from time to time appoint one or more Directors to hold any employment or executive office with the Company (including that of a managing director) for such period and upon such terms as the Directors think fit and may revoke or terminate any of such appointments.

The Directors shall be entitled to receive by way of remuneration for their services such sum to be determined by the members at an annual general meeting of the Company or by the Directors on the authority of the Company.

An executive Director shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Directors may determine and in addition to his remuneration as a Director.

Each Director may be paid his reasonable travelling and hotel expenses incurred by him in or about the performance of his duties as Directors, including his expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred while engaged in the business of the Company. Any Director who performs any special or extra services to or at the request of the Company may be paid special remuneration. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made by way of salary or commission or participation in profits or otherwise as may be arranged.

Notwithstanding the above, the remuneration of a Director appointed to any office in the management of the Company may from time to time be fixed by the Directors and may be by way of salary, commission, participation in profits or otherwise or by all or any of those modes and with such other benefits (including pension and/or gratuity and/or other benefits or retirement and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to his remuneration as a Director.

Directors' interests

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

Subject to the Companies Ordinance and the provisions of the 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 or profit or as vendor, purchaser or in any other manner whatever, nor shall any contract in which any Director is in any way interested be liable to be avoided, nor shall any Director who is interested be liable to account to the Company or the members for any remuneration, profit or other benefit realised by the contract by reason of such Director holding that office or of the fiduciary relationship thereby established and subject to any other provisions of the Articles.

A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract with the Company shall declare the nature of his interest at the meeting of the Directors at which the question of entering into the contract is first taken into consideration, if he knows that he is or has become so interested. For this purpose, a general notice to the Directors given by a Director to the effect that (a) he is a member of a specified company or firm and is to be regarded as interested in any contract 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 which may after the date of the notice be made with a specified person who is connected with him, shall be deemed to be a sufficient declaration of interest in relation to any such contract; provided that no such notice shall be effective unless either it is given at a meeting of the Directors or the Director takes reasonable steps to secure that it is brought up and read at the next meeting of the Directors after it is given.

Save as otherwise provided by the Articles, a Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Directors in respect of any contract in which he is to his knowledge materially interested, but this prohibition shall not apply to any of the following matters:

- (i) the giving to him of any indemnity or security in respect of money lent or obligations undertaken by him for the benefit of the Company or any of its subsidiaries;
- (ii) the giving to a third party of any indemnity or security in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (iii) where the Company or any other company which the Company may promote is offering securities in which offer the Director is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;

- (iv) any contract in which the Director is interested by virtue of his interest in shares or debentures or other securities of the Company;
- (v) any contract concerning any other company (not being a company in which the Director, together with any of his associates, owns five per cent. or more) in which he is interested directly or indirectly whether as an officer, executive or shareholder;
- (vi) any contract concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director personally as such any privilege or advantage not accorded to the class of persons to which the fund or scheme relates; and
- (vii) any contract concerning the adoption, modification or operation of any share incentive or share option scheme under which the Director may benefit.

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

Dividends

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

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

The Directors may pay such interim dividends as appear to the Directors to be justified by the profits of the Company and may also pay any dividend payable at a fixed rate at intervals settled by the Directors, whatever the profits of the Company, in the opinion of the Directors, justifies its payment.

The Directors may deduct from any dividend or other moneys payable to a member by the Company all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

In respect of any dividend proposed to be paid or declared by the Directors or by the Company in general meeting, the Directors may further resolve that (a) such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid, provided that the members entitled thereto shall be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) the members entitled to such dividend be entitled to elect to receive an allotment of shares credited as fully paid in lieu of the whole or such part of the dividend as the Directors may think fit.

Any general meeting declaring a dividend may, upon the recommendation of the Directors, by ordinary resolution, direct that it shall be satisfied wholly or partly by the distribution of assets.

Any dividend unclaimed after a period of six years from the date when it became due for payment may be forfeited and shall revert to the Company. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect of it.

Transfer of Shares

Subject to such of the restrictions of the Articles as may be applicable, any member may transfer all or any of his shares by an instrument of transfer in the usual common form or in such other form as the Directors may accept and may approve. Such transfer may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), under hand or by machine imprinted signature or by such other manner of execution as the Directors may approve from time to time.

The instrument of transfer of a share shall be executed by or on behalf of the transferor and the transferee. The transferor shall for all purposes hereof remain the holder of the share until the name of the transferee is entered in the register in respect of it. Nothing in the Articles shall preclude the Directors from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some person.

The Directors may in its absolute discretion and without assigning any reason, decline to register any transfer of any share which is not a fully paid share.

The Directors may also decline to register any transfer unless:

- (i) the instrument of transfer, duly stamped, is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (ii) such fee as the maximum amount prescribed by the Stock Exchange from time to time or such lesser sum as the Directors may from time to time require is paid to the Company in respect of it;
- (iii) the instrument of transfer is in respect of only one class of share; and
- (iv) the shares concerned are free from any lien in favour of the Company.

If the Directors decline to register a transfer of any share, they shall, within two months after the date on which the instrument of transfer was lodged with the Company send to each of the transferor and the transferee notice of the refusal.

Purchases of Shares

So far as it is permitted by the Companies Ordinance or any other ordinance and is made in accordance with any relevant rules or regulations issued by the Stock Exchange or the SFC from time to time, the Company is authorised by its Articles to purchase its shares.