

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 **South China Holdings Company Limited** (the “Company”), you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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SOUTH CHINA HOLDINGS COMPANY LIMITED

南華集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00413)

**PROPOSED ADOPTION OF THE 2023 SHARE OPTION SCHEME,
PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM AND
ARTICLES OF ASSOCIATION AND
ADOPTION OF THE AMENDED AND
RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting (the “EGM”) of the Company to be held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 20 June 2023 at 10:00 a.m. is set out on pages 136 to 138 of this circular.

A proxy form for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM or any adjournment thereof, you are requested to read the notice and complete and return the proxy form in accordance with the instructions printed thereon, to the Company’s share registrar and transfer office, Union Registrars Limited at Suites 3301–04, 33rd Floor, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong as soon as possible but in any event not less than forty-eight (48) hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof, should you so wish.

25 May 2023

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DEFINITIONS

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

“2012 Share Option Scheme”	the share option scheme adopted by the Company on 5 June 2012 with a valid period of ten (10) years from 11 June 2012 to 11 June 2022
“2023 Share Option Scheme”	the new share option scheme of the Company proposed to be approved and adopted by the Shareholders at the EGM, a summary of the principal terms of which is set out in the Appendix I to this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Business Day”	means any day(s) (other than Saturday, Sunday, public holiday and days on which a typical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong) on which licensed banks in Hong Kong are generally open for ordinary banking business throughout their normal business hours
“Companies Act”	mean the Companies Act (2023 Revision), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor
“Company”	South China Holdings Company Limited 南華集團控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the conditions referred to in the 2023 Share Option Scheme are fulfilled
“EGM”	the extraordinary general meeting of the Company to be held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 20 June 2023 at 10:00 a.m., notice of which is set out on pages 136 to 138 of this circular
“Eligible Participant(s)”	any of (i) the Employee Participant(s); (ii) Related Entity Participant(s); and (iii) the Service Providers Participant(s)

DEFINITIONS

“Employee Participant(s)”	any Director(s) (including executive Director(s), non-executive Director(s) and independent non-executive Director(s)) or employee(s) (whether full-time or part-time) of the Company or any Subsidiary (including person(s) who is granted Options under the 2023 Share Option Scheme as an inducement to enter into an employment contract with the Company or any Subsidiary)
“Grantee”	any Eligible Participant who accepts an offer for the grant of any Option in accordance with the terms of the 2023 Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the Eligible Participant who accepted the offer
“Group”	the Company and Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	16 May 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company
“Option(s)”	share option(s) to subscribe for Shares pursuant to the 2023 Share Option Scheme
“Related Entity Participant(s)”	being director(s) or employee(s) of the holding companies, fellow subsidiaries or associated companies of the Company.
“Service Provider Participant(s)”	being person(s) (including entity(ies)) who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group as determined by the Board pursuant to the criteria set out in section headed “Eligible Participant(s)” as set forth in Appendix I to this circular
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning ascribed to it under the Listing Rules) of the Company and Subsidiaries means more than one Subsidiary
“Substantial Shareholder”	has the meaning ascribed to it under the Listing Rules
“Trading Day”	a day on which the Stock Exchange is open for the trading of securities
“%”	per cent.



SOUTH CHINA HOLDINGS COMPANY LIMITED

南華集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00413)

Executive Directors:

Mr. Ng Hung Sang (*Chairman*)
Ms. Cheung Choi Ngor
(*Vice Chairman and Co-Chief Executive Officer*)
Mr. Ng Yuk Yeung Paul
(*Executive Vice Chairman and
Co-Chief Executive Officer*)

Registered office:

P.O. Box 31119
Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

Non-executive Directors:

Ms. Ng Yuk Mui Jessica
Mr. Ng Yuk Fung Peter
Ms. Li Yuen Yu Alice
Mr. Yu Pui Hang

**Head Office and Principal Place of
Business in Hong Kong:**

28th Floor
Bank of China Tower
1 Garden Road
Central
Hong Kong

Independent Non-executive Directors:

Mrs. Tse Wong Siu Yin Elizabeth
Mr. Kam Yiu Shing Tony
Ms. Pong Scarlett Oi Lan, BBS, J.P.
Mr. Wong Chun Tat, J.P.

25 May 2023

*To the Shareholders and, for information only,
the holders of share options of the Company*

Dear Sir or Madam,

**PROPOSED ADOPTION OF THE 2023 SHARE OPTION SCHEME,
PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM AND
ARTICLES OF ASSOCIATION AND
ADOPTION OF THE AMENDED AND
RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to: (i) provide you with details of the proposed adoption of the 2023 Share Option Scheme, (ii) provide you with details of the proposed amendments to the existing Memorandum and Articles of Association and the adoption of the amended and restated Memorandum and Articles of Association; and (iii) give you the notice of the EGM.

LETTER FROM THE BOARD

PROPOSED ADOPTION OF THE 2023 SHARE OPTION SCHEME

Reference is made to the announcement of the Company dated 21 March 2023 in relation to the proposed adoption of the 2023 Share Option Scheme.

On 21 March 2023, the Board announced that it had resolved to propose the adoption of the 2023 Share Option Scheme to be approved by the Shareholders in view of expiration of the share option scheme adopted on 5 June 2012. The Board considered that the 2023 Share Option Scheme would broaden the incentives which (i) enable the Group to reward employees, Directors and other Eligible Participants for their respective contributions to the Group; and (ii) enhance the Group's remuneration package which would be crucial in recruitment and retention of high caliber employees who are instrumental to the growth and development of the Group.

As at the Latest Practicable Date, there were 13,000,000 outstanding share options (to the extent not already exercised), which had been granted pursuant to the 2012 Share Option Scheme, to subscribe for a total of 33,030,400 Shares. All outstanding share options granted under the 2012 Share Option Scheme prior to its expiration will continue to be valid and exercisable in accordance with the rules of the 2012 Share Option Scheme.

None of the Directors is a trustee of the 2023 Share Option Scheme or has any direct or indirect interest in the trustee of the 2023 Share Option Scheme. As at the Latest Practicable Date, the Company does not appoint or intend to appoint a trustee under the 2023 Share Option Scheme.

Eligible Participant(s) includes (i) the Employee Participant(s); (ii) Related Entity Participant(s); and (iii) the Service Providers Participant(s):

- (i) Employee Participant(s), being any Director(s) (including executive Director(s), non-executive Director(s) and independent non-executive Director(s)) or employee(s) (whether full-time or part-time) of the Company or any Subsidiary (including person(s) who is granted Options under the 2023 Share Option Scheme as an inducement to enter into an employment contract with the Company or any Subsidiary).
- (ii) Related Entity Participant(s), being director(s) or employee(s) of the holding companies, fellow subsidiaries or associated companies of the Company.
- (iii) Service Provider Participant(s), being person(s) (including entity(ies)) who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group as determined by the Board pursuant to the criteria set out in section headed "Eligible Participant(s)" as set forth in Appendix I to this circular.

LETTER FROM THE BOARD

The basis of eligibility of any participant to the grant of any Option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of the Eligible Participant's contribution or potential contribution to the development and growth of the Group after taking into account of, among others, the Eligible Participant's qualification and experience, performance, time commitment, responsibilities, length of engagement with the Group and actual or potential contribution to the business objectives of the Group. The Board will, on a case-by-case basis, take into account both qualitative and quantitative factors for determining the Service Provider Participants, including but not limited to: (i) performance in terms of quality-price ratio, efficiency and reliability; (ii) the frequency of collaboration and length of business relationship; and (iii) the materiality and nature of the business relationship, such as whether the services or products provided is (a) crucial to the business, operation or sustainability of the Group; or (b) easily replaceable.

The vesting period for Options shall not be less than twelve (12) months from the date of grant. Options granted to Employee Participants may be subject to a shorter vesting period on the condition that the Board or the remuneration and nomination committee of the Company is of the view that (i) the Company should retain the flexibility to reward exceptional Eligible Participants with a shorter vesting period or in other exceptional circumstances where justified; and (ii) the Company should be able to formulate its own talent recruitment and retention strategies by taking into account the changing market conditions and talent competition.

Hence, the Board and the remuneration and nomination committee of the Company are of the view that the shorter vesting period prescribed in the section headed "Vesting Period" as set forth in Appendix I to this circular is in line with the market practice and is appropriate and aligns with the purpose of the 2023 Share Option Scheme.

There is no performance target which must be achieved before the Option can be vested under the terms of the 2023 Share Option Scheme.

The Exercise Price must be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a Trading Day; and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Trading Days immediately preceding the date of grant.

Without prejudice to the terms of the 2023 Share Option Scheme, in the following events, any Options granted to the Grantee which are not yet vested shall immediately lapse, unless otherwise determined by the Board at its sole and absolute discretion:

- (i) the Grantee breaches any provision of the 2023 Share Option Scheme or the relevant letter of grant of Options; or
- (ii) the Grantee violates any provisions of the Articles of Association or other constitutional documents of the Company and/or the articles of association or other constitutional documents of the relevant member of the Group; or

LETTER FROM THE BOARD

- (iii) the Grantee ceases to be an Eligible Participant by reason of termination for cause or without notice, or as a result of being charged/penalized/convicted of an offence involving the Grantee's integrity or honesty; or
- (iv) the Grantee commits a serious misconduct or material breach of any terms of a policy or other agreement under which the Grantee shall be obliged to any member of the Group.

The Company has sought legal advices in respect of the 2023 Share Option Scheme and understands that whilst the 2023 Share Option Scheme is not restricted to executives and employees of the Group, the adoption of the 2023 Share Option Scheme would not constitute offer to public and prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) is not applicable.

The adoption of the 2023 Share Option Scheme is conditional upon:

1. the passing of an ordinary resolution by the Shareholders at the EGM to (1) approve and adopt the 2023 Share Option Scheme; and (2) authorize the Board to grant Options under the 2023 Share Option Scheme; and
2. the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Share on the Stock Exchange which may fall to be issued pursuant to the exercise of Options granted in accordance with the terms and conditions of the 2023 Share Option Scheme.

As at the Latest Practicable Date, the total number of Shares in issue was 13,221,302,172. By assuming that no further Shares will be issued or repurchased by the Company prior to the date of adoption of the 2023 Share Option Scheme, and the maximum number of Shares which may fall to be issued upon exercise of all Options and awards to be granted under the 2023 Share Option Scheme and any other schemes must not exceed 10% of the total issued share capital of the Company as at the date of adoption of the 2023 Share Option Scheme pursuant to Rule 17.03(B)(1) of the Listing Rules, application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, 1,322,130,217 new Shares, representing 10% of the total number of Shares in issue as at the date of adoption of the 2023 Share Option Scheme.

A summary of the principal terms of the 2023 Share Option Scheme is set out in the Appendix I to this circular.

EMPLOYEES' SHARE AWARD SCHEME

On 18 March 2011, the Company adopted the employees' share award scheme (the "**Share Award Scheme**") whereby the Company may grant share awards to selected employees in recognition of their contributions to the Group and as incentive to retain them to support the operations and ongoing development of the Group and attract suitable personnel for the Group's further development.

LETTER FROM THE BOARD

Pursuant to the terms and conditions of the Share Award Scheme, the Company shall settle a sum up to and not exceeding HK\$60 million for the purchase of existing Shares from the market. Such shares shall form part of the capital of the trust set up for the Share Award Scheme. Skychance Group Limited, a company incorporated in the British Virgin Islands and an indirectly wholly-owned subsidiary of the Company, has been appointed as the trustee of the Share Award Scheme, which shall not exercise the voting rights attached to such shares.

As at the Latest Practicable Date, there were 206,160,593 Shares held under the Share Award Scheme. During the past year preceding the Latest Practicable Date, there was no Share of the Share Award Scheme was transferred to the awardees upon vesting of certain awarded shares.

PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION AND ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 21 March 2023 in relation to the proposed amendments to the Memorandum and Articles of Association.

As per the amended Listing Rules, where the laws and regulations of the issuers' place of incorporation, in combination with their constitutional documents, do not provide the shareholder protections set out in the amended Appendix 3 to the Listing Rules under which a uniform set of 14 "Core Standards" for issuers, the issuers should amend their constitutional documents to conform to the aforesaid Core Standards by the second annual general meeting following 1 January 2022.

As such, the Board proposes to amend and restate the existing Memorandum and Articles of Association for the purposes of, among other things, (i) bringing the Memorandum and Articles of Association in line with the aforesaid Core Standards by making the corresponding changes to the Memorandum and Articles of Association in light of the applicable laws and procedures of the Cayman Islands which is the place of incorporation of the Company; and (ii) making certain minor housekeeping amendments.

The proposed amendments to the existing Memorandum and Articles of Association are set out in Appendix II to this circular. The proposed adoption of the amended and restated Memorandum and Articles of Association is subject to the approval of the Shareholders by way of a special resolution to be proposed at the EGM.

The legal advisers to the Company as to Hong Kong laws and the Cayman Islands Act have respectively confirmed that the proposed amendments to the existing Memorandum and Articles of Association comply with the applicable requirements of Appendix 3 to the Listing Rules and do not violate the laws of the Cayman Islands. The Company also confirms that there is nothing unusual in the Proposed Amendments from the perspective of a Cayman Islands company listed on the Stock Exchange.

LETTER FROM THE BOARD

EXTRAORDINARY GENERAL MEETING

A notice convening the EGM is set out on pages 136 to 138 of this circular. At the EGM, relevant resolutions will be proposed to approve (i) the adoption of the 2023 Share Option Scheme; and (ii) the proposed amendments to the existing Memorandum and Articles of Association and the adoption of the amended and restated Memorandum and Articles of Association.

There is enclosed with the circular a proxy form for use at the EGM. Whether or not you are able to attend the EGM or any adjournment thereof, you are requested to read the notice and complete and return the proxy form in accordance with the instructions printed thereon, to the Company's share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof, and in such event, the appointment of the proxy will be deemed to be revoked.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 14 June 2023 to Tuesday, 20 June 2023, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents, accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Tuesday, 13 June 2023.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote at a general meeting must be taken by poll except where the chairman, 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.

DOCUMENTS AVAILABLE FOR INSPECTION

A summary of the principal terms of the 2023 Share Option Scheme is set forth in Appendix I to this circular.

The proposed amendments to the existing Memorandum and Articles of Association are set forth in Appendix II to this circular.

Copies of (i) the 2023 Share Option Scheme; and (ii) the proposed amendments to the existing Memorandum and Articles of Association, proposed to be adopted by the Company at the EGM will be published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.scholding.com) for display for a period of not less than fourteen (14) days before the date of the EGM and will be made available for inspection at the EGM.

LETTER FROM THE BOARD

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.

RECOMMENDATION

The Directors believe that the proposed adoption of the 2023 Share Option Scheme, the proposed amendments to the existing Memorandum and Articles of Association and the adoption of the amended and restated Memorandum and Articles of Association are in the best interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders should vote in favour of all of the resolutions to be proposed at the EGM.

GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular. In the event of any inconsistency, the English version of this circular shall prevail over the Chinese version.

Yours faithfully
By Order of the Board
South China Holdings Company Limited
南華集團控股有限公司
Cheung Choi Ngor
Executive Director

The following is a summary of the principal terms of the 2023 Share Option Scheme but does not form part of, nor was it intended to be, part of the 2023 Share Option Scheme nor should it be taken as effecting the interpretation of the 2023 Share Option Scheme.

The following is a summary of the principal terms of the 2023 Share Option Scheme which is proposed to be approved and adopted by the Company at the EGM:

Purpose: The purpose of the 2023 Share Option Scheme is to provide incentive or rewards to the Participants for their contribution to the Group and to enable the Group to attract and retain employees of appropriate qualifications and with necessary experience to work for the Group.

Administration of the 2023 Share Option Scheme: The 2023 Share Option Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided in the 2023 Share Option Scheme) shall, subject to compliance with the Listing Rules, be final and binding on all parties. The Board shall, subject to the provisions contained in the 2023 Share Option Scheme, have the right to (i) interpret and construe the provisions of the 2023 Share Option Scheme; (ii) to determine the persons (other than Directors, chief executive, Substantial Shareholders) to whom Options will be granted under the 2023 Share Option Scheme; (iii) the number and the Exercise Price of Options to be granted; (iv) the date on which any Option to be granted; (v) the minimum period (if any) for which an Option must be held before it may be exercised; (vi) to make such appropriate and equitable adjustments to the terms of Options granted under the 2023 Share Option Scheme as it deems necessary; (vii) to make such other decisions or determinations as it shall deem appropriate in the administration of the 2023 Share Option Scheme; and (viii) delegate any or all of its powers to a committee of the Board to be established by the Board from time to time.

Eligible Participant(s): Eligible Participant(s) includes (i) the Employee Participants; (ii) Related Entity Participants; and (iii) the Service Providers Participants:

- (i) Employee Participant(s) being any Director(s) (including executive Director(s), non-executive Director(s) and independent non-executive Director(s)) or employee(s) (whether full-time or part-time) of the Company or any Subsidiary (including person(s) who is granted Options under the 2023 Share Option Scheme as an inducement to enter into an employment contract with the Company or any Subsidiary).

- (ii) Related Entity Participant(s), being director(s) or employee(s) of the holding companies, fellow subsidiaries or associated companies of the Company.
- (iii) Service Provider Participant(s), being person(s) (including entity(ies)) who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, as determined by the Board pursuant to the criteria set out below:
 - (a) suppliers of services to any member of the Group, that operates in the industries in which the Group operates from time to time;
 - (b) advisors (professional or otherwise) or consultants, with specialties or expertise in areas that supplement the Group or with which the Group would consider important to maintain a close business relationship on an ongoing basis and bring benefits and strategic value to Group's development and future prospects; and
 - (c) independent contractors that provide advisory services, consultancy services, licensing services, product development services, sales and marketing services and/or other professional services,

excluding (a) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and (b) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

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 non-employees (including Service Provider and Related Entity Participant(s)) 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.

Maximum Number of Shares Available for Subscription:

The total number of Shares which may be issued in respect of all Options to be granted under the 2023 Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of the 2023 Share Option Scheme (the “**Scheme Mandate Limit**”). Options lapsed in accordance with the terms of the 2023 Share Option Scheme will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

Scheme Mandate Limit: 1,322,130,217 Shares, initially set at 10% of the total number of Shares in issue as at the date of approval of the 2023 Share Option Scheme.

The sublimit on the total number of Shares which may be issued in respect of all Options and awards to be granted to Service Provider Participants within the Scheme Mandate Limit shall initially be of 1% of the total number of Shares in issue as at the date of approval of the 2023 Share Option Scheme (the “**Service Provider Sublimit**”) which is subject to be approved by Shareholders in general meeting.

Service Provider Sublimit: 132,213,021 Shares, initially set at 1% of the total number of Shares in issue as at the date of approval of the 2023 Share Option Scheme. The basis for determining the Service Provider Sublimit includes (i) the potential dilution effect arising from grants to the Service Provider Participant(s), (ii) the actual or expected increase in the Group’s revenue or profits which is attributable to the Service Provider Participant(s), (iii) the extent of use of Service Provider Participant(s) in the Group’s business, and (iv) the current payment and/or settlement arrangement with the Service Provider Participant(s), and the fact that the Company expects that a majority of Options will be granted to Employee Participant(s) and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Employee Participant(s). Given the above, the Directors considered that a sublimit of 1% would be appropriate.

The Company may seek approval by Shareholders in general meeting for refreshing the Scheme Mandate Limit (and the Service Provider Sublimit) after three (3) years from the date of Shareholders’ approval of the adoption of the 2023 Share Option Scheme or the last refreshment (where applicable). Any refreshment within any three (3) years period must be approved by the Shareholders subject to the following:

- (i) any controlling Shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
- (ii) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40 to 13.42 of the Listing Rules.

The requirements under sub-paragraphs (i) and (ii) above do not apply if the refreshment is made immediately after an issue of the Shares 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 Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of the Shares, rounded to the nearest whole Share.

The total number of Shares which may be issued in respect of all options (including the Options) to be granted under all of the schemes (including the 2023 Share Option Scheme) of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the total number of Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit.

The Company must send a circular to the Shareholders containing the number of Options that were already granted under the Scheme Mandate Limit and the Service Provider Sublimit (if any), and the reason for the refreshment. The Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided that Options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought, and the Company must send a circular to the Shareholders containing the name of each specified Eligible Participant who may be granted such Options, the number and terms of Options to be granted to each of such specified Eligible Participants, and the purpose of granting Options to the specified Participants with an explanation as to how the terms of Options serve such purpose. The number and terms of Options to be granted to such Eligible Participant must be fixed before the 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 pursuant to section “Exercise Price” above.

Where any grant of Options and awards to a Eligible Participant would result in the Shares issued and to be issued in respect of all options (including Options) granted to such Eligible Participant (excluding any options including Options lapsed in accordance with the terms of the scheme including the 2023 Share Option Scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his close associates (or associates if the Eligible Participant is a connected person) abstaining from voting, and the Company must send a circular to the Shareholders.

The circular must disclose the identity of the Eligible Participant, the number and terms of the Options to be granted (and Options previously granted to such Eligible Participant in the 12-month period), the purpose of granting Options to the Eligible Participant and an explanation as to how the terms of the Options serve such purpose. The number and terms of the Options to be granted to such Eligible Participant must be fixed before Shareholders' approval. In respect of Options to be granted, the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price under the section headed "Exercise Price" above.

Maximum entitlement of each Eligible Participant:

There is no specific maximum entitlement for each Eligible Participant under the 2023 Share Option Scheme.

Grants to individuals that exceed the thresholds set out in the Chapter 17 of the Listing Rules will be subject to additional approval requirements as required under the Chapter 17 of the Listing Rules.

Exercise period:

The Exercise Period for Options shall not be more than ten (10) years from the date of grant.

Vesting period:

The vesting period for Options shall not be less than twelve (12) months from the date of grant. A shorter vesting period may be granted to the Employee Participants at the discretion of the Board or the remuneration and nomination committee of the Company or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board in any of the following circumstances:

- (i) grants of “make-whole” Options to new joiners to replace the share awards or options they forfeited when leaving the previous employers; or
- (ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event; or
- (iii) grants of Option the timing of which is determined by administrative or compliance requirements not connected with the performance of the Employee Participant, in which case the vesting date may be adjusted to take account of the time from which the Option would have been granted if not for such administrative or compliance requirements; or
- (iv) grants of Options with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of twelve (12) months.

each of which are considered appropriate to provide flexibility to grant Options (1) as part of competitive terms and conditions to induce valuable talent to join the Group (sub-paragraphs (i) and (iv)); (2) reward past contribution which may otherwise be neglected due to administrative or technical reasons (sub-paragraphs (ii) and (iii)); (3) reward exceptional performers with accelerated vesting (sub-paragraph (iv)); (4) to motivate exceptional performers based on performance metrics rather than time (sub-paragraph (v)); and (5) in exceptional circumstances where justified (sub-paragraph (i) to (v)), which is consistent with the purpose of the 2023 Share Option Scheme.

Performance target:

There is no performance target which must be achieved before the Option can be vested under the terms of the 2023 Share Option Scheme.

- Time of Acceptance: An offer of the grant of an Option shall be made to a Eligible Participant by letter (in duplicate) in such form as the Board may from time to time determine requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the 2023 Share Option Scheme and shall remain open for acceptance by the Eligible Participant within twenty-eight (28) days from the Offer Date provided that no such offer shall be open for acceptance after the tenth (10th) anniversary of the Effective Date or after the 2023 Share Option Scheme has been terminated. An Option shall be deemed to have been granted and accepted when the duplicate letter comprising 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. Such remittance shall in no circumstances be refundable.
- Exercise price: The Exercise Price must be at least the higher of:
- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a Trading Day; and
 - (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Trading Days immediately preceding the date of grant.
- Voting and Dividend Rights: The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date of allotment of the Shares or, if that date falls on a day when the register of members of the Company is closed, the first Business Day in Hong Kong on which the register of members of the Company is re-opened and accordingly will entitle the holders to have the voting, transfer and other rights including those arising on a liquidation of the Company and the rights to participate in all dividends or other distributions paid or made on or after the date of allotment of the Shares or, if that date falls on a day when the register of members of the Company is closed, the first Business Day in Hong Kong on which the register of members of the Company is re-opened other than any dividend or other distributions previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the later of the date of allotment of the Shares or the date when the name of Grantee is registered on the register of members of the Company.

Duration of the 2023 Share Option Scheme:	Subject to any early termination as may be determined by the Board, the 2023 Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the Effective Date.
Rights are Personal to Grantee:	An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or in any manner dispose of or create any interest in favour of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee without incurring any liability on the part of the Company.
Rights on Ceasing Employment:	In the event of the Grantee, being an Employee at the date of grant, ceasing to be an Employee for any reason other than his death or the termination of his employment on one or more of the grounds specified in section headed “Lapse of Options” below, the Grantee may exercise Option up to his entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of one (1) month following the date of such cessation, which date shall be the last actual working day with any member of the Group whether salary is paid in lieu of notice or not (provided that the retirement of any director of any member of the Group pursuant to the articles of association of the relevant member of the Group at an annual general meeting of such member who is re-elected at the same annual general meeting shall not be regarded as ceasing employment for the purpose of this section).
Rights on Death:	In the event of the death of the Grantee (provided that none of the events which would be a ground for termination of his employment under section headed “Lapse of Options” below prior to his death, in the case the Grantee is an Employee at the date of grant), the legal personal representative(s) of the Grantee shall be entitled within a period of twelve (12) months from the date of death to exercise the Option (to the extent which has become exercisable and not already exercised).

Rights on a General Offer:

If a general offer (whether by takeover 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 concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry of Option, the Grantee (or, as the case may be, his legal personal representative(s)) shall be entitled to exercise the Option in full (to the extent which has become exercisable and not already exercised) at any time within one (1) month after the date on which the offer becomes or is declared unconditional.

Rights on Winding Up:

In the event a notice is given by the Company to Shareholders 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 Shareholder give notice thereof to all Grantees (together with a notice of the existence of the provisions of this section) and thereupon, each Grantee (or where permitted under the section headed "Rights on Death" above his legal personal representative(s)) shall be entitled to exercise all or any of his Options (to the extent which has become exercisable and not already exercised) at any time not later than two (2) 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.

Rights on Compromise or Arrangement:

If an application is made to the court (otherwise than where the Company is being voluntarily wound up) in connection with a proposed compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and the Shareholders (or any class of them), the Grantee may by notice in writing to the Company within two (2) months after the date of such application, exercise the Option in full (to the extent which has become exercisable and not already exercised) or to the extent specified in such notice.

Lapse of Options: An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period; or
- (b) the expiry of any of the periods referred to in section headed “Rights on Ceasing Employment”, “Rights on Death”, and “Rights on a General Offer” above; or
- (c) subject to section headed “Rights on Winding Up” above, the date of the commencement of the winding-up of the Company; or
- (d) in the case the Grantee is an Employee at the date of grant, the date on which the Grantee ceases to be an Employee by reason of the termination of his employment on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the Grantees’ service contract with the Company or the relevant Subsidiary. A resolution of the Board (or a duly authorised committee thereof), or the board of directors of the relevant Subsidiary, to the effect that employment of a Grantee has or has not been terminated on one or more of the grounds specified in this section shall be conclusive and binding on the Grantee; or
- (e) subject to the proposed compromise or arrangement becoming effective, the expiry of the period referred to in section headed “Rights on Compromise or Arrangement” above; or
- (f) the date on which the Grantee commits a breach of section headed “Rights are Personal to Grantee” above or any term under the 2023 Share Option Scheme or any term imposed by the Company in the letter of grant of Option; or
- (g) the date on which the Options are cancelled in accordance with section headed “Cancellation of Options Granted” below.

Reorganisation of
Capital Structure:

Subject to this sections (a) and (b) below, in the event of any alteration in the capital structure of the Company (other than an issue of Shares either for private placement or as consideration in respect of a transaction to which the Company is a party) pursuant to a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital or otherwise howsoever in accordance with the requirements of the Stock Exchange or the Listing Rules, whilst any Option may become or remains exercisable, such corresponding alterations (if any) shall be made to:

- (1) the number of Shares subject to any outstanding Options; and/or
- (2) the Exercise Price; and/or
- (3) the method of exercise of the Option; and/or
- (4) the maximum number of Shares referred to in section headed “Maximum Number of Shares Available for Subscription” above as an independent financial adviser or the auditor of the Company shall certify in writing to the Board, either generally or as regards any particular Grantee, to be in their opinion fair and reasonable and in accordance with the requirements set out in this section, provided that no such alteration shall be made the effect of which would be to increase the proportion of the issued Shares for which any Grantee is entitled to subscribe pursuant to the Options held by him.

The capacity of the independent financial adviser or the auditor of the Company in this section is that of experts and not of arbitrators and their certification, in the absence of manifest error, shall be final and binding on the Company and the Grantees.

The costs of the auditor of the Company or the appointment of independent financial adviser shall be borne by the Company.

- (a) Any alteration as referred to in this section should give a Grantee the same proportion of the equity capital of the Company as that to which that Grantee was previously entitled and no such alterations shall be made which would result in a Share being issued at less than its nominal value; and

- (b) Any alteration as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalization issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures (referred to in Hong Kong Accounting Standards 33) and the acceptable adjustments set out in the supplementary guidance and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time unless such alteration receives the prior approval of the Shareholders in a general meeting of the Company.

Cancellation of Options
Granted:

Any cancellation of Options granted but not exercised, if the Grantee of the relevant Options so agrees, must be approved by the Board. Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new Options may only be made under the 2023 Share Option Scheme with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and Service Provider Sublimit.

Termination of the 2023
Share Option Scheme:

The Company, by resolution in general meeting, or the Board may at any time terminate the 2023 Share Option Scheme and in such event no further Option will be offered but the provisions of the 2023 Share Option Scheme shall remain in full force and to the extent necessary to give effect to the exercise of any Option granted prior thereto or otherwise as may be required in accordance with the provisions of the 2023 Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the 2023 Share Option Scheme.

Restrictions on Options
and transferability:

An Option shall be personal to the Option Holder and shall not be transferable and no Option Holder shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option, unless a waiver is granted by the Stock Exchange.

Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Option Holder.

Alteration of the 2023
Share Option Scheme:

The 2023 Share Option Scheme may be altered in any respect by resolution of the Board except that alterations of the provisions of the 2023 Share Option Scheme relating to:

- (i) matters set out in Rule 17.03 of the Listing Rules to the advantage of Grantees or prospective Grantees;
- (ii) any change to the authority of the Board or administrators of the 2023 Share Option Scheme in relation to any alteration to the terms of the 2023 Share Option Scheme; or
- (iii) the terms and conditions of the 2023 Share Option Scheme which are of a material nature or any change to the terms of Options granted (except where such alterations take effect automatically under the existing terms of the 2023 Share Option Scheme) shall not be made except with the prior approval of the Shareholders in general meeting of the Company, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such majority of Grantees as would be required of the Shareholders under the constitutional documents for the time being of the Company for a variation of the rights attached to the Shares.

Change to the terms of the Options granted to an Eligible Participant must be approved by the Board, the Nomination and Remuneration Committee, the independent non-executive directors of the Company (“INEDs”) and/or Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Nomination and Remuneration Committee, the INEDs and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the 2023 Share Option Scheme.

The amended terms of the 2023 Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

- Clawback Mechanism: Without prejudice to the terms of the 2023 Share Option Scheme, in the following events, any Options granted to the Grantee which are not yet vested shall immediately lapse, unless otherwise determined by the Board at its sole and absolute discretion:
- (a) the Grantee breaches any provision of the 2023 Share Option Scheme or the relevant letter of grant of Options; or
 - (b) the Grantee violates any provisions of the Articles of Association or constitutional documents of the Company and/or of the relevant member of the Group; or
 - (c) the Grantee ceases to be an Eligible Participant by reason of termination for cause or without notice, or as a result of being charged/penalized/convicted of an offence involving the Grantee's integrity or honesty; or
 - (d) the Grantee commits a serious misconduct or material breach of any terms of a policy or other agreement under which the Grantee shall be obliged to any member of the Group.
- Grant of Options to Connected Persons:
- (a) Any grant of Option to a director, chief executive or Substantial Shareholder of the Company or any of their respective associates under the 2023 Share Option Scheme must be approved by the INEDs (excluding any INED who is the Grantee).
 - (b) Where a grant of Option is to a Substantial Shareholder of the Company or an independent non-executive director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options granted (excluding any Options lapsed in accordance with the terms of the 2023 Share Option Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Options must be approved by the Shareholders in general meeting by means of sending a circular to the Shareholders, and the grantee, his associates and all core connected persons (as defined in the Listing Rules) of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

The aforesaid circular to the Shareholders must contain, among other things:

- (a) details of the number and terms of the Option to be granted to each Grantee, which must be fixed before the general meeting, and the date of Board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the Exercise Price under section headed “Exercise Price” above (the description of the terms of the Option must include the information set out in Rules 17.03(5) to 17.03(10) and Rule 17.03(19) of the Listing Rules);
- (b) the views of the INEDs (excluding any independent non-executive Director who is the 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 Shareholders as a whole, and its recommendation to the independent Shareholders as to voting;
- (c) the information relating to any Directors who are trustees of the 2023 Share Option Scheme or have a direct or indirect interest in the trustees; and
- (d) the information required under Rule 2.17 of the Listing Rules.

Restriction on the time
of Grant of Options:

The Company may not grant any Options after inside information has come to its knowledge until (and including) the Trading Day after it has announced such information. In particular, the Company may not grant any Options during the period commencing one (1) month immediately preceding the earlier of (i) 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 results for any year, half year or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to announce its results for any year, half year under the Listing Rules, or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement (for the avoidance of doubt, no Option may be granted during any period of delay in publishing a results announcement).

The English version shall always prevail in case of any inconsistency between English version and its Chinese translation.

*SOUTH CHINA HOLDINGS COMPANY LIMITED

南華集團控股有限公司

CAYMAN ISLANDS

The Companies ~~Law (2013 Revision) (Cap. 22)~~Act (As Revised)
of the Cayman Islands

Company Limited by Shares

AMENDED AND RESTATED

MEMORANDUM AND ARTICLES OF ASSOCIATION

(adopted by a special resolution passed on 30 September 2015[20 June 2023])

~~* Amended by special resolution passed on 9 June 2015~~

CAYMAN ISLANDS

The Companies Law (2013 Revision) (Cap. 22 Act (As Revised)
of the Cayman Islands

Company Limited by Shares

AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION

(adopted by special resolution passed on 30 September 2015)

OF

***SOUTH CHINA HOLDINGS COMPANY LIMITED**

南華集團控股有限公司

(adopted by a special resolution passed on [20] June 2023)

- | | |
|--------------------------|---|
| Name | 1.* The name of the Company is South China Holdings Company Limited 南華集團控股有限公司. |
| Registered Office | 2. The Registered Office of the Company shall be at the offices of Offshore Incorporation <u>Vistra (Cayman) Limited, Floor 4, Willow House, Cricket Square, P.O. Box 280431119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-11121205, Cayman Islands</u> or at such other place as the Directors may from time to time decide. |
| Objects | 3. The objects for which the Company is established are unrestricted and shall include, but without limitation, the following: <ul style="list-style-type: none"> (a) To carry on all, or any one or more, of the following businesses in all or any of their various aspects: <ul style="list-style-type: none"> (i) the business of a holding and/or investment company in any part of the world; (ii) manufacturing, processing and/or extracting or taking goods, materials, substances, articles and merchandise of all kinds in any part of the world; (iii) general trading, importing, exporting, buying, selling and dealing in goods, materials, substances, articles and merchandise of all kinds in from and to any part of the world, whether as principal or as agent; |

* ~~Amended by special resolution passed on 9 June 2015~~

- (iv) investing, developing, dealing in and/or managing real estate or interests therein in any part of the world;
 - (v) providing services of any kind, financial or otherwise, in, from and to any part of the world;
 - (vi) acting as agents, publishers, managers, brokers, advisers and consultants in any part of the world; and
 - (vii) owning, operating, chartering and/or managing ships, vehicles and/or aircraft in any part of the world.
- (b) To carry on any other business of any nature whatsoever which may seem to the Directors to be capable of being conveniently carried on in connection or conjunction with any business of the Company hereinbefore or hereinafter authorised or to be expedient with a view to rendering profitable or more profitable any of the Company's assets or utilising its know-how or expertise.
- (c) To purchase or otherwise acquire and hold for any estate or interest any real or personal property or assets or any concessions, licences, grants, patents, ~~trade marks~~trademarks, copyrights or other exclusive or non-exclusive rights of any kind and to develop, turn to account, licence out and otherwise deal with the same in such manner as may be thought fit and to make experiments and tests and to carry on all kinds of research work.
- (d) To build, construct, pull down, equip, execute, carry out, improve, work, develop, administer, maintain, manage or control buildings, structures or facilities of all kinds, whether for the purpose of the Company or for sale letting or hire to or in return for any consideration from any company, firm or person, and to contribute to or assist in or carry out any part of any such operation.
- (e) To subscribe, underwrite, purchase, or otherwise acquire, and to hold, dispose of, and deal with, any shares or other securities or commodities or other investments of any nature whatsoever (whether or not income-producing), and any options or rights in respect thereof, and to buy and sell foreign exchange.

- (f) To undertake and execute any trusts the undertaking whereof may seem desirable and, whether in relation to any such trust or otherwise, to undertake the office of or act as executor, administrator, director, treasurer, accountant, secretary, registrar, custodian, depository or nominee or in such other capacity as the Directors may from time to time think fit.
- (g) To amalgamate or enter into partnership or any joint venture or profit-sharing arrangement or other association with any company, firm or person.
- (h) To purchase or otherwise acquire and undertake all or any part of the business, property and liabilities of any company, firm or person carrying on, or immediately prior to its liquidation or the appointment of any receiver or administrator carrying on, any business which the Company is authorised to carry on or possessed of any property suitable for the purposes of the Company.
- (i) To promote, or join in the promotion of, any company, whether or not having objects similar to those of the Company.
- (j) To borrow and raise money and to secure or discharge any debt or obligation of or binding on the Company in such manner as may be thought fit and in particular by mortgage and charges upon all or any part of the undertaking, property and assets (present and future) and the uncalled capital of the Company, or by the creation and issue of debentures, debenture stock or other securities of any description.
- (k) To advance, lend or give credit to or deposit money with any company, firm or person on such terms as may be thought fit and with or without security.

- (l) To guarantee or give indemnities or give or procure the giving of bonds or provide security, whether by personal covenant or by mortgage or charge upon all or any part of the undertaking, property and assets (present and future) and the uncalled capital of the Company, or by all or any such methods, and whether with or without consideration, for the performance of any contracts or obligations, and the payment of capital or principal (together with any premium) and dividends or interest on any shares, debentures or other securities or obligations, of, and otherwise to support and assist, any person, firm or company including (without limiting the generality of the foregoing) any company which is for the time being a subsidiary or holding company of the Company or another subsidiary of any such holding company or is otherwise allied to or associated with the Company or any such subsidiary or holding company in business or otherwise, but so that nothing in this paragraph shall authorise the carrying on by the Company of an insurance business and so that (without prejudice to the construction of any other paragraph hereof) this paragraph shall be construed both as a separate and independent object of the Company and as a power ancillary to the other objects of the Company.
- (m) To issue any securities which the Company has power to issue for any other purpose by way of security or indemnity or in satisfaction of any liability undertaken or agreed to be undertaken by the Company, but so that nothing in this paragraph shall authorise the carrying on by the Company of an insurance business.
- (n) To draw, make, accept, endorse, discount, negotiate, execute, and issue, and to buy, sell and deal with bills of exchange, promissory notes, and other negotiable or transferable instruments or securities.
- (o) To enter into, carry on and participate in financial transactions and operations of all kinds, and in particular, without affecting the generality of the foregoing, to trade in foreign currencies, to enter into interest rate and currency swaps, to buy and sell and trade futures, options, warrants and financial instruments and derivatives of financial instruments of any kind.

- (p) To sell, lease, grant licences, easements and other rights over, and in any other manner deal with or dispose of, the undertaking, property, assets, rights and effects of the Company or any part thereof for such consideration as may be thought fit or for no consideration, and in particular for shares or other securities, whether fully or partly paid up.
- (q) To procure the registration, transfer by way of continuation or incorporation of the Company in or under the laws of any territory outside Cayman Islands subject to compliance with all relevant laws.
- (r) To subscribe or guarantee money for any charitable, benevolent, public, general or useful object or for any purpose which may be considered likely directly or indirectly to further the interests of the Company or of its members.
- (s) To establish and maintain or contribute to any pension or superannuation funds for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any individuals who are or were at any time in the employment or service of the Company or of any company which is or was at any relevant time a subsidiary or holding company of the Company or another subsidiary of any such holding company or is otherwise allied to or associated with the Company or any such subsidiary or holding company, or who are or were at any time directors or officers of the Company or of any such other company, and the wives, husbands, widows, widowers, families and dependants of any such individuals; to establish and subsidise or subscribe to any institutions, associations, clubs or funds which may be considered likely to benefit any such persons or to further the interests of the Company or of any such other company; and to make payments for or towards the insurance of any such persons.

- (t) To establish and maintain, and to contribute to, any scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of its employees or former employees, or those of its subsidiary or holding company or of any other subsidiary of its holding company, or by or for the benefit of such other persons as may for the time being be permitted by law, or any scheme for sharing profits with its employees or those of its subsidiary and/or associated companies, and so far as for the time being permitted by law) to lend money to or to trustees for the beneficiaries of any such scheme for the purposes of such scheme.
- (u) So far as for the time being permitted or not prohibited by law, to purchase or otherwise acquire, and grant financial assistance for the purpose of or in connection with the acquisition by any person of, shares of any class in the capital of, or warrants for the purchase or subscription of shares of any class in the capital of, the Company or any company which is a holding company of the Company.
- (v) To distribute among members of the Company in specie or otherwise, by way of dividend or bonus or by way of reduction of capital, all or any of the property or assets of the Company, or any proceeds of sale or other disposal of any property or assets of the Company, with and subject to any incident authorised and consent required by law.
- (w) To apply for, promote and obtain any statute, order, regulation or other authorization or enactment which may seem calculated directly or indirectly to benefit the Company, and to oppose any bills, proceedings or applications which may seem calculated or likely directly or indirectly to prejudice the Company's interests.
- (x) To do all or any of the things and matters aforesaid in any part of the world, and either as principals, agents, contractors, trustees or otherwise, any by or through trustees, agents, subsidiary companies or otherwise, and either alone or in conjunction with others.
- (y) To do all such other things as may be considered to be incidental or conducive to the attainment of any of the objects and the exercise of any of the powers of the Company.

And it is hereby declared that in the interpretation of this Memorandum of Association in general and of this Clause 3 in particular no object, business or power specified or mentioned shall be limited or restricted by reference to or inference from any other object, business or power, or the name of the Company, or by the juxtaposition of two or more objects, businesses or powers and that, in the event of any ambiguity in this Clause 3 or elsewhere in this Memorandum of Association, the same shall be resolved by such interpretation and construction as will widen and enlarge and not restrict the objects, businesses and powers of and exercisable by the Company.

4. Except as prohibited or limited by the Companies ~~Law (Act (As Revised) (Cap. 22))~~, the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies ~~Law (Act (As Revised) (Cap. 22))~~ and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate, irrespective of any question of corporate benefit, in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to do any of the following acts or things, that is to say, to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, bills of exchange, bills of lading, warrants, share options (whether to employees or officers of the Company or otherwise) and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the Directors may determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to members of the Company; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; and to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.

- Limited Liability** 5. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
- Share Capital** 6. ~~**The share capital of the Company is HK\$180,260,000,000 divided into 1220,000,000,000 Ordinary Shares of a nominal or par value of HK\$0.01 each and 3,000,000,000 Convertible Preference Shares of a nominal or par value of HK\$0.02 each with 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 capital subject to the provisions of the Companies Law (Act (As Revised) (Cap. 22) 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 powers hereinbefore contained.~~
- Section 174, Companies Law Act** 7. If the Company is registered as exempted company, its ~~operations~~ business shall be carried on subject to the provisions of Section 174 of the Companies Law (Act (As Revised) (Cap. 22).
- Amendment of Memorandum** 8. ~~Subject to the Law, the Company may at any time and from time to time by special resolution alter or amend its Memorandum of Association in whole or in part provided that no such alteration or amendment shall be deemed to have been duly approved unless the special resolution in relation thereto has been passed by not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or by proxy at the general meeting at which the special resolution was proposed (or at any adjournment thereof).~~

~~** Amended by special resolution passed on 30 September 2015~~

CAYMAN ISLANDS

The Companies Law (2013 Revision) (Cap. 22 Act (As Revised))

of the Cayman Islands

Company Limited by Shares

AMENDED AND RESTATED
ARTICLES OF ASSOCIATION*(adopted by special resolution passed on 19 September 2016)*

OF

***SOUTH CHINA HOLDINGS COMPANY LIMITED**

南華集團控股有限公司

*(adopted by a special resolution passed on [20] June 2023)***Table A****Exclusion
of Table A**

1. The regulations contained in Table A in ~~the First Schedule to 1 of~~ the Companies Law Act (As Revised) shall not apply to the Company.

Interpretation**Interpretation**

2. The marginal notes to these Articles shall not affect the interpretation hereof. In these Articles, unless there be something in the subject or context inconsistent therewith:

these Articles

“these Articles” shall mean the present Articles of Association and all supplementary, amended or substituted Articles for the time being in force;

Auditors

“Auditors” shall mean the persons appointed by the Company from time to time to perform the duties of auditors of the Company;

Board

“Board” shall mean the majority of the Directors present and voting at a meeting of Directors at which a quorum is present;

* ~~Amended by special resolution passed on 9 June 2015~~

Business Day	“Business Day” shall mean a day (excluding Saturday) on which licensed banks are <u>the Exchange generally is open for the business of dealing in the Cayman Islands and securities in Hong Kong.</u> <u>Notwithstanding the foregoing, where the Exchange is closed for the business of dealing in securities in Hong Kong on a day for the reason of a typhoon warning signal, black rainstorm warning signal or other similar event, such day for the purpose of any notice sent under these Articles shall be counted as a business day;</u>
capital	“capital” shall mean the share capital <u>of the Company</u> from time to time of the Company;
the Chairman <u>Chairperson</u>	“ the Chairman <u>Chairperson</u> ” shall mean the Chairman <u>chairperson</u> presiding at any meeting of members or of the Board;
<u>Communication Facilities</u>	“ <u>Communication Facilities</u> ” shall mean <u>video-conferencing, internet or online conferencing applications, tele-conferencing and/or any other video-communications, internet or online conferencing application or telecommunication facilities by means of which persons participating in a meeting are capable of hearing and being heard by each other;</u>
the Companies Law/ <u>the LawAct/ Act</u>	“ the Companies LawAct ” or “ the LawAct ” shall mean the Companies Law <u>(2013Act (2023 Revision), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;</u>
the Companies <u>Ordinance</u>	“ the Companies Ordinance ” shall mean the Companies Ordinance (Cap. 326 <u>22</u> of the Laws of Hong Kong) as in force from time to time;
*the Company	“ the Company ” or “this Company” shall mean South China Holdings Company Limited 南華集團控股有限公司;
the Company’s <u>Website</u>	“ the Company’s Website ” shall mean the website of the Company, the address or domain name of which has been notified <u>opened to the public (including members);</u>
Convertible Preference Shares	“Convertible Preference Shares” shall mean the redeemable convertible preference shares of par value of HK\$0.02 each in the capital of the Company, the rights of which are set out in Article 4A;

* ~~Amended by special resolution passed on 9 June 2015~~

Directors	“Directors” shall mean the directors from time to time of the Company;
dividend	“dividend” shall include bonus dividends and distributions permitted by the LawAct to be categorised as dividends;
dollars/HK\$	“dollars” and “HK\$” shall mean <u>Hong Kong dollars</u> legally current, a legal currency in Hong Kong;
electronic	“electronic” shall have the meaning given to it in the Electronic Transactions LawAct ;
electronic means	“electronic means” includes sending or otherwise making available to the intended recipients of the communication in electronic format;
Electronic Signature	“Electronic Signature” means an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;
Electronic Transactions LawAct	“Electronic Transactions LawAct ” shall mean the Electronic Transactions LawAct (2003 Revision) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
Exchange	“Exchange” shall mean The Stock Exchange of Hong Kong Limited;
Hong Kong	“Hong Kong” shall mean the Hong Kong Special Administrative Region of the People’s Republic of China and its dependencies ;
HK Code on Takeovers & Mergers	“HK Code on Takeovers & Mergers” shall mean the Code on Takeovers and Mergers issued by the SFC as amended from time to time;
<u>Hybrid Meeting</u>	<u>“Hybrid Meeting” shall mean a general meeting convened for the (i) physical attendance by the members and/or proxies of members and/or representatives in the case of corporate members at the Principal Meeting Place and where applicable, one or more meeting locations, and (ii) virtual attendance and participation by Shareholders and/or proxies by means of electronic facilities;</u>

Listing Rules	“Listing Rules” shall mean the Rules Governing the Listing of Securities on The <u>the</u> Stock Exchange of Hong Kong Limited as amended from time to time;
<u>members/</u> <u>shareholders</u>	<u>“members” or “shareholders” shall mean the persons who are duly registered as the holders from time to time of shares of the Company in the register including persons who are jointly so registered;</u>
month	“month” shall mean a calendar month;
ordinary resolution	“ordinary resolution” shall mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting held in accordance with these Articles and includes an ordinary resolution passed pursuant to Article 84;
**Ordinary Shares	“Ordinary Shares” shall mean ordinary shares of par value of HK\$0.01 each in the capital of the Company or, if there has been a sub-division, consolidation, reclassification or re-construction of the ordinary share capital of the Company, such ordinary shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, reclassification or reconstruction;
<u>Principal Meeting</u> <u>Place</u>	<u>“Principal Meeting Place” shall mean the place of the general meeting as determined by the Board;</u>
principal register	“principal register” shall mean the register of members of the Company maintained at such place within or outside the Cayman Islands as the Board shall determine from time to time;
published in the newspapers	“published in the newspapers” means published as a paid advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper, being in each case a newspaper published daily and circulating generally in Hong Kong in accordance with the Listing Rules;
published on the Exchange’s website	“published on the Exchange’s website” means published in English and Chinese on the Exchange’s website in accordance with the Listing Rules;

~~** Amended by special resolution passed on 30 September 2015~~

law	<u>“law” means any applicable law (including its amendments and re-enactments) to which the Company is subject;</u>
recognised clearing house	“recognised clearing house” shall have the meaning ascribed thereto in Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) or a clearing house recognised by laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction;
rights issue	“rights issue” means an offer by way of rights to existing holders of securities of the Company which enables those holders to subscribe for securities in proportion to their existing holdings;
the register	“the register” shall mean the principal register and any branch registers;
registration office	“registration office” shall mean in respect of the shares of the Company, such place or places where the Board from time to time determines to keep a branch register of holders in respect of such shares and where (except in cases where the Board otherwise determines) transfers of documents of title for such shares are to be lodged for registration and are to be registered;
rights issue	<u>“rights issue” means an offer by way of rights to existing shareholders which enables those shareholders to subscribe for shares of the Company in proportion to their existing holdings;</u>
seal	“seal” shall include the common seal of the Company, the securities seal or any duplicate seal adopted by the Company pursuant to Article 137;
Secretary	“Secretary” shall mean the person appointed as company secretary by the Board from time to time;
SFC	“SFC” shall mean the Securities and Futures Commission of Hong Kong;
share	“share” shall mean a share in the capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied;

**special resolution
shareholders/
members**

~~“shareholders” or “members” shall mean the persons who are duly registered as the holders from time to time of shares in the register including persons who are jointly so registered;~~

“special resolution” shall have the same meaning as ascribed thereto in the Act and shall include a unanimous written resolution of all members for this purpose, the requisite majority shall be not less than three-fourths of the votes of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and shall include a special resolution passed pursuant to Article 84;

**subsidiary and
holding company
special resolution**

~~“special resolution” shall have the same meaning as ascribed thereto in the Law and shall include a unanimous written resolution of all members: for this purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution passed pursuant to Article 84;~~

“subsidiary” and “holding company” shall have their respective meanings ascribed in the Listing Rules;

**transfer
officesubsiary
and holding
company**

~~“subsidiary” and “holding companytransfer office” shall havemean the meanings ascribed to such terms underplace where the Listing Rules;principal register is situate for the time being;~~

transfer office

~~“transfer office” shall mean the place where the principal register is situate for the time being;~~

**words defined in
Lawthe Actto bear
same meaning in
Articles**

subject as aforesaid, any words defined in the ~~Law~~Act shall, if not inconsistent with the subject and/or context, bear the same meanings in these Articles;

- writing/printing** “writing” or “printing” shall include writing, printing, lithograph, photograph, type-writing and every other mode of representing words or figures in a legible and non-transitory form and, only where used in connection with a notice served by the Company on members or other persons entitled to receive notices hereunder, shall also include a record maintained in an electronic medium which is accessible in visible form so as to be useable for subsequent reference;
- gender** words importing either gender shall include the other gender and the neuter;
- persons/companies** words importing persons and the neuter shall include companies and corporations and vice versa;
- singular and plural** words denoting the singular shall include the plural and words denoting the plural shall include the singular;
- Electronic Transactions Law** ~~sections 8 and 19 of the Electronic Transactions Law shall not apply.~~
- Share Capital and Modification of Rights**
- Capital** 3. ~~**~~The capital of the Company at the date of the adoption of these Articles is HK\$~~180~~260,000,000 divided into ~~1220~~1220,000,000 Ordinary Shares of HK\$0.01 each and 3,000,000,000 Convertible Preference Shares of HK\$0.02 each.
- Issue of shares** 4. Subject to the provisions of these Articles and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Board may determine. Subject to the ~~Law Act~~ and to any special rights conferred on any shareholders or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof is, liable to be redeemed. No shares shall be issued to bearer.

~~** Amended by special resolution passed on 30 September 2015~~

**Convertible
Preference Shares**

4A. (1) The Convertible Preference Shares shall be non-voting shares and shall not carry any right or preference save as set out herein. Unless the context otherwise requires:

“Alternative Stock Exchange” shall mean any stock exchange other than the Exchange on which the Ordinary Shares, if not listed on the Exchange, are listed;

“CCASS” shall mean the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;

“CCASS Clearing Participant” shall mean a person admitted to participate in CCASS as a direct clearing participant or general clearing participant;

“CCASS Custodian Participant” shall mean a person admitted to participate in CCASS as a custodian participant;

“CCASS Investor Participant” shall mean a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation;

“CCASS Participant” shall mean a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant;

“Conversion Date” shall mean the Business Day immediately following the date of surrender of the certificate in respect of the relevant Convertible Preference Shares and delivery of an effective Conversion Notice pursuant to Article 4A(6);

“Conversion Event” shall mean the conversion of Convertible Preference Shares by a Convertible Preference Shareholder pursuant to Article 4A(6)(a);

“Conversion Notice” shall mean a notice served by any Convertible Preference Shareholder from time to time stating that such Convertible Preference Shareholder wishes to exercise the Conversion Right in respect of one or more Convertible Preference Shares held by such Convertible Preference Shareholder, in substantially the form prescribed by the Company from time to time;

“Conversion Rate” shall mean the rate for conversion of the Convertible Preference Shares into Ordinary Shares as determined in accordance with Article 4A(6)(c);

“Conversion Right” shall mean the right, subject to the provisions of Article 4A(6) of Convertible Preference Shareholders to convert any Convertible Preference Shares into Ordinary Shares;

“Conversion Price” shall mean as of any Conversion Date, the initial conversion price as determined at the Issue Date, as adjusted from time to time in accordance with Article 4A(7);

“Convertible Preference Shareholder” shall mean a person registered from time to time in the register as a holder of Convertible Preference Share(s);

“Converting Shareholder” shall mean a Convertible Preference Shareholder all or some of whose Convertible Preference Shares are being or have been converted into Ordinary Shares;

“Independent Financial Adviser” shall mean an independent investment bank or financial advisory firm that is licensed ~~under the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong)~~ by the SFC for carrying out Type 6 regulated activities in Hong Kong, reasonably selected by the Company and acting as an expert;

“Issue Date” shall mean the date of allotment and issue of the Convertible Preference Shares;

“Public Float Requirement” shall mean the requirement under the Listing Rules applicable to the Company that not less than a specified percentage of the shares which are listed on the Exchange shall be held by the public ~~for the purpose of the Listing Rules~~;

“Record Date” shall mean the date and time by which a subscriber, transferee or holder of securities of the class in question would have to be registered in order to participate or be entitled to in the relevant distribution or rights; and

“Reference Amount” shall mean the issue price of the Convertible Preference Shares.

(2) Dividend

- (a) The Convertible Preference Shareholders shall be entitled to *pro-rata* shares of the dividend or distribution, where the Board, at its discretion, declares to the holders of Ordinary Shares. Such dividend or distribution shall be calculated on an “as converted” basis as if the issued capital of the Company ~~had been~~were enlarged by the maximum number of Ordinary Shares that could ~~be~~have been converted by the full conversion of the outstanding Convertible Preference Shares at the then effective Conversion Price such that the dividend or distribution that the Convertible Preference Shareholders receive is equal to the dividend or distribution they would have received had the outstanding Convertible Preference Shares been wholly converted into Ordinary Shares immediately prior to the Record Date for calculation of dividend or distribution entitlements.
- (b) The dividends or distributions payable to the Convertible Preference Shareholders shall not be cumulative, and no right shall accrue to the holders thereof by reason of the fact that dividends or distributions are not declared or paid in any previous fiscal year of the Company, whether or not the legally available funds of the Company in that previous fiscal year was sufficient to pay such dividends or distributions in whole or in part.

(3) Distribution of Assets

On a distribution of assets on liquidation, winding-up or dissolution of the Company, the assets and funds of the Company available for distribution among the members of the Company shall, subject to applicable laws, be applied in the following priority:

- (a) firstly, in paying to each of the Convertible Preference Shareholders an amount equal to the aggregate issue price of the relevant Convertible Preference Shares held by such Convertible Preference Shareholder, or where the available assets are insufficient, on a *pro-rata* basis with reference to the proportion which the issue price of the relevant Convertible Preference Shares held by such Convertible Preference Shareholder bears to the aggregate issue price of all the Convertible Preference ~~shares~~Shares then in issue, *pari passu* as between themselves;
- (b) secondly, the balance of such assets shall belong to and be distributed on a *pari passu* basis among the holders of any class of shares, other than the Convertible Preference ~~share~~Shares and any other shares in the Company not entitled to participate in the distribution of such assets, in accordance with the respective rights attaching thereto.
- (4) Ranking of the Convertible Preference Shares

Save as expressly provided in this Article 4A each Convertible Preference Share shall have the same rights as each of the Ordinary Shares. The Company may issue, without obtaining the consent of the Convertible Preference Shareholders, shares ranking senior and in priority to or *pari passu* with the Convertible Preference Shares as regards order of the participation in profits or assets and carrying such rights as to rates of dividend, voting, redemption, conversion, exchange or otherwise as the ~~Directors~~Board may determine, or as the Company may by ordinary resolution determine.

(5) Voting

- (a) The Convertible Preference Shares shall not confer on the holders thereof the right to receive notice of, or to attend and vote at, a general meeting of the Company, unless a resolution is to be proposed at a general meeting for winding-up the Company or a resolution is to be proposed which if passed would (subject to any consents required for such purpose being obtained) vary or abrogate the rights or privileges of the Convertible Preference Shareholders or vary the restrictions to which the Convertible Preference Shares are subject, in which event the Convertible Preference Shares shall confer on the holders thereof the rights to receive notice of, and to attend and vote at, that general meeting, save that such holders may not vote upon any business dealt with at such general meeting except any motion for adjournment and the resolution for winding-up or the resolution which if passed would (subject to any consents required for such purpose being obtained) so vary or abrogate the rights and privileges of the Convertible Preference Shareholders or vary the restrictions to which the Convertible Preference Shares are subject.
- (b) Where Convertible Preference Shareholders are entitled to vote on any resolution then, at the relevant general meeting or class meeting, on a show of hands every Convertible Preference Shareholder who is present in person or by proxy or (being a corporation) by a representative shall have one vote and on a poll every Convertible Preference Shareholder who is present in person or by proxy or (being a corporation) by a representative shall have one vote for each Ordinary Share into which each Convertible Preference Share held by him would be converted as if the Conversion Date for such Convertible Preference Share were the date 48 hours preceding the date of such general meeting or class meeting.

(6) Conversion

- (a) The Convertible Preference Shares shall be convertible at the option of the Convertible Preference Shareholder, at any time commencing from 3:00 p.m. (Hong Kong time) on the Business Day immediately after the Issue Date and without the payment of any additional consideration therefor, into such number of fully-paid Ordinary Shares as determined in accordance with the then effective Conversion Rate.
- (b) Subject to paragraphs (f) and (g)(i) of this Article 4A(6), the number of Ordinary Shares to which a Converting Shareholder shall be entitled upon conversion following a Conversion Event shall be the number obtained by multiplying the Conversion Rate then in effect by the number of Convertible Preference Shares being converted.
- (c) The Conversion Rate of each Convertible Preference Share shall be determined by dividing the Reference Amount of each Convertible Preference Share by the Conversion Price in effect at the time of conversion provided that the Conversion Price shall not be less than the then subsisting nominal value of an Ordinary Share into which such Convertible Preference Share is convertible. The Conversion Rate initially is one, i.e. one Convertible Preference Share is convertible into one Ordinary Share.
- (d) (i) Any Convertible Preference Shareholder who wishes to convert one or more Convertible Preference Shares held by it pursuant to paragraph (a) of this Article 4A(6) shall deliver to the Company at its principal place of business in Hong Kong a Conversion Notice. The Conversion Notice shall be deemed to have been served on the fifth Business Day following the day of posting if sent by registered post (or by pre-paid airmail if posted from outside Hong Kong).

(ii) The relevant Convertible Preference Shareholder shall deliver to the Company at its principal place of business in Hong Kong for surrender the certificate(s) evidencing the Convertible Preference Shares to be converted or, if such certificates have been lost or destroyed, such evidence of title as the Company may reasonably require, at the same time and together with the Conversion Notice given by such Convertible Preference Shareholder pursuant to paragraph (d)(i) of this Article: ~~4A(6)~~.

(iii) Upon delivery of the Conversion Notice and the certificate(s) evidencing the Convertible Preference Shares to be converted by the holder thereof to the Company, the Company shall promptly, and in any event no later than five (5) Business Days after the date of receipt of such Conversion Notice and certificate(s):

~~***~~(1) issue and deliver to such holder or (if so instructed by the Converting Shareholder in the Conversion Notice) any other person(s) designated by such holder (a) certificate(s) for the number of Ordinary Shares into which the Convertible Preference Shares are converted in the name as shown on the certificate(s) evidencing the Convertible Preference Shares so surrendered to the Company or, where applicable, the name(s) of the person(s) so designated in the Conversion Notice as aforesaid; or

(2) (if so instructed by the Converting Shareholder in the Conversion Notice) issue in the name of HKSCC Nominees Limited, cause to be deposited into CCASS and credited into the CCASS Investor Participant stock account or the stock account of the designated CCASS Participant as instructed in the Conversion Notice, such number of Ordinary Shares into which the Convertible Preference Shares are converted,

in each case together with cash in lieu of any fraction of an Ordinary Share in accordance with paragraph (f) of this Article: ~~4A(6)~~.

- (e) The Company shall ensure that at all times there is a sufficient number of unissued Ordinary Shares in its authorised share capital to be issued in satisfaction of the Conversion Rights of the Convertible Preference Shares.
- (f) No fraction of an Ordinary Share arising on conversion will be allotted to the Converting Shareholder of the relevant Convertible Preference Share(s) otherwise entitled thereto but such fractions will, when practicable, be aggregated and sold and the net proceeds of sale will then be distributed *pro-rata* among such holders unless in respect of any holding of relevant Convertible Preference Shares the amount to be so distributed would be less than HK\$100 (or its equivalent in another currency at a prevailing exchange rate selected by the Directors), in which case such amount will not be so distributed but will be retained for the benefit of the Company. Unless otherwise agreed between the Company and a Converting Shareholder, if more than one Convertible Preference Share shall fall to be converted pursuant to any one Conversion Notice, the number of Ordinary Shares to be issued upon conversion shall be calculated on the basis of the aggregate Reference Amount of the relevant Convertible Preference Shares. For the purpose of implementing the provisions of this sub-paragraph, the Company may appoint ~~some~~any person to execute transfers, renunciations or other documents on behalf of persons entitled to any such fraction and generally may make all arrangements which appear to it to be necessary or appropriate for the settlement and disposal of fractional entitlements.

- (g) (i) Notwithstanding anything to the contrary herein, if the issue of Ordinary Shares following the exercise by a Convertible Preference Shareholder of the Conversion Rights relating to any of the Convertible Preference Shares held by such Convertible Preference Shareholder would result in (a) such Convertible Preference Shareholder and parties acting in concert with it (within the meaning of the HK Code on Takeovers & Mergers), taken together, directly or indirectly controlling or being interested in 30% or more of the entire issued voting share capital of the Company (or such other percentage as may from time to time be specified in the HK Code on Takeovers & Mergers as being the level for triggering a mandatory general offer) as at the date of conversion and a mandatory general offer obligation will be triggered under the HK Code on Takeovers & Mergers, unless either (i) such Convertible Preference Shareholder and parties acting in concert with it comply with the HK Code on Takeovers & Mergers and make a general offer to acquire for all the Ordinary Shares not already owned by them; or (ii) a whitewash waiver to waive the requirement for such Convertible Preference Shareholder and parties acting in concert with it to make the mandatory general offer is approved by the independent shareholders of the Company and is granted by the Executive Director of the Corporate Finance Division of the SFC pursuant to the HK Code on Takeovers & Mergers before the date of completion of the conversion; or (b) the Company not meeting the Public Float Requirement immediately after the conversion, then the number of Ordinary Shares to be issued pursuant to such conversion shall be limited to the maximum number of Ordinary Shares issuable by the Company which would not in the reasonable opinion of the Company result in a breach of the Public Float Requirement or mandatory general offer being triggered under the HK Code on Takeovers & Mergers (as the case may be) and the balance of the Conversion Rights attached to the Convertible Preference Shares which the Convertible Preference Shareholder sought to convert shall be suspended until such time when the Company is able to issue additional Ordinary Shares in satisfaction of the exercise of the said balance of Conversion Rights and at the same time comply with the Public Float Requirement or without triggering a mandatory general offer under the HK Code on Takeovers & Mergers or the general offer is made by such Convertible Preference Shareholder and parties acting in concert with it or a whitewash waiver is approved and granted as set out above.

- (ii) In the event that paragraph (g)(i) of this Article shall affect the exercise of the Conversion Right of any Convertible Preference Shareholder, the Company shall use reasonable endeavours to procure that there will be a sufficient number of shares in public hands for the purposes of the Listing Rules so that all Convertible Preference Shares suspended from conversion may be converted to the fullest extent as soon as practicable without causing the Company to breach the Public Float Requirement or without triggering a mandatory general offer under the HK Code on Takeovers & Mergers.
 - (h) Each Converting Shareholder shall comply with all applicable provisions of the HK Code on Takeovers & Mergers.
- (7) Conversion Price Adjustments
 - (a) The Conversion Price shall from time to time be adjusted in accordance with the following relevant provisions:
 - (i) if and whenever there is any consolidation or sub-division of the Ordinary Shares, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount. Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or sub-division becomes effective;

- (ii) if and whenever the Company shall issue any Ordinary Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or contributed surplus account) and the Convertible Preference Shareholder is not entitled to such capitalisation issue pursuant to the provisions herein, then the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the aggregate nominal amount of the issued Ordinary Shares immediately before such issue and dividing the result by the sum of such aggregate nominal amount and the aggregate nominal amount of the Ordinary Shares issued in such capitalisation. Each such adjustment shall be effective (if appropriate, retroactively) from the commencement of the day next following the Record Date for such issue;
- (iii) if and whenever the Company shall offer to holders of Ordinary Shares new Ordinary Shares for subscription by way of rights, or shall grant to holders of Ordinary Shares any options or warrants to subscribe for new Ordinary Shares, at a price which is less than 90% of the average of the closing prices of the Ordinary Shares as quoted on the Exchange (or the Alternative Stock Exchange, as the case may be) for the five consecutive days before the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

$$\frac{P + \frac{Q \times R}{S}}{P + Q}$$

where:

P = the number of Ordinary Shares in issue immediately before the date of such announcement

Q = the aggregate number of Ordinary Shares so offered for subscription

R = the amount (if any) payable for the right, option or warrant to subscribe for each new Ordinary Share plus the subscription price payable for each new Ordinary Share

S = the market price of one Ordinary Share on the trading day immediately prior to such announcement.

Such adjustment shall become effective (if appropriate retroactively) from the commencement of the Business Day next following the Record Date for the offer or grant.

- (b) If the Conversion Price is adjusted with effect (retroactively or otherwise) from a date on or before the date on which the names of the Convertible Preference Shareholders whose Convertible Preference Shares are converted into Ordinary Shares pursuant hereto or such other persons as they may direct are entered into the register and such Convertible Preference Shareholders, entitlement were arrived at on the basis of unadjusted Conversion Price, the Company shall procure that such number of Ordinary Shares which would have been required to be issued on conversion of such Convertible Preference Shares if the relevant adjustment had been given effect to as at the date of conversion shall be allotted and issued to such Convertible Preference Shareholders or such other persons as they may direct.

- (c) Notwithstanding the provisions of paragraph (a) of this Article, in any circumstances where the Directors shall consider that an adjustment to the Conversion Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Conversion Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or at a different time from that provided for under the provisions, the Company may appoint an Independent Financial Adviser to consider whether for any reason whatever adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if the Independent Financial Adviser shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner including without limitation, making an adjustment calculated on a different basis and/or the adjustment shall take effect from such other date and/or time as shall be certified by the Independent Financial Adviser to be in its opinion appropriate.
- (d) Any adjustment to the Conversion Price shall be made to the nearest cent so that any amount under half a cent shall be rounded down and an amount of half a cent or more shall be rounded up and in no event shall any adjustment (otherwise than upon the consolidation of Ordinary Shares into shares of a larger nominal amount or upon a repurchase of Ordinary Shares) involve an increase in the Conversion Price.

- (e) Where the result of any act or transaction of the Company, having regard to the provisions of this Article 4A(7), would be to reduce the Conversion Price to below the nominal amount of an Ordinary Share, no adjustment to the Conversion Price shall be made pursuant to any of the relevant provisions of this Article 4A(7) unless (i) the Articles shall be in such form, or shall have been altered or added to in such manner, as may be necessary or appropriate to enable this Article 4A(7) to be implemented, and (ii) implementation of such provisions is not prohibited by and is in compliance with the provisions of the Companies ~~Law~~Act.
 - (f) Whenever the Conversion Price is adjusted, the Company shall give notice to the Convertible Preference Shareholders that the Conversion Price has been adjusted (setting forth the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof).
- (8) Redemption
- (a) Without prejudice to the power of the Company to repurchase the Convertible Preference Shares in accordance with the Articles, the Convertible Preference Shares are not redeemable except by the Company at its absolute and sole discretion, in accordance with this Article 4A(8).
 - (b) The Company may redeem from any source of funds legally available therefor, the Convertible Preference Shares at any time by paying in cash or in kind in exchange for the Convertible Preference Shares to be redeemed a sum equal to its issue price (as adjusted for stock splits, reclassifications, stock dividends (to the extent to which the Convertible Preference Shareholder is not entitled pursuant to the provisions herein) or the like) (the “**Redemption Price**”).
 - (c) A Convertible Preference Shareholder shall have no right to demand redemption of whole or any part of the Convertible Preference Shares.

- (d) To redeem the Convertible Preference Shares, written notice shall be given to the Convertible Preference Shareholders, notifying the Convertible Preference Shareholders of the redemption to be effected, specifying the number of Convertible Preference Shares to be redeemed, the date on which redemption shall take place (the “**Redemption Date**”) and the applicable Redemption Price (the “**Redemption Notice**”). Unless otherwise specified by the Company in the Redemption Notice, completion of the redemption shall take place at the principal office of the Company in Hong Kong. On or before the Redemption Date, the Convertible Preference Shareholders shall surrender to the Company the certificate(s) representing such number of the Convertible Preference Shares subject to the Redemption Notice, and thereupon the Redemption Price shall be payable to the Convertible Preference Shareholders at the bank account designated by Convertible Preference Shareholders in writing prior to the Redemption Date, and thereafter, each surrendered certificate shall be cancelled. In the event that less than all the Convertible Preference Shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed Convertible Preference Shares.
- (e) From and after the date of issue of the Redemption Notice, all rights of Convertible Preference Shareholders designated for redemption in the Redemption Notice as Convertible Preference Shareholders shall cease with respect to such Convertible Preference Shares, and such Convertible Preference Shares shall not thereafter be transferred on the books of the Company or be deemed to be outstanding for any purpose whatsoever.

(9) Registration

- (a) The Company shall maintain and keep a full and complete register as required by applicable laws for purposes of determining the Convertible Preference Shares in issue and the Convertible Preference Shareholders and recording any transfer, purchase, repurchase, redemption, conversion and/or cancellation of the Convertible Preference Shares or otherwise, and the issue of any replacement certificate in respect of the Convertible Preference Shares in substitution for any mutilated, defaced, lost, stolen or destroyed certificate in respect of any Convertible Preference Shares and of sufficient identification details of all Convertible Preference Shareholders from time to time holding the Convertible Preference Shares.
- (b) As soon as practicable, and in any event not later than five (5) Business Days after the Conversion Date, the Company will, register or procure that its agent to register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Ordinary Shares in the register of holders of Ordinary Shares and will mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice.
- (c) Convertible Preference Shares which are converted will be cancelled by removal of the holder's name from the register on the relevant Registration Date (as defined in paragraph (e) of this Article 4A(9)).

- (d) If the Registration Date in relation to any Convertible Preference Share shall be on or after a date with effect from which an adjustment to the Conversion Price takes retroactive effect pursuant to any of the provisions in Article 4A(7), the Company will procure that the provisions of Article 4A(9)(b) shall be applied *mutatis mutandis* to such number of Ordinary Shares as is equal to the excess of the number of Ordinary Shares which would have been required to be issued on conversion of such Convertible Preference Share if the relevant retroactive adjustment had been given effect as at the said Registration Date over the number of Ordinary Shares previously issued (or which the Company was previously bound to issue) pursuant to such conversion, and in such event and in respect of such number of Ordinary Shares references to the Conversion Date shall be deemed to refer to the date upon which such retroactive adjustment becomes effective (disregarding the fact that it becomes effective retroactively).
- (e) The person or persons specified for that purpose in the Conversion Notice will become the holder of record of the number of Ordinary Shares issuable upon conversion with effect from the date he is or they are registered as such in the register of Ordinary Shares (the “**Registration Date**”). Save as set out in this Article 4A(9), a holder of Ordinary Shares issued on conversion of Convertible Preference Shares shall not be entitled to any rights the Record Date for which precedes the relevant Registration Date.

(10) Transfer

The Convertible Preference Shares (and each of them) may be transferred by the holder thereof without restriction. The Company shall facilitate any such transfer of the Convertible Preference Shares subject to the transfer being in compliance with the Articles, applicable laws and regulatory requirements, including the Listing Rules and the rules of any stock exchange on which the securities of the Company are listed.

(11) Listing

No listing of the Convertible Preference Share shall be sought on the Exchange or on any other stock exchanges.

Issue of warrants

5. Subject to the Listing Rules ~~and these Articles~~, the Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine. No warrants shall be issued to bearer ~~for~~ so long as a recognised clearing house (in its capacity as such) is a member of the Company. Where warrants are issued to bearer, no new warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed and the Company has received an indemnity in such form as the Board shall think fit with regard to the issue of any such new warrant.

**How class rights
may be modified**

6. (a) If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the ~~Law~~Act, be varied or abrogated 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 meeting of the holders of shares of that class ~~by members holding shares representing not less than three-fourths in normal value of the shares present in person or by proxy and voting at such meeting.~~ by members holding shares representing not less than three-fourths in normal value of the shares present in person or by proxy and voting at such meeting. To every such separate meeting all the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class, ~~and that any holder of shares of the class present in person or by proxy may demand a poll.~~
- (b) The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

App.3.15

- (c) Subject to the provisions of these Articles and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Board may determine. Subject to the Act and to any special rights conferred on any members or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is or at the option of the Company or the holder thereof is liable to be redeemed, and no shares shall be issued to bearer.

Company may purchase and finance the purchase of own shares and warrants

7. Subject to the ~~Law~~Act, or any other law or so far as not prohibited by any law or the Listing Rules and subject to any rights conferred on the holders of any class of shares, the Company shall have the power to purchase or otherwise acquire any of its own shares (which expression as used in this Article includes redeemable shares) provided that the manner of purchase has first been authorised by a resolution of the shareholders, and to purchase or otherwise acquire warrants for the subscription or purchase of its own shares, and shares and warrants for the subscription or purchase of any shares in any company which is its holding company and may make payment therefor in any manner authorised or not prohibited by law, including out of capital, or to give, directly or indirectly, by means of a loan, a guarantee, a gift, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any shares or warrants in the Company or any company which is a holding company of the Company and should the Company purchase or otherwise acquire its own shares or warrants neither the Company nor the Board shall be required to select the shares or warrants to be purchased or otherwise acquired rateably or in any other manner as between the holders of shares or warrants of the same class or as between them and the holders of shares or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such purchase or other acquisition or financial assistance shall only be made in accordance with any relevant code, rules or regulations issued by the Exchange or the ~~Securities and Futures Commission of Hong Kong~~SFC from time to time in force.
- 7A. The Board may accept the surrender for no consideration of any fully paid share.

Power to increase capital

8. The Company in general meeting may, from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

- Redemption**
9. (a) Subject to the provisions of the ~~Law~~Act and the Memorandum 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 holders are, liable to be redeemed on such terms and in such manner, including out of capital, as ~~the Board may deem fit~~determined by a special resolution.
- (b) 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, and if purchases are by tender, ~~tenders~~ which shall be made available to all shareholders alike.
- Purchase or redemption not to give rise to other purchases or redemptions**
10. (a) The purchase or redemption of ~~any share~~one class of shares shall not be deemed to give rise to the purchase or redemption of any other ~~share~~classes of shares.
- (b) The holder of the shares being purchased, surrendered or redeemed shall be bound to deliver up to the Company at its principal place of business in Hong Kong or such other place as the Board shall specify the certificate(s) thereof, if any, for cancellation and thereupon the Company shall pay to him the purchase or redemption monies in respect thereof.
- Certificates to be surrendered for cancellation**
- Shares at the disposal of the Board**
11. Subject to the provisions of the ~~Law, of~~Act, the Memorandum of Association of the Company; and ~~of~~ these Articles relating to new shares, the unissued shares in the Company (whether forming part of its 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, as the Board shall determine.
- Company may pay commissions**
12. The Company may, unless prohibited by law, at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but ~~so that~~ the conditions and requirements of the ~~Law~~Act shall be observed and complied with, and in each case the commission shall not exceed 10% of the price at which the shares are issued.

**Company not to
recognise trusts in
respect of shares**

13. Except as otherwise expressly provided by these Articles or as required by law or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any shares or any interest in any fractional part of a share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

Register of Members and Share Certificates**Share register**

14. (a) The Board shall cause to be kept at such place within or outside the Cayman Islands as it deems fit a principal register of the members and there shall be entered therein the particulars of the members and the shares issued to each of them and other particulars required under the ~~Law Act~~.
- (b) If the Board considers it necessary or appropriate, the Company may establish and maintain a branch register or registers of members at such location or locations within or outside the Cayman Islands as the Board thinks fit. The principal register and the branch register(s) shall together be treated as the register for the purposes of these Articles.
- (c) The Board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.
- (d) Notwithstanding anything contained in this Article, the Company shall as soon as practicable and on a regular basis record in the principal register all transfers of shares effected on any branch register and shall at all times maintain the principal register in such manner as to show at all times the members for the time being and the shares respectively held by them, in all respects in accordance with the ~~Companies Law Act~~.

- (e) For so long as any shares are listed on the Exchange, title to such listed shares may be evidenced and transferred in accordance with the Listing Rules that are or shall be applicable to such listed shares. The register of members maintained by the Company in respect of such listed shares (whether the principal register or a branch register) may be kept by recording the particulars required by Section 40 of the ~~Law Act~~ in a form otherwise than legible (provided it is capable of being reproduced in a legible form) if such recording otherwise complies with the Listing Rules that are or shall be applicable to such listed shares.
15. (a) Except when a register is closed and, if applicable, subject to the additional provisions of ~~paragraph (d) of this Article 15~~, the principal register and any branch register shall during business hours be kept open to the inspection of any member without charge. App.3.20
- (b) The reference to business hours in paragraph (a) of this Article 15 is subject to such reasonable restrictions as the Company in general meeting may impose, but so that not less than two (2) hours in each business day is to be allowed for inspections.
- (c) The register may, on fourteen (14) days' notice (or on six (6) ~~business days~~²) Business Days' notice in the case of a rights issue) being given by advertisement published on the Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than thirty (30) days in any financial year of the Company (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond sixty (60) days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of this Article with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed. In the event that there is an alteration of book closure dates, the Company shall give at least five (5) ~~business days~~²) Business Days' notice in accordance with the procedures set out in this Article 15. App.3.20

- (d) Any register held in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Board may impose) be open to inspection by a member without charge and any other person on payment of such fee not exceeding HK\$2.50 (or such higher amount as may from time to time be permitted under the Listing Rules) as the Board may determine for each inspection. Any member may require a copy of the register, or any part thereof, on payment of HK\$0.25, or such lesser sum as the Company may prescribe, for every 100 words or fractional part thereof required to be copied. The Company shall cause any copy so required by any person to be sent to that person within a period of ten (10) days commencing on the date next after the day on which the request is received by the Company.
- (e) In lieu of, or apart from, closing the register of members pursuant to other provisions in these Articles, the Board may fix in advance a date as the record date for any such determination of members entitled to receive notice of, or to vote at any general meeting of the members or any adjournment thereof, or for the purpose of determining the members entitled to receive payment of any dividend or distribution, or in order to make a determination of members for any other purpose.

Share certificates

16. Every person whose name is entered as a member in the register shall be entitled without payment to receive within any relevant time prescribed in the ~~Law Act~~ or as the Exchange may from time to time determine, whichever is shorter, after allotment or ~~lodgment~~lodgement of transfer ~~(, or within such other period as the ~~condition~~conditions of issue shall provide),~~ one certificate for all his shares of each class or several certificates each for one or more of his shares of each class upon payment of a fee which shall not exceed the maximum fee prescribed or permitted from time to time by the Exchange for every certificate after the first or such lesser sum as the ~~Directors~~Board shall from time to time determine provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue certificate or certificates to each such person and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders. All certificates for shares shall be delivered personally or sent through the post addressed to the member entitled thereto at his address as appearing in the register of members.

- Share certificates to be sealed** 17. Every certificate for shares or debentures or representing any other form of security of the Company shall be issued under the seal of the Company, which shall only be affixed with the authority of the Board.
- Every certificate to specify number and class of shares** 18. Every share certificate shall specify the number and class and distinguishing numbers (if any) of shares in respect of which it is issued and the amount paid thereon or the fact that they are fully paid, as the case may be, and may otherwise be in such form as the Board may from time to time prescribe. No certificates shall be issued representing shares of more than one class.
- Joint holders** 19. The Company shall not be bound to register more than four persons as joint holders of any share. If any share shall stand in the names of two or more persons, the person first named in the register of members shall be deemed the sole holder thereof as regards service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the share.
- Replacement of share certificates** 20. If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, not exceeding such amount as may from time to time be permitted under the Listing Rules or such lesser sum as the Board may from time to time require) and on such terms and conditions, if any, as to publication of notices, evidence and indemnity, as the Board thinks fit and where it is defaced or worn out, after delivery up of the old certificate to the Company for cancellation.

Lien**Company's lien**

21. (a) The Company shall have a first and paramount lien on every share (not being a fully paid up share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share; and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid up shares) standing registered in the name of a member (whether solely or jointly with others) for all the debts and liabilities of such member or his estate to the Company and whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether such person is a member ~~of the Company~~ or not.

**Lien extends to
dividends and
bonuses**

- (b) The Company's lien (if any) on a share shall extend to all dividends and bonuses declared in respect thereof. The Board may resolve that any share shall for some specified period be exempt wholly or partially from the provisions of this Article ~~21~~.

**Sale of shares
subject to lien**

22. The Company may sell in such manner as the Board thinks fit any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, nor until the expiration of fourteen (14) days after a notice in writing, stating and demanding payment of the sum presently payable or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the shares or the person, of which the Company has notice, entitled to the shares by reason of such holder's death, mental disorder or bankruptcy.

- Application of proceeds of such sale**
23. The net proceeds of such sale by the Company after the payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability or engagement in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale and upon surrender, if required by the Company, for cancellation of the certificate for the share sold) be paid to the holder immediately before such sale of the share. For giving effect to any such sale, the Board may authorise any person to transfer the shares sold to the purchaser thereof and may enter the purchaser's name in the register of members as holder of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- Calls on Shares**
- Calls, how made**
24. The Board may from time to time make such calls as it may think fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal amount of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed times. A call may be made payable either in one sum or by instalments. A call may be revoked or postponed as the Board may determine.
- Notice of call**
25. At least fourteen (14) days' notice of any call shall be given to each member specifying the time and place of payment and to whom such payment shall be made.
- Copy of notice to be sent**
26. A copy of the notice referred to in Article 25 shall be sent in the manner in which notices may be sent to members by the Company as herein provided.
- Every member liable to pay call at appointed time and place**
27. Every member upon whom a call is made shall pay the amount of every call so made on him to the person and at the time or times and place or places as the Board shall specify. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

- Notice of call may be published in newspapers or given by electronic means** 28. In addition to the giving of notice in accordance with Article 26, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members affected by notice published on the Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers.
- When call deemed to have been made** 29. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed.
- Liability of joint holders** 30. The joint holders of a share shall be severally as well as jointly liable for the payment of all calls and instalments due in respect of such share or other moneys due in respect thereof.
- Board may extend time fixed for call** 31. The Board may from time to time at its discretion extend the time fixed for any call, and may extend such time as to all or any of the members, whom by reason of residence outside Hong Kong or other cause the Board considers it reasonable to grant an extension to, but no member shall be entitled to any such extension as a matter of grace and favour.
- Interest on calls** 32. If the sum or any instalment payable in respect of any call is unpaid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 15% per annum as the Board shall determine from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part.
- Suspension of privileges while call in arrears** 33. No member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another member) at any general meeting, either personally or by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member until all sums or instalments due from him to the Company in respect of any call, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.

- Evidence in action for call** 34. At 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 of members 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, and the proof of the matters aforesaid shall be conclusive evidence of the debt.
- Sums payable on allotment/in future deemed a call** 35. Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date, whether on account of the nominal value of the share and/or by way of premium or otherwise, shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, liabilities of joint holders, forfeiture and the like, shall apply as if such sum had become payable by virtue of a call duly made and notified.
- Payment of calls in advance** 36. The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the moneys so advanced the Company may pay interest at such rate (if any) 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 month's notice in writing 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. No such sum paid in advance of calls shall entitle the member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

Transfer of Shares

- Form of transfer** 37. Transfers of shares may be effected by an instrument of transfer in the usual common form or in such other form as the Board may approve, which is consistent with the standard form of transfer as prescribed by the Exchange and approved by the Board. All instruments of transfer must be left at the registered office of the Company or at such other place as the Board may appoint and all such instruments of transfer shall be retained by the Company.
- Execution** 38. The instrument of transfer shall be executed by or on behalf of the transferor and by or on behalf of 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. The instrument of transfer of any share shall be in writing and shall be executed with a manual signature or facsimile signature (which may be machine imprinted or otherwise) by or on behalf of the transferor and transferee PROVIDED that in the case of execution by facsimile signature by or on behalf of a transferor or transferee, the Board shall have previously been provided with a list of specimen signatures of the authorised signatories of such transferor or transferee and the Board shall be reasonably satisfied that such facsimile signature corresponds to one of those specimen signatures. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register in respect thereof.
- 38A. Notwithstanding Articles 37 and 38, transfers of shares which are listed on the Exchange may be effected by any method of transferring or dealing in securities permitted by the Listing Rules and which has been approved by the Board for such purpose.
- Board may refuse to register a transfer** 39. The Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share which is not fully paid up or on which the Company has a lien.
- Notice of refusal** 40. If the Board ~~shall refuse~~ ~~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 the transferee notice of such refusal.

- Requirements as to transfer**
41. The Board may also decline to register any transfer of any shares unless:
- (a) the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates (which shall upon registration of the transfer be cancelled) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;~~and~~
 - (b) the instrument of transfer is in respect of only one class of shares;~~and~~
 - (c) the instrument of transfer is properly stamped (in circumstances where stamping is required);~~and~~
 - (d) in the case of a transfer to joint holders, the number of joint holders to which the share is to be transferred does not exceed four;~~and~~
 - (e) the shares concerned are free of any lien in favour of the Company; and
 - (f) a fee of such maximum as the Exchange may from time to time 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.
- No transfer to an infant and etc.**
42. No transfer shall be made to an infant or to a person in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs or under other legal disability.
- Certificate to be given up on transfer**
43. Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued without charge to the transferee in respect of the shares transferred to him, and if any of the shares included in the certificate so given up shall be retained by the transferor, a new certificate in respect thereof shall be issued to him without charge. The Company shall also retain the instrument(s) of transfer.

- When transfer books and register may close**
44. The registration of transfers may, on ~~fourteen~~ (14) days' notice (or on ~~six (6-business days)~~ Business Days' notice in the case of a rights issue) being given by advertisement published on the Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be suspended and the register ~~of members~~ closed at such times for such periods as the Board may from time to time determine, provided always that such registration shall not be suspended or the register ~~of members~~ closed for more than ~~thirty~~ (30) days in any ~~financial year of the Company~~ (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond ~~sixty~~ (60) days in any year). In the event that there is an alteration of book closure dates, the Company shall give at least ~~five~~ (5) business days' notice before the announced closure, or the new closure, whichever is earlier. If, however, there are exceptional circumstances (e.g. during a ~~Number 8 or higher~~ typhoon signal ~~number 8 or higher~~ and black rainstorm warning ~~signal~~) that render the giving of such publication of advertisement impossible, the Company shall comply with these requirements as soon as practicable.

Transmission of Shares

- Death of registered holder or of joint holder of shares**
45. In the case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
- Registration of personal representatives and trustee in bankruptcy**
46. 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 from time to time be required by the Board and subject as hereinafter provided, either be registered himself as holder of the share or elect to have some other person nominated by him registered as the transferee thereof.

- Notice of election to be registered/
Registration of nominee**
47. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee a transfer of such share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy or winding-up of the member had not occurred and the notice or transfer were a transfer executed by such member.
- Retention of dividends, and etc., until transfer or transmission of shares of a deceased or bankrupt member**
48. A person becoming entitled to a share by reason of the death or bankruptcy or winding-up of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the 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 86 being met, such a person may vote at meetings.
- Forfeiture of Shares**
- If call or instalment not paid notice may be given**
49. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may, at any time during such time as any part thereof remains unpaid, without prejudice to the provisions of Article 33, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment.
- Form of notice**
50. The notice shall name a further day (not earlier than the expiration of fourteen (14) days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is unpaid will be liable to be forfeited. The Board may accept a surrender of any share liable to be forfeited hereunder and in such case, references in these Articles to forfeiture shall include surrender.

- If notice not
complied with
shares may be
forfeited**
51. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share, and not actually paid before the forfeiture.
- Forfeited shares to
be deemed
property of
Company**
52. Any share so forfeited shall be deemed to be the property of the Company, and may be re-allotted sold or otherwise disposed of on such terms and in such manner as the Board thinks fit and at any time before a re-allotment, sale or disposition the forfeiture may be cancelled by the Board on such terms as it thinks fit.
- Arrears to be paid
notwithstanding
forfeiture**
53. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding 15% per annum as the Board may prescribe, and the Board may enforce the payment thereof if it thinks fit, and without any deduction or allowance for the value of the shares forfeited, at the date of forfeiture. For the purposes of this Article 53, 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.

- Evidence of forfeiture**
54. A statutory declaration in writing that the declarant is a Director or Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any re-allotment, sale or disposition thereof and the Board may authorise any person to execute a letter of re-allotment or transfer the share in favour of the person to whom the share is re-allotted, sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the subscription or purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, re-allotment, sale or other disposal of the share.
- Notice after forfeiture**
55. When any share shall have been forfeited, notice of the forfeiture 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 of members. Notwithstanding the above, no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.
- Power to redeem forfeited shares**
56. Notwithstanding any such forfeiture as aforesaid, the Board may at any time, before any share so forfeited shall have been re-allotted, sold, or otherwise disposed of, permit the share forfeited to be redeemed upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit.
- Forfeiture not to prejudice Company's right to call or instalment**
57. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.
- Forfeiture for non-payment of any sum due on shares**
58. 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.

Stock

- Power to convert into stock** 59. Subject to the ~~Companies Law Act~~, the Company may by ordinary resolution convert any fully paid up shares into stock, and may from time to time by like resolution re-convert any stock into fully paid up shares of any denomination.
- Transfer of stock** 60. The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations as and subject to which the shares from which the stock arose might prior to conversion have been transferred or as near thereto as circumstances admit, but the Board may from time to time, if it thinks fit, fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose. No warrants to bearer shall be issued in respect of any stock.
- Rights of stockholders** 61. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding up, voting at meetings, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.
- Interpretation** 62. ~~Such of the~~All provisions of these Articles ~~as~~which are applicable to paid up shares shall apply to stock, and the words “share” and “shareholder” therein shall include “stock” and “stockholder”.

Alteration of Capital**Consolidation and
division of capital
and sub-division
and cancellation of
shares**

63. (a) The Company may from time to time by ordinary resolution:
- (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;
 - (ii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the ~~Law Act~~; and
 - (iii) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association of the Company, subject nevertheless to the provisions of the ~~Law Act~~, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

- Reduction of capital** (b) The Company may by special resolution reduce its share capital, any capital redemption reserve or any share premium account in any manner authorised and subject to any conditions prescribed by the ~~LawAct~~.

Borrowing Powers

- Power to borrow** 64. The Board may from time to time at its discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof.
- Conditions on which money may be borrowed** 65. The Board may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and, in particular, by the issue of debentures, debenture stock, bonds or other securities of the Company, whether outright or as collateral security for any debts, liability or obligations of the Company or of any third party.
- Assignment** 66. Debentures, debenture stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- Special privileges** 67. Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.
- Register of charges to be kept** 68. (a) The Board shall cause a proper register to be kept, in accordance with the provisions of the ~~LawAct~~, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the ~~LawAct~~ in regard to the registration of mortgages and charges therein specified and otherwise.
- Register of debentures or debenture stock** (b) If the Company issues debentures or debenture stock (whether as part of a series or as individual instruments) not transferable by delivery, the Board shall cause a proper register to be kept of the holders of such debentures.

Mortgage of uncalled capital 69. 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.

General Meetings

When annual general meeting to be held 70. The Company ~~shall in each year~~ must hold a general meeting for ~~each financial year~~ as its annual general meeting ~~in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it; and not more than 15 months shall elapse (or such longer period as the Exchange may authorise) between the date of one annual general meeting~~ must be held within six (6) months after the end of the Company and that of the next. So long as the first annual general meeting of the Company is held within 18 months of its incorporation, it need not be held in the year of its incorporation or in the following years. The annual general meeting shall be held at such time and place as the Board shall appoint's financial year. App.3.14(L)

Extraordinary general meeting 71. All general meetings other than annual general meetings shall be called extraordinary general meetings.

**Convening of
extraordinary
general meeting**

72. The Board may, whenever it thinks fit, convene an extraordinary general meeting. ~~General meetings~~ An extraordinary general meeting shall also be convened and resolutions to a meeting agenda shall be added on the written requisition of ~~any two~~ one or more members of the Company deposited at the principal office of the Company in Hong Kong, ~~which shall include a recognised clearing house (or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held its nominee(s)), holding,~~ as at the date of deposit of the requisition, ~~not less than one-tenth~~ 10% of the paid up capital of the Company which carries the right of voting (on a one vote per share basis) at general meetings of the Company. ~~General meetings may also be convened on the~~ The written requisition of ~~any one member of the Company which is a recognised clearing house (or its nominee)~~ shall be deposited at the principal office of the Company in Hong Kong or, in the event ~~that~~ that the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and ~~the resolutions to be added to the meeting agenda and it shall be~~ signed by the requisitionist(s), ~~provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company.~~ If the Board does not within ~~twenty-one (21)~~ twenty-one (21) days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further twenty-one (21) days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three ~~(3)~~ (3) months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

App.3.14(5)

- Notice of meetings** 73. (a) ~~**~~An annual general meeting shall be called by not less than twenty-one (21) clear days' notice in writing and any extraordinary general meeting shall be called by not less than fourteen (14) clear days' notice in writing. ~~The Subject to the Listing Rules, the~~ notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place, and agenda of the meeting, particulars of the resolutions to be considered at the meeting and in the case of special business (as defined in Article 75) the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting at which the Communication Facilities will be utilised (including any Hybrid Meeting) shall disclose the Communication Facilities that will be utilised, including the procedures to be followed by any participant (including member) of general meeting who wishes to utilise the Communication Facilities for the purpose of attending, participating and voting at such meeting. Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.
- (b) Notwithstanding that a meeting of the Company is called by shorter notice than that referred to in paragraph (a) ~~hereof~~ this Article 73, it shall be deemed to have been duly called if it is so agreed:
- (i) in the case of a meeting called as an annual general meeting, by all the members of the Company entitled to attend and vote thereat or their proxies; and
- (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

- (c) There shall appear with reasonable prominence in every notice of general meetings of the Company a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.

**Omission to give
notice/instrument
of proxy
Postponement of
general meeting**

~~74:~~73(A)(a) If, after the notice of a general meeting has been sent but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Board, in its absolute discretion, considers that it is impracticable or unreasonable for any reason to hold a general meeting on the date or at the time and place specified in the notice calling such meeting, it may change or postpone the meeting to another date, time and place in accordance with paragraph (c) of this Article 73(A).

- (b) The Board shall also have the power to provide in every notice calling a general meeting that in the event of a typhoon number 8 or above signal or a black rainstorm warning signal is in force at any time on the day of the general meeting (unless such warning signal has been cancelled at least a minimum period of time prior to the general meeting as the Board may specify in the relevant notice), the meeting shall be postponed without further notice to be reconvened on a later date in accordance with paragraph (c) of this Article 73(A).

- (c) Where a general meeting is postponed in accordance with paragraph (a) or (b) of this Article 73(A):

- (i) the Company shall endeavour to cause a notice of such postponement, which shall set out the reason for the postponement in accordance with the Listing Rules, to be placed to the Company's Website and the Exchange's website as soon as practicable, provided that failure to place such notice shall not affect the automatic postponement of a general meeting pursuant to paragraph (b) of this Article 73(A);

(ii) the Board shall fix the date, time and place for the reconvened meeting and at least seven (7) clear days' notice shall be given for the reconvened meeting by one of the means specified in Article 168; and such notice shall specify the date, time and place at which the postponed meeting will be reconvened, and the date and time by which proxies shall be submitted in order to be valid at such reconvened meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the reconvened meeting unless revoked or replaced by a new proxy); and

(iii) only the business set out in the notice of the original meeting shall be transacted at the reconvened meeting, and notice given for the reconvened meeting does not need to specify the business to be transacted at the reconvened meeting, nor shall any accompanying documents be required to be re-circulated. Where any new business is to be transacted at such reconvened meeting, the Company shall give a fresh notice for such reconvened meeting in accordance with Article 168.

~~(a) The accidental omission to give any such notice to, or the non-receipt of any such notice by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.~~

~~(b) In cases where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the non-receipt of such instrument of proxy by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.~~

**Omission to give
notice/instrument
of proxy**

74. (a) The accidental omission to give any such notice to, or the non-receipt of any such notice by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.

(b) In cases where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the non-receipt of such instrument of proxy by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.

Proceedings at General Meetings**Special business**

75. All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:
- (a) the declaration and sanctioning of dividends;
 - (b) the consideration and adoption of the ~~accounts and balance sheets~~financial statements of the Group and the reports of the Directors and ~~the~~ Auditors and other documents required to be annexed to the ~~balance sheet~~financial statements of the Group;
 - (c) the election of Directors in place of those retiring;
 - (d) the appointment of ~~the~~ Auditors;
 - (e) the fixing of, or the determining of the method of fixing of, the remuneration of the Directors and of the Auditors;
 - (f) the granting of any mandate or authority to the ~~Directors~~Board to offer, allot, grant options over, or otherwise dispose of the unissued shares of the Company representing not more than ~~20%~~twenty per cent. (20%) (or such other percentage as may from time to time be specified in the Listing Rules) in nominal value of its then existing issued share capital and the number of any securities repurchased pursuant to paragraph (g) of this Article ~~75~~; and
 - (g) the granting of any mandate or authority to the ~~Directors~~Board to repurchase securities of the Company.

Quorum

76. For all purposes the quorum for a general meeting shall be two ~~(2)~~ members present in person or by proxy or ~~(by the duly authorised representative in the case of a member being a corporation) by the duly authorised representative~~ provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy or ~~(in the case of a member being a corporation) by the duly authorised representative~~; in the case of that one member is a corporation. No business (except the appointment of a ~~Chairman~~Chairperson) shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business.

- When if quorum not present meeting to be dissolved and when to be adjourned**
77. If within ~~fifteen~~ (15) minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Board, and if at such adjourned meeting a quorum is not present within ~~fifteen~~ (15) minutes from the time appointed for holding the meeting, the member or members present in person or by proxy shall be a quorum and may transact the business for which the meeting was called.
- ~~Chairman~~
Chairperson
of general meeting**
78. The ~~Chairman~~Chairperson shall take the chair at every general meeting, or, if there be no such ~~Chairman~~Chairperson or, if at any general meeting such ~~Chairman~~Chairperson shall not be present within ~~fifteen~~ (15) minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present shall choose ~~another Director~~one of them as ~~Chairman~~the Chairperson, and if no Director be present, or if all the Directors present decline to take the chair, or if the ~~Chairman~~Chairperson chosen shall retire from the chair, then the members present shall choose one of ~~their own number~~them to be ~~Chairman~~Chairperson.
- Power to adjourn general meeting/ business of adjourned meeting**
79. The ~~Chairman~~Chairperson may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for ~~fourteen~~ (14) days or more, at least seven (~~7~~) clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. ~~Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.~~
- Must vote by poll**
80. At any general meeting a resolution put to the vote of the meeting shall be decided on a poll save that the ~~Chairman~~Chairperson may, in good faith, allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

- Poll**
81. A poll shall (subject as provided in Article 82) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty (30) days from the date of the meeting or adjourned meeting at which the poll was taken as the ~~Chairman~~Chairperson directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken.
- In what case poll taken without adjournment**
82. Any poll on the election of a ~~Chairman~~Chairperson of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment. Where a resolution is voted on by a show of hands as permitted under the Listing Rules, a declaration by the ~~Chairman~~Chairperson that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- ~~Chairman~~
Chairperson to have casting vote**
83. In the case of an equality of votes, whether on a show of hands or on a poll, the ~~Chairman~~Chairperson of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
- Written resolutions**
84. A resolution in writing (in one or more counterparts), including a special resolution, signed by all members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly appointed representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. 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.

Votes of Members

- Votes of members**
85. (a) Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting where a show of hands is allowed, every member who is present in person (or, in the case of a member being a corporation by its duly authorised representative) shall have one vote, and on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy (in the case of a member being a corporation the form of proxy may be executed under the hand of a duly authorized officer) shall have one vote for each share registered in his name in the register of members. On a poll a member entitled to more than one vote is under no obligation to cast all his votes in the same way. Notwithstanding anything contained in these Articles, where more than one proxy is appointed by a member which is a recognised clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands and is under no obligation to cast all his votes in the same way on a poll.
- (b) All members for the time being entitled to receive notice of and to attend and vote at general meetings (or in the case of a member being a corporation, its duly authorised representative), shall have the right to (i) speak at any general meeting of the Company by whatever means (including but not limited to utilise Communication Facilities to speak in a Hybrid Meeting); and (ii) vote at a general meeting except where a member is require, by the Listing Rules, to abstain from voting to approve the matter under consideration. App.3 14(3)
- Votes in respect of deceased and bankrupt members**
86. Any person entitled under Article 46 to be registered as a shareholder may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight (48) hours before the time of the holding of the meeting or adjourned meeting (as the case may be) at which he proposed to vote, he shall satisfy the Board of his right to be registered as the holder of such shares or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

**Votes of joint
holders**

87. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members in respect of the relevant 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.

**Votes of member of
unsound mind**

88. A member in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote, whether on a show of hands or on a poll, by any person authorised in such circumstances to do so, and such person may vote on a poll by proxy.

**Qualification for
voting**

89. (a) Save as expressly provided in these Articles or as otherwise determined by the Board, no person other than a member duly registered and who shall have paid ~~everything~~ all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

App.3.14(3)

Objections to voting

(b) No objection shall be raised as to the qualification of any person exercising or purporting to exercise any vote or to the admissibility of any vote except at the meeting or adjourned meeting at which the person exercising or purporting to exercise his vote or the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. In the case of any dispute as to the admission or rejection of any vote, the ~~Chairman~~ Chairperson of the meeting shall determine the same and such determination shall be final and conclusive.

- (c) Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to vote only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted. App.3.14(4)

Proxies

90. Any member ~~of the Company~~ entitled to attend and vote at a general meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. ~~On a poll votes~~ Votes may be given either personally (in the case of a member being a corporation, by its duly authorised representative) or by proxy. A proxy need not be a member of the Company. A member who is the holder of two or more shares may appoint ~~any number of proxies~~ more than one proxy to attend in his stead at any one general meeting (or at any one class meeting). App.3.18

**Instrument
appointing proxy
to be in writing**

91. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same. App.3.18

- Delivery of authority for appointment of proxy** 92. 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 notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than forty-eight (48) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid provided always that the Chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of ~~telex or cable or facsimile~~ or email confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company. 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. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- Form of proxy** 93. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in common form or such other form as the Board may from time to time approve, provided that it shall enable a member, according to his intention, to instruct his proxy to vote in favour of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates.
- Authority under instrument appointing proxy** 94. The instrument appointing a proxy to vote at a general meeting shall: (a) be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit; and (b) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates, provided that the meeting was originally held within twelve (12) months from such date.

- When vote by proxy/
representative
valid though
authority revoked**
95. A vote given in accordance with the terms of an instrument of proxy or resolution of a member shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or power of attorney or other authority under which the proxy or resolution of a member was executed or revocation of the relevant resolution or the transfer of the share in respect of which the proxy was given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its registered office, or at such other place as is referred to in Article 92, at least two (2) hours before the commencement of the meeting or adjourned meeting at which the proxy is used.
- Corporations/
clearing houses
acting by
representatives at
meetings**
96. (a) Any corporation which is a member of the Company may, App.3.18 by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of members of any class of shares of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company and where a corporation is so represented, it shall be treated as being present at any meeting in person.
- (b) If a recognised clearing house (or its nominee(s)) is a App.3.19 member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or person(s) as it thinks fit to act as its representative(s) or proxy(ies) at any general meeting of the Company or at any meeting of the Company (including general meeting and creditors meeting of the Company) or at any general meeting of any class of members 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 person is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if it were an individual member of the Company holding the number and class of shares specified in such authorisation including without limitation, where a show of hand is allowed, the right to vote individually on a show of hands.

Registered Office

- Registered office** 97. The registered office of the Company shall be at such place in the Cayman Islands as the Board shall from time to time appoint.

Board of Directors

- Constitution** 98. The number of Directors shall not be less than two. ~~(2). As long as the shares are listed on the Exchange, the composition of the executive Directors and independent non-executive Directors shall be subject to the Listing Rules (as amended from time to time).~~

**Board may fill
vacancies/appoint
additional
Directors**

99. The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the ~~next following general meeting of the Company and shall then be eligible for re-election at that meeting provided that, if such general meeting is an annual general meeting of the Company, any Director who so retires shall not be taken into account in determining the number of Directors who are to retire at such meeting by rotation pursuant to Article 116~~ first annual general meeting of the Company after his appointment, and shall then be eligible for re-election.

App.3.4(2)

Alternate Directors

100. (a) A Director may at any time by notice in writing delivered to the registered office of the Company, the principal office of the Company in Hong Kong or at a meeting of the Board, appoint any person (including another Director) to be his alternate Director in his place during his absence and may in like manner at any time determine such appointment. Such appointment, unless previously approved by the Board, shall have effect only upon and subject to being so approved, provided that the Board may not withhold approval of any such appointment where the proposed appointee is a Director.
- (b) The appointment of an alternate Director shall determine on the happening of any event which, ~~were he a Director,~~ would cause him to vacate such office or if his appointor ceases to be a Director.

- (c) An alternate Director shall (except when absent from Hong Kong), be entitled to receive and waive (in lieu of his appointor) notices of meetings of the Directors and shall be entitled to attend and vote as a Director and be counted in the quorum at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative and he need not use all his votes or cast all the votes he uses in the same way. If his appointor is for the time being absent from Hong Kong or otherwise not available or unable to act (as to which a certificate by the alternate shall in the absence of actual notice to the contrary to other Directors be conclusive), his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Board may from time to time determine in relation to any committee of the Board, the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of any such committee of which his appointor is a member. An alternate Director shall not, save as aforesaid, have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.
- (d) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

- (e) In addition to the foregoing ~~provisions~~ paragraphs (a) to (d) of this Article 100, a Director may be represented at any meeting of the Board (or of any committee of the Board) by a proxy appointed by him, in which event the presence or vote of the proxy shall for all purposes be deemed to be that of the Director. A proxy need not himself be a Director and the provisions of Articles 90 to 95 shall apply mutatis mutandis to the appointment of proxies by Directors save that an instrument appointing a proxy shall not become invalid after the expiration of twelve (12) months from its date of execution but shall remain valid for such period as the instrument shall provide or, if no such provision is made in the instrument, until revoked in writing and save also that a Director may appoint any number of proxies although only one such proxy may attend in his stead at meetings of the Board (or of any committee of the Board).

**Qualification of
Directors**

101. A Director ~~need~~needs not hold any qualification unless otherwise it is specified in law of a jurisdiction where the shares are being listed and traded. No Director shall be required to vacate office or be ineligible for re-election or re-appointment as a Director and no person shall be ineligible for appointment as a Director by reason only of his having attained any particular age.

**Directors'
remuneration**

102. (a) The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Company in general meeting or by the Board, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.
- (b) Payment to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must first be approved by the Company members in general meeting.

- Directors' expenses** 103. The Directors shall be entitled to be paid all expenses, including travel expenses, reasonably incurred by them in or in connection with the performance of their duties as Directors including their expenses of travelling to and from Board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.
- Special remuneration** 104. The Board may grant special remuneration to any Director, who shall perform any special or extra services at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be agreed.
- Remuneration of
Managing
Director,
Directors, and etc.** 105. The remuneration of ~~ana Managing Director,~~ Executive Director and etc. (as appointed according to Article 108) or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Board and may be by way of salary, commission, or participation in profits or otherwise or by all or any of those modes and with such other benefits (including share option and/or pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time decide. Such remuneration shall be in addition to such remuneration as the recipient may be entitled to receive as a Director.
- When office of
Director to be
Vacated** 106. The office of a Director shall be vacated:
- (i) if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong;
 - (ii) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Board resolves that his office be vacated;
 - (iii) if, without leave, he is absent from meetings of the Board (unless an alternate Director appointed by him attends in his place) for a continuous period of twelve (12) months, and the Board resolves that his office be vacated;
 - (iv) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

- (v) if he ceases to be or is prohibited from being a Director by law or by virtue of any provisions in these Articles;
- (vi) if he shall be removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office; or
- (vii) if he shall be removed from office by an ordinary resolution of the members of the Company under Article 122(a).

**Directors may
contract with
Company**

107. (a) (i) No Director or proposed Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being any member or so interested be liable to account to the Company for any profit so realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall, if his interest in such contract or arrangement is material, declare the nature of his interest at the earliest meeting of the Board at which it is practicable for him to do so, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may subsequently be made by the Company.

- (ii) Any Director may 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 in which the Company may be interested and (unless otherwise agreed between the Company and the Director) no such Director shall be liable to account to the Company or the members for any remuneration 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 any such other company. The Directors may exercise 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) and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or is 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 the manner aforesaid.
- (b) A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profit or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.

**Director may not
vote where he has
a material interest**

- (c) A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his Associates has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

**Director may vote in
respect of certain
matters**

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

(iv) any contract or arrangement in which the Director or his Associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in share or debentures or other securities of the Company.

Director may vote on proposals not concerning own appointment

(d) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of or terminating the appointment) of two ~~(2)~~ or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals shall be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not prohibited from voting under paragraph (c)) ~~of this Article 107~~ shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

Who to decide whether a Director may vote

(e) If any question shall arise at any meeting of the Board as to the materiality of a Director's interest or the significance of a contract, arrangement or transaction or proposed contract, arrangement or transaction or as to the entitlement of any Director to vote or form part of a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the ~~Chairman~~ Chairperson of the meeting (or, where question relates to the interest of the ~~Chairman~~ Chairperson, to the other Directors at the meeting) and his ruling (or, as appropriate, the ruling of the other Directors) in relation to any other Director (or, as appropriate, the ~~Chairman~~ Chairperson) shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned (or, as appropriate, the ~~Chairman~~ Chairperson) as known to such Director (or, as appropriate, the ~~Chairman~~ Chairperson) has not been fairly disclosed to the Board.

Definition of "Associates"

(f) ~~For the purpose of paragraph (e), "Associates" has the meaning and "Close Associates" shall have the same meanings ascribed to it under the Listing Rules.~~

Managing Director and Executive Director

- Power to appoint
Managing
Directors, Director,
Executive Director
and etc.**
108. The Board may from time to time appoint any one or more of its ~~body~~members to the office of Managing Director, Joint Managing Director, Deputy Managing Director; or ~~other~~ Executive Director and/or such other employment or executive office in the management of the business of the Company as it may decide for such period and upon such terms as it thinks fit and upon such terms as to remuneration as it may decide in accordance with Article 105.
- Removal of
Managing
Director, Executive
Director and etc.**
109. Every Director appointed to an office under Article 108 hereof shall, without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company, be liable to be dismissed or removed therefrom by the Board.
- Cessation of
appointment**
110. A Director appointed to an office under Article 108 shall be subject to the same provisions as to rotation, resignation and removal as the other Directors of the Company, and he shall, without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service 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.
- Powers may be
delegated**
111. The Board may from time to time entrust to and confer upon a Managing Director, Joint Managing Director, Deputy Managing Director or Executive Director all or any of the powers of the Board that it may think fit. But the exercise of all powers by such Director shall be subject to such regulations and restrictions as the Board may from time to time make and impose, and the said powers may at any time be withdrawn, revoked or varied but no person dealing in good faith and without notice of such withdrawal, revocation or variation shall be affected thereby.

Management

- General powers of Company vested in Board**
112. (a) Subject to any exercise by the Board of the powers conferred by Articles 113 to 115, the management of the business of the Company shall be vested in the Board which, in addition to the powers and authorities by these Articles expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the ~~LawAct~~ expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the ~~LawAct~~ and of these Articles and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or these Articles, provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
- (b) Without prejudice to the general powers conferred by these Articles, it is hereby expressly declared that the Board shall have the following powers:
- (i) to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed; and
- (ii) to give to any Directors, officers or employees 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.
- (c) ~~Except as would be permitted by the Companies Ordinance (Cap. 622 of the laws of Hong Kong) if the Company were a company incorporated in Hong Kong, be permitted by Section 157H of the Companies Ordinance as in force at the date of adoption of these Articles, and~~ except as permitted under the Companies ~~LawAct~~, the Company shall not directly or indirectly:
- (i) make a loan to a Director or his Associates (as defined in Article 107(f) above) or a director of any holding company of the Company or a body corporate controlled by the Director or such a director;

- (ii) enter into any guarantee or provide any security in connection with a loan made by any person to a Director or such a director; or
- (iii) if any one or more of the Directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

Managers

Appointment and remuneration of managers

113. The Board may from time to time appoint a general manager, manager or managers of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes and pay the working expenses of any of the staff of the general manager, manager or managers who may be employed by him or them in connection with the conduct of the business of the Company.

Tenure of office and powers

114. 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 it may think fit.

Terms and conditions of appointment

115. 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 its 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.

Rotation of Directors

- Rotation and retirement of Directors**
116. At each annual general meeting of the Company, one-third of the Directors for the time being, or, if their number is not three (3) or a multiple of three, ~~(3)~~, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three (3) years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. A retiring Director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election thereat.
- Meeting to fill up vacancies**
117. The Company at any general meeting at which any Directors retire in manner aforesaid may fill the vacated office by electing a like number of persons to be Directors.
- Retiring Directors to remain in office till successors appointed**
118. If at any general meeting at which an election of Directors ought to take place, the places of the retiring Directors are not filled the retiring Directors or such of them as have not had their places filled shall be deemed to have been re-elected and shall, if willing, continue in office until the next annual general meeting and so on from year to year until their places are filled, unless:
- (i) it shall be determined at such meeting to reduce the number of Directors; or
 - (ii) it is expressly resolved at such meeting not to fill up such vacated offices; or
 - (iii) a resolution for the re-election of such Directors is put to the meeting and lost.

- Power of general meeting to increase or reduce the number of Directors**
119. 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 not be less than two- (2). Subject to the provisions of these Articles and the ~~LawAct~~, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.
- Notice to be given when person proposed for election**
120. 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 there shall have been given to the Secretary a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected. The period during which the aforesaid notices may be given will be at least seven (7) days. Such period will commence on the day after the despatch of the notice of the meeting for which such notices are given and end no later than seven (7) days prior to the date of such meeting.
- Register of Directors and notification of changes to Registrar**
121. The Company shall keep at its office a register of directors and officers containing their names and addresses and occupations and any other particulars required by the ~~LawAct~~ and shall send to the Registrar of Companies of the Cayman Islands a copy of such register and shall from time to time notify to the Registrar of Companies of the Cayman Islands any change that takes place in relation to such Directors as required by the ~~LawAct~~.
- Power to remove Director by special ordinary resolution**
122. (a) The Company may, at any general meeting convened and held in accordance with these Article, by ordinary resolution ~~at any time~~ remove any Director (including a Managing Director or other executive Director) at any time before the expiration of his ~~period~~term of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed.

- (b) Nothing in this Article should be taken as depriving a Director removed under any provisions of this Article of compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director or as derogatory from any power to remove a Director which may exist apart from the provision of this Article 122.

Proceedings of Directors

Meetings of Directors/ Quorum and etc.

123. The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in any part of the world and may determine the quorum necessary for the transaction of business. Unless otherwise determined two (2) Directors shall be a quorum. For the purposes of this Article an alternate Director shall be counted in a quorum in place of the Director who appointed him and an alternate Director who is an alternate for more than one Director shall for quorum purposes be counted separately in respect of himself (if he is a Director) and in respect of each Director for whom he is an alternate (but so that nothing in this provision shall be construed as authorising a meeting to be constituted when only one person is physically present). A meeting of the Board or any committee of the Board may be held by means of a telephone or ~~tele-conferencing~~teleconferencing or any other ~~telecommunications facility~~Communication Facilities provided that all participants are thereby able to communicate contemporaneously by voice with all other participants and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

Convening of board meeting

124. A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Board. Notice thereof shall be given to each Director either in writing or by telephone or by facsimile, ~~telex~~ or ~~telegram~~email at the address or telephone, facsimile or ~~telex number~~email address from time to time notified to the Company by such Director or in such other manner as the Board may from time to time determine.

How questions to be decided

125. Subject to Article 107, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall have a second or casting vote.

- Chairman**
Chairperson
126. The Board may elect a ~~Chairman~~Chairperson of its meetings and determine the period (not being a period extending beyond the date of the annual general meeting at which such ~~Chairman~~Chairperson is due to retire by rotation under Article 116) for which he is to hold office; but if no such ~~Chairman~~Chairperson is elected, or if at any meeting the ~~Chairman~~Chairperson is not present within fifteen (15) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be ~~Chairman~~Chairperson of the meeting.
- Power of meeting**
127. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board generally.
- Power to appoint committee and to delegate**
128. The Board may delegate any of its powers to committees consisting of such member or members of the Board (including alternate Directors in the absence of their appointers) as the Board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Board.
- Acts of committee to be of same effect as act of ~~Directors~~ the Board**
129. All acts done by any such committee in conformity with such regulations and in fulfilment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as if done by the 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.
- Proceedings of committee**
130. (a) The meetings and proceedings of any such committee consisting of two or more members of the Board shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto and are not replaced by any regulations imposed by the Board pursuant to Article 128.

**Minutes of
proceedings of
meetings and
Directors**

- (b) The Board shall cause minutes to be made of:
- (i) all appointments of officers made by the Board;
 - (ii) the names of the Directors present at each meeting of the Board and of committees appointed pursuant to Article 128;
 - (iii) all declarations made or notices given by any Director of his interest in any contract or proposed contract or of his holding of any office or property whereby any conflict of duty or interest may arise; and
 - (iv) all resolutions and proceedings at all meetings of the Company and of the Board and of such committees.

Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the ~~chairman~~chairperson of the meeting or by the ~~chairman~~chairperson of the succeeding meeting.

**When acts of
Directors or
committee to be
valid
notwithstanding
defects**

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

**Directors' powers
when vacancies
exist**

132. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company but for no other purpose.

**Directors'
resolutions**

133. A resolution in writing signed by each and every one of the Directors (or their respective alternates pursuant to Article 100(c)) shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and may consist of several documents in like form each signed by one or more of the Directors or alternate Directors.

Secretary

- Appointment of Secretary**
134. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board. Anything by the ~~Law~~Act or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary appointed by the Board, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specifically in that behalf by the Board.
- Same person not to act in two capacities at once**
135. A provision of the ~~Law~~Act 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~~it is being done by or to the same person acting both as Director and as or in place of the Secretary.

General Management and Use of the Seal

- Custody and use of seal**
136. The Board shall provide for the safe custody of the seal which shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf, and every instrument to which such seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Board for the purpose. The securities seal which shall be a facsimile of the common seal with the word “Securities” engraved thereon shall be used exclusively for sealing securities issued by the Company and for sealing documents creating or evidencing securities so issued. The Board may either generally or in any particular case resolve that the securities seal or any signatures or any of them may be affixed to certificates for shares, warrants, debentures or any other form of security by facsimile or other mechanical means specified in such authority or that any such certificates sealed with the securities seal need not be signed by any person. Every instrument to which the seal is affixed as aforesaid shall, as regards all persons dealing in good faith with the Company, be deemed to have been affixed to that instrument with the authority of the Directors previously given.

- Duplicate seal**
137. The Company may have a duplicate seal for use outside of the Cayman Islands as and where the Board shall determine, and the Company may by writing under the seal appoint any agents or agent, committees or committee abroad to be the agents of the Company for the purpose of affixing and using such duplicate seal and they may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the seal, the reference shall, when and so far as may be applicable, be deemed to include any such duplicate seal as aforesaid.
- Cheques and banking arrangements**
138. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, indorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker ~~or bankers~~(s) as the Board shall from time to time determine.
- Power to appoint attorney**
139. (a) The Board may from time to time and at any time, by power of attorney under the seal, appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
- Execution of deeds by attorney**
- (b) The Company may, by writing under its seal, empower any person, either generally or in respect of any specified matter, as its attorney to execute deeds and instruments on its behalf in any part of the world and to enter into contracts and sign the same on its behalf and every deed signed by such attorney on behalf of the Company and under his seal shall bind the Company and have the same effect as if it were under the seal of the Company.

**Regional or local
boards**

140. The Board may establish any committees, regional or local boards or agencies for managing any of the affairs of the Company, either in the Cayman Islands, ~~Hong Kong~~, any city of the People's Republic of China (including Hong Kong) or elsewhere, and may appoint any persons to be members of such committees, regional or local boards or agencies and may fix their remuneration, and may delegate to any committee, regional or local board or agent any of the powers, authorities and discretions vested in the Board (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

**Power to establish
pension funds and
employee share
option schemes**

141. The Board may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or provident or superannuation funds or (with the sanction of an ordinary resolution) employee or executive share option schemes for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or is allied or associated with the Company or with any such subsidiary company, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and holding or who have held any salaried employment or office in the Company or such other company, and the wives, widows, families and dependents of any such persons. The Board may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid, and may make payments for or towards the insurance of any such persons as aforesaid, and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. The Board may do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

Capitalisation of Reserves

- Power to capitalise** 142. The Company in general meeting may upon the recommendation of the Board by ordinary resolution resolve that ~~it is~~they are desirable to capitalise all or any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or funds or to the credit of the profit and loss account or otherwise available for distribution (and not required for the payment or provision of dividend on any shares with a preferential right to dividend) and accordingly that such sums be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares, debentures or other securities of the Company to be allotted and distributed credited as fully paid up to and amongst such members in proportion aforesaid or partly in one way and partly in the other, and the Board shall give effect to such resolution, provided that a share premium account and a capital redemption reserve and any reserve or fund representing unrealised profits may, for the purposes of this Article 142, only be applied in paying up unissued shares to be issued to members of the Company as fully paid up shares or paying up calls or instalments due or payable on partly paid securities of the Company subject always to the provisions of the ~~Law~~Act.
- Effect of resolution to capitalise** 143. (a) Wherever such a resolution as referred to in Article 142 shall have been passed the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid up shares, debentures or other securities, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Board:
- (i) to make such provision by the issue of fractional certificates or by payment in cash or otherwise (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) as they think fit in cases where shares, debentures or other securities become distributable in fractions;

- (ii) to exclude the right of participation or entitlement of any member with a registered address outside any territory where ~~in the absence of a registration statement or other special or onerous formalities~~ the circulation of an offer of such right or entitlement would or might be unlawful ~~or where the Board consider~~in the absence of a registration statement or other special or onerous formalities; or the costs, expense or possible delays in ascertaining the existence or extent of the legal and other requirements applicable to such offer or the acceptance of such offer are, in the opinion of the Board, out of proportion to the benefits of the Company; and
- (iii) to authorise any person to enter on behalf of all members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares, debentures or other securities to which they may be entitled upon such capitalisation, or, as the case may require, for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.
- (b) The Board may, in relation to any capitalisation sanctioned under this Article 143 in its absolute discretion specify that, and in such circumstances and if directed so to do by a member or members entitled to an allotment and distribution credited as fully paid up of unissued shares or debentures in the Company pursuant to such capitalisation, shall allot and distribute credited as fully paid up the unissued shares, debentures or other securities to which that member is entitled to such person or persons as that member may nominate by notice in writing to the Company, such notice to be received not later than the day for which the general meeting of the Company to sanction the capitalisation is convened.

Dividends and Reserves**Power to declare dividends**

144. (a) Subject to the ~~Law~~Act and these Articles, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.

(b) The dividends, interest and bonuses and any other benefits and advantages in the nature of income receivable in respect of the Company's investments, and any commissions, trusteeship, agency, transfer and other fees and current receipts of the Company shall, subject to the payment thereout of the expenses of management, interest upon borrowed money and other expenses which in the opinion of the Board are of a revenue nature, constitute the profits of the Company available for distribution.

Board's power to pay interim dividends

145. (a) The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company and, in particular (but without prejudice to the generality of the foregoing), if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts *bona fide*, the Board shall not incur any responsibility to the holders of shares conferring any preferential rights.

(b) The Board may also pay half-yearly or at other intervals to be selected by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits available for distribution justify the payment.

Powers of Directors to declare and pay special dividends

(c) The Board may in addition from time to time declare and pay special dividends on shares of any class of such amounts and on such dates as they think fit, and the provisions of paragraph (a) of this Article 145 as regards the powers and the exemption from liability of the Board as relate to declaration and payment of interim dividends shall apply, *mutatis mutandis*, to the declaration and payment of any such special dividends.

- Dividends not to be paid out of capital** 146. No dividend shall be declared or payable except out of the profits and reserves of the Company lawfully available for distribution including share premium. No dividend shall carry interest against the Company.
- Scrip dividends** 147. (a) Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve:
- either
- As to cash election** (i) 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 shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply:
- (aa) the basis of any such allotment shall be determined by the Board;
- (bb) the Board, after determining the basis of allotment, shall give not less than ~~two weeks~~^{fourteen (14)} days’ notice in writing to the shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
- (cc) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded;

(dd) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised (“**the non-elected shares**”) and in satisfaction thereof shares shall be allotted credited as fully paid to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company’s reserve accounts (including any special account, share premium account and capital redemption reserve (if there be any such reserve)) or profit or loss account or amounts otherwise available for distribution as the Board may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis;

or

As to scrip election

- (ii) that shareholders 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:
- (aa) the basis of any such allotment shall be determined by the Board;
- (bb) the Board, after determining the basis of allotment, shall give not less than ~~two weeks~~^{fourteen (14) days}’ notice in writing to shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
- (cc) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded;

- (dd) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised (“**the elected shares**”) and in lieu thereof shares shall be allotted credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company’s reserve accounts (including any special account, share premium account and capital redemption reserve (if there be any such reserve)) or profit and loss account or amounts otherwise available for distribution as the Board may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.
- (b) The shares allotted pursuant to the provisions of paragraph (a) of this Article 147 shall be of the same class as the class of, and shall rank *pari passu* in all respects with the shares then held by the respective allottees save only as regards participation:
- (i) in the relevant dividend (or share or cash election in lieu thereof as aforesaid); or
- (ii) in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend, unless contemporaneously with the announcement by the Board of its proposal to apply the provisions of sub-paragraph (i) or (ii) of paragraph (a) of this Article 147 in relation to the relevant dividend or contemporaneously with its announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of ~~this-paragraph (a)~~ of this Article 147 shall rank for participation in such distributions, bonuses or rights.

- (c) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (a) of this Article 147 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.
- (d) 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 (a) of this Article 147 a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.
- (e) The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (a) of this Article 147 shall not be made available or made to any shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of such rights of election or the allotment of shares would or might be unlawful, or where the Board considers the costs, expenses or possible delays in ascertaining the existence or extent of the legal and other requirements applicable to such offer or the acceptance of such offer out of proportion to the benefit of the Company, and in any such case the provisions aforesaid shall be read and construed subject to such determination.

- Share Premium and Reserves**
148. (a) 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. The Company may apply the share premium account in any manner permitted by the Companies Law Act. The Company shall at all times comply with the provisions of the Companies Law Act in relation to the share premium account.
- (b) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (including shares, warrants and other securities of the Company) as the Board may from time to time think fit, and so that it shall not be necessary to keep any reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute by way of dividend.
- Dividends to be paid in proportion to paid up capital**
149. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) 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. For the purpose of this Article no amount paid up on a share in advance of calls shall be treated as paid up on the share.
- Retention of dividends, and etc.**
150. (a) The Board may retain any dividends or other ~~moneys~~ monies payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(b) The Board may retain any dividends or other monies payable upon shares in respect of which any person is, under the provisions as to the transmission of shares hereinbefore contained, entitled to become a member, or in respect of which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

Deduction of debts

(c) The Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

Dividend and call together

151. Any general meeting sanctioning a dividend may make a call on the members of such amount as the meeting resolves, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the member, be set off against the call.

Dividend in specie

152. The Board, with the sanction of the members in general meeting, may direct that any 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 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 disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, 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. Where required, a contract shall be filed in accordance with the provisions of the ~~Law~~Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective.

- Effect of transfer** 153. (a) A transfer of shares shall not pass therewith the right to any dividend or bonus declared thereon before the registration of the transfer.
- (b) Any resolution declaring or resolving upon the payment of a dividend or other distribution 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 made 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 or other distribution shall be payable or made 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.
- Receipt for dividends by joint holders of share** 154. If two or more persons are registered as joint holders of any shares, any one of such persons may give effectual receipts for any dividends, interim and special dividends or bonuses and other moneys payable or rights or property distributable in respect of such shares.
- Payment by post** 155. (a) Unless otherwise directed by the Board, any dividend, interest or other sum payable in cash to a holder of shares may be paid by cheque ~~or warrant~~ sent through the post to the registered address of the member entitled, or, in case of joint holders, to the registered address of the person whose name stands first in the register of members in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque ~~or warrant~~ so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register of members in respect of such shares and shall be sent at his or their risk, and the payment of any such cheque ~~or warrant~~ by the bank on which it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged.

- (b) The Company may cease sending such cheques for dividend entitlements ~~or dividend warrants~~ by post if such cheques ~~or warrants~~ have been left uncashed on two (2) consecutive occasions. However, the Company may exercise its 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.

- Unclaimed dividend** 156. All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the exclusive benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof or be required to account for any money earned thereon. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Board and shall revert to the Company and after such forfeiture no member or other person shall have any right to or claim in respect of such dividends or bonuses.

Untraceable Shareholders

- Sale of shares of untraceable shareholders** 157. (a) The Company shall be entitled to sell any shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if and provided that:
- (i) all cheques ~~or warrants~~, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of twelve (12) years;
 - (ii) the Company has not during that time or before the expiry of the three ~~month~~(3) months' period referred to in paragraph (iv) ~~below of this Article 157~~ received any indication of the whereabouts or existence of the member or person entitled to such shares by death, bankruptcy or operation of law;
 - (iii) during the 12-year period, at least three (3) dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and

(iv) upon expiry of the 12-year period, the Company has caused an advertisement to be published in the newspapers or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided, giving notice of its intention to sell such shares, and a period of three (3) months has elapsed since such advertisement and the Exchange has been notified of such intention.

The net proceeds of any such sale shall 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.

(b) To give effect to any sale contemplated by paragraph (a) of this Article 157, the Company may appoint any person to execute as transferor an instrument of transfer of the said shares and such other documents as are necessary to effect the transfer, and such documents shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares or other securities in or of the Company or its holding company if any) or as the Board may from time to time think fit.

Document Destruction**Destruction of
registrable
documents, and
etc.**

158. The Company shall be entitled to destroy all instruments of transfer, probate, letters of administration, stop notices, powers of attorney, certificates of marriage or death and other documents relating to or affecting title to securities in or of the Company (“**Registrable Documents**”) which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of two (2) years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the register if purporting to have been made on the basis of an instrument of transfer or Registrable Document so destroyed was duly and properly made and every instrument of transfer or Registrable Document so destroyed was a valid and effective instrument or document duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, provided always that:
- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without express notice of the Company of any claim (regardless of the parties thereto) to which the document might be relevant;
 - (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article 158; and
 - (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

Notwithstanding any provision contained in these Articles, the Directors may, if permitted by applicable law, authorise the destruction of any documents referred to in this Article or 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 that the preservation of such document might be relevant to a claim.

Annual Returns and Filings

Annual returns and filings 159. The Board shall make the requisite annual returns and any other requisite filings in accordance with the ~~Law~~Act.

Accounts

Accounts to be kept 160. The Board shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions and otherwise in accordance with the ~~Law~~Act.

Where accounts are to be kept 161. The books of account shall be kept at the Company's principal place of business in Hong Kong or, subject to the provisions of the ~~Law~~Act, at such other place or places as the Board thinks fit and shall always be open to the inspection of the Directors.

Inspection by members 162. The Board shall from time to time determine whether, to what extent, at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of the members (other than officers of the Company) and no member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the ~~Law~~Act or any other relevant law or regulation or as authorised by the Board or by the Company in general meeting.

**Annual profit and
loss account and
balance sheet**

163. (a) The Board shall, commencing with the first annual general meeting cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Directors' report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an Auditors' report on such accounts prepared pursuant to Article 164 and such other reports and accounts as may be required by law.

**Annual report of
Directors and
balance sheet to be
sent to members
and etc.**

(b) Copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than twenty-one (21) days before the date of the meeting be sent in the manner in which notices may be served by the Company as provided herein to every member of the Company and every holder of debentures of the Company, provided that the Company shall not be required to send copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

- (c) To the extent permitted by and subject to due compliance with these Articles, the ~~LawAct~~ and all applicable rules and regulations, including, without limitation, the rules of the Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 163(b) shall be deemed satisfied in relation to any member or any holder of debentures of the Company by sending to such person instead of such copies, not less than twenty-one (21) days before the date of the annual general meeting, in any manner not prohibited by these Articles and the ~~LawAct~~, a summary financial statement derived from the Company's annual accounts, together with the Directors' report and the Auditor's report on such accounts, which shall be in the form and containing the information required by these Articles, the ~~LawAct~~ and all applicable laws and regulations, provided that any person who is otherwise entitled to the annual accounts of the Company, together with the Director's report and the Auditor's 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 the summary financial statement, a complete printed copy of the Company's annual accounts, together with the Directors' report and the Auditor's report thereon.

Audit

Auditors

164. The Auditors shall audit the profit and loss account and balance sheet of the Company in each year and shall prepare a report thereon to be annexed thereto. Such report shall be laid before the Company at its annual general meeting in each year and shall be open to inspection by any member. The Auditors shall at the next annual general meeting following their appointment and at any other time during their term of office, upon request of the Board or any general meeting of the members, make a report on the accounts of the Company in general meeting during their tenure of office.

**Appointment,
removal and
remuneration of
Auditors**

165. ~~The Company shall at any appointment, removal and remuneration of an auditor or auditors of the Company shall require the approval of an ordinary resolution of the members in general meeting. The Company shall at each annual general meeting appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting; and fix the remuneration of such auditor(s) being appointed. The removal of an Auditor/the Auditors before the expiration of his period/the term of office shall require the approval of an ordinary resolution of the members in general meeting. The remuneration of the Auditors shall be fixed by the Company approved at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate; and the fixing of such remuneration to the Board. members shall at that meeting appoint a new auditor in its place for the remainder of the term. No person may be appointed as the; or an, Auditor Auditors, unless he it is independent of the Company. The Board may before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint Auditors. The Board may fill any casual vacancy in the office of Auditor/the Auditors, subject to the approval of an ordinary resolution of the members at a general meeting, but while any such vacancy continues, the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor/Auditors so appointed by the Board under this Article may be fixed by the Board shall hold office until the next annual general meeting after its appointment unless previously removed pursuant to these Articles.~~

App.3.17

**When accounts to be
deemed settled**

166. Every statement of accounts audited by the Auditors and presented by the Board at an annual general meeting shall after approval at such meeting be conclusive except as regards any error discovered therein within three months of the approval thereof. Whenever any such error is discovered within that period, it shall forthwith be corrected, and the statement of account amended in respect of the error shall be conclusive.

Notices**Service of notices**

167. (a) Except as otherwise provided in these Articles, any notice or document may be served by the Company and any notices may be served by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means by transmitting it to any electronic number or address or website supplied by the member to the Company or by placing it on the Company's Website provided that the Company has obtained either (a) the member's prior express positive confirmation in writing or (b) the member's deemed consent, in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such electronic means, or (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.
- (b) Notice of every general meeting shall be given in any manner hereinbefore authorised to:
- (i) every person shown as a member in the register of members as of the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the register of members;
 - (ii) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a member of record where the member of record but for his death or bankruptcy would be entitled to receive notice of the meeting;
 - (iii) the Auditors;
 - (iv) each Director and alternate Director;
 - (v) the Exchange; and

(vi) such other person to whom such notice is required to be given in accordance with the Listing Rules.

No other person shall be entitled to receive notices of general meetings.

**Members out of
Hong Kong**

168. A member shall be entitled to have notice served on him at any address within Hong Kong. Any member who has not given an express positive confirmation in writing to the Company in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the transfer office and shall have remained there for a period of ~~twenty-four~~ (24) hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article 168 shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.

**When notice deemed
to be served**

169. (a) Any notice or document sent by post shall be deemed to have been served on the day following that on which it is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so addressed and put into such post office shall be conclusive evidence thereof.

(b) Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.

- (c) Any notice served by advertisement shall be deemed to have been served on the day of issue of the official publication and/or newspaper(s) in which the advertisement is published (or on the last day of issue if the publication and/or newspaper(s) are published on different dates).
- (d) Any notice given by electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the Listing Rules or any applicable laws or regulations.
- (e) Any notice or other document may be given to a member either in the English language or the Chinese language only or in both English language and Chinese language, subject to due compliance with all applicable statutes, rules and regulations.

- Service of notice to persons entitled on death, mental disorder ~~or~~ or bankruptcy of a member** 170. Any notice or document 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 in such manner as provided in these Articles in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.
- Transferee bound by prior notices** 171. 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.
- Notice valid though member deceased** 172. Any notice or document delivered or sent to any member in pursuance of these Articles, shall notwithstanding that such member be then deceased and whether or not the Company has notice of his death be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such shares.

How notice to be signed 173. The signature to any notice to be given by the Company may be written or printed by means of facsimile or, where relevant, by Electronic Signature.

Information

Member not entitled to information 174. No member shall be entitled to require discovery of or any information in respect of 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 Board would not be in the interests of the members or the Company to communicate to the public.

Directors entitled to disclose information 175. The Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its members including, without limitation, information contained in the register of members and transfer books of the Company.

Winding Up

Power to distribute assets *in specie* following liquidation 176. (a) Subject to the Companies Act, the Company may by special resolution resolved by members in a general meeting wind up voluntarily. App.3 21

(b) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the Company and any other sanction required by the ~~Law~~Act divide among the members in specie or kind the whole or any part of the assets of the Company (whether the assets shall consist of property of one kind or shall consist of properties of different kinds) and may for such purpose set such value as he deems fair upon any property to be divided 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 or sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like authority or sanction and subject to the ~~Law~~Act, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

- Distribution of assets in liquidation** 177. 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. And if in a winding up 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 amongst the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. This Article 177 is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
- Service of process** 178. In the event of a winding-up of the Company in Hong Kong, every member of the Company who is not for the time being in Hong Kong shall be bound, within fourteen (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 judgments in relation to or under the winding-up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee, whether appointed by the member or the liquidator, shall be deemed to be good personal service on such member for all purposes, and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such member by advertisement 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.

Indemnities**Indemnities of
Directors and
officers**

179. (a) Every Director, Auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director, Auditor or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted.
- (b) Subject to the Companies ~~Law~~Act, if any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.

Financial Year**Financial year**

180. ~~The Unless otherwise determined by the Board, the financial year of the Company shall be prescribed by the Board end on 31 December in each year and may, from time to time, be changed by it shall begin on 1 January in each year.~~

Amendment of Memorandum and Articles**Amendment of
Memorandum and
Articles**

181. Subject to the ~~Law~~Act, the Company may at any time and from time to time by special resolution alter or amend its Memorandum of Association and these Articles of Association in whole or in part.

App.3.16

Transfer by Way of Continuation**Transfer by Way of
Continuation**

182. The Company shall, subject to the provisions of the Companies ~~Law~~Act and with the approval of a special resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

Mergers and Consolidations**Mergers and
Consolidations**

183. The Company shall, with the approval of a special resolution, have the power to merge or consolidate with one or more constituent companies (as defined in the ~~Law~~Act), upon such terms as the ~~Directors~~Board may determine.

NOTICE OF EXTRAORDINARY GENERAL MEETING



SOUTH CHINA HOLDINGS COMPANY LIMITED

南華集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00413)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of South China Holdings Company Limited 南華集團控股有限公司 (the “**Company**”) will be held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 20 June 2023 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass (with or without modification) the following resolutions as ordinary resolutions:

1. “**THAT:**

- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval for the listing of, and permission to deal in, the shares of the Company (the “**Shares**”) which may fall to be issued and allotted pursuant to the share option scheme (the “**2023 Share Option Scheme**”), the terms of which are contained in the document marked “A” which has been produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the rules of the 2023 Share Option Scheme be and are hereby approved and adopted by the Company and the directors of the Company be and are hereby authorized to grant options and to allot, issue and deal with Shares pursuant to the exercise of any option granted thereunder and to take all such acts, matters and things as they may in their discretion consider necessary or expedient to give effect to and implement the 2023 Share Option Scheme; and
- (b) the total number of Shares to be allotted and issued pursuant to paragraph (a) hereinabove, together with any issue of Shares upon the exercise of any options and awards granted under any other share schemes of the Company as may from time to time be adopted by the Company, shall not exceed 10% of the total number of Shares in issue as at the date of approval of the 2023 Share Option Scheme.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. “**THAT**, conditional upon the passing of ordinary resolution 1, the Service Provider Sublimit (as defined in the 2023 Share Option Scheme, and which includes grants to Service Providers under any other share schemes of the Company) of 1% of the total number of Shares in issue as at the date of approval of the 2023 Share Option Scheme be and is hereby approved and adopted.”

SPECIAL RESOLUTION

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

3. “**THAT** the amended and restated memorandum and articles of association of the Company (the “**Amended Memorandum and Articles of Association**”), a copy of which has been produced to this meeting and marked “B” produced to this meeting, be and is hereby approved and adopted in substitution for, and to the exclusion of, the existing memorandum and articles of association of the Company; and the directors of the Company be and are hereby authorized to do all things necessary to implement the adoption of the Amended Memorandum and Articles of Association.”

By Order of the Board
South China Holdings Company Limited
南華集團控股有限公司
Cheung Choi Ngor
Executive Director

Hong Kong, 25 May 2023

Registered office:

P.O. Box 31119
Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

Head Office and Principal Place of Business in Hong Kong:

28th Floor
Bank of China Tower
1 Garden Road, Central
Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. To ascertain shareholders' eligibility to attend and vote at the extraordinary general meeting of the Company ("EGM"), the register of members of the Company will be closed from Wednesday, 14 June 2023 to Tuesday, 20 June 2023, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Tuesday, 13 June 2023.
2. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and on a poll vote in his/her stead in accordance with the Articles of Association of the Company. A proxy need not be a member of the Company.
3. In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited with the Company's share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not less than forty-eight (48) hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude any member from attending and voting in person at the EGM or any adjourned meeting thereof should he/she so wish.
4. In the case of joint shareholdings, any one of such persons may vote, either personally or by proxy in respect of such share, provided that if more than one of such joint holders be present at the meeting or any adjournment thereof personally or by proxy, the more senior shall alone be entitled to vote and for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members in respect of the joint holding.
5. If Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at 8:00 a.m. on the date of the EGM, the EGM will be automatically postponed or adjourned. The Company will publish an announcement on the Company's website (www.scholding.com) and the Stock Exchange's website (www.hkexnews.hk) to notify shareholders of the Company of the date, time and venue of the rescheduled meeting.
6. In the event of any inconsistency, the English version of this notice shall prevail over the Chinese version.
7. As at the date of this notice, the Directors are:

Executive Directors:

Mr. Ng Hung Sang
Ms. Cheung Choi Ngor
Mr. Ng Yuk Yeung Paul

Non-executive Directors:

Ms. Ng Yuk Mui Jessica
Mr. Ng Yuk Fung Peter
Ms. Li Yuen Yu Alice
Mr. Yu Pui Hang

Independent Non-executive Directors:

Mrs. Tse Wong Siu Yin Elizabeth
Mr. Kam Yiu Shing Tony
Ms. Pong Scarlett Oi Lan, BBS, J.P.
Mr. Wong Chun Tat, J.P.