

**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 Kong Sun Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s), transferee(s) or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



**KONG SUN HOLDINGS LIMITED**

**江山控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 295)**

- (1) GENERAL MANDATES TO ISSUE AND BUY BACK SHARES;**
- (2) PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT OF THE SHARE OPTION SCHEME;**
- (3) GENERAL MANDATE TO GRANT OPTIONS;**
- (4) RE-ELECTION OF RETIRING DIRECTORS;**
- (5) ADOPTION OF NEW ARTICLES OF ASSOCIATION; AND**
- (6) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting ("AGM") of the Company to be held at 9/F., Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong, on Tuesday, 11 April 2017 at 11:00 a.m. is set out on pages AGM-1 to AGM-7 of this circular.

Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy for use at the AGM in accordance with the instructions printed thereon and return the same to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish.

10 March 2017

# CONTENTS

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	4
<b>Appendix I — Explanatory Statement</b> .....	I-1
<b>Appendix II — Details of Retiring Directors Proposed to be Re-elected at the AGM</b> .....	II-1
<b>Appendix III — New Articles of Association</b> .....	III-1
<b>Notice of Annual General Meeting</b> .....	AGM-1

## DEFINITIONS

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

“AGM”	annual general meeting of the Company to be held at 9/F., Gloucester Tower, The Landmark, 15 Queen’s Road Central, Hong Kong on 11 April 2017 at 11:00 a.m.;
“Articles”	the existing articles of association of the Company;
“Board”	the board of Directors;
“close associate”	has the meaning ascribed thereto in the Listing Rules;
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the laws of Hong Kong);
“Company”	Kong Sun Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange;
“core connected person”	has the meaning ascribed thereto in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Issue Mandate”	a general mandate to allot and issue Shares not exceeding 20% of the total number of Shares in issue as at the date of approval of the mandate;
“Latest Practicable Date”	8 March 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Articles”	the new articles of association proposed to be adopted by the Company at the AGM;
“Option Mandate”	a general mandate to grant options under the Share Option Scheme which shall not exceed 10% of the Shares in issue as at the date of approval of the mandate by the Shareholders;

## DEFINITIONS

“PRC”	the People’s Republic of China, which, for the purposes of this circular only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Proposed Refreshment”	the proposed refreshment of the Scheme Mandate Limit proposed to be approved by the Shareholders at the AGM, pursuant to which the Board may grant Share Options to eligible participants under the Share Option Scheme to subscribe for up to 10% of the Shares in issue as at the date of the AGM;
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all the Share Options to be granted under the Share Option Scheme and such other schemes of the Company which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of the approval of the Share Option Scheme by the Shareholders and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of the Company;
“Share Buy-back Mandate”	a general mandate to the Directors to exercise all the powers of the Company to buy back Shares not exceeding 10% of the total number of Shares in issue as at the date of approval of the mandate;
“Shareholder(s)”	holders of Share(s) in issue;
“Share Option(s)”	the option(s) to subscribe for Share(s) under the Share Option Scheme;
“Share Option Scheme”	the share option scheme adopted by the Company on 22 July 2009;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

## DEFINITIONS

“Substantial Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“HK\$” and “\$”	Hong Kong dollar, the lawful currency of Hong Kong; and
“%”	per cent.



**KONG SUN HOLDINGS LIMITED**

**江山控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 295)**

*Executive Directors:*

Zeng Jianhua

*(Chief Executive Officer and Chairman)*

Liu Wen Ping

Chang Hoi Nam

*Registered Office and*

*Principal Place of Business:*

Unit 3601, 36/F,

China Resources Building

26 Harbour Road, Wanchai

Hong Kong

*Non-Executive Director:*

Yuen Kin

*Independent Non-executive Directors:*

Miu Hon Kit

Wang Haisheng

Wang Fang

10 March 2017

*To the Shareholders*

Dear Sir or Madam,

- (1) GENERAL MANDATES TO ISSUE AND BUY BACK SHARES;**
- (2) PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT OF THE SHARE OPTION SCHEME;**
- (3) GENERAL MANDATE TO GRANT OPTIONS;**
- (4) RE-ELECTION OF RETIRING DIRECTORS;**
- (5) ADOPTION OF NEW ARTICLES OF ASSOCIATION; AND**
- (6) NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with details in respect of (i) the grant of general mandates to the Directors to issue and buy back Shares; (ii) the proposed refreshment of the Scheme Mandate Limit; (iii) the grant of a general mandate to the Directors to grant options under the Share Option Scheme; (iv) the re-election of retiring Directors; (v) the adoption of the New Articles; and (vi) to give you a notice of the AGM.

## LETTER FROM THE BOARD

### ISSUE MANDATE AND SHARE BUY-BACK MANDATE

The Directors propose to seek the approval of the Shareholders at the AGM by way of passing an ordinary resolution for granting the general mandates to the Directors (i) to allot, issue and otherwise deal with new Shares not exceeding 20% of the number of Shares of the Company in issue as at the date of the passing of the relevant resolution and the extension of the aforesaid mandate by addition thereto the number of Shares repurchased pursuant to the proposed general mandate for the buy back of Shares up to a maximum of 10% of the number of Shares in issue as at the date of passing the relevant resolution as described below, and (ii) to buy back Shares not exceeding 10% of the total number of Shares in issue as at the date of the passing of the relevant resolution, at any time during the period ending on the earlier of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or the Articles or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in the general meeting of the Company.

As at the Latest Practicable Date, the number of Shares in issue was 14,964,442,519 Shares. On the basis that there is no change in the total number of issued Shares between the Latest Practicable Date and the AGM, (i) the Issue Mandate in full would enable the Company to allot, issue and deal with a maximum of 2,992,888,503 Shares, and (ii) the Share Buy-Back Mandate in full would enable the Company to buy back a maximum of 1,496,444,251 Shares.

The purpose of the general mandate to allot, issue and deal with new Shares is to enable the Directors to capture right timing of the securities market to widen the capital base of the Company.

An explanatory statement as required by the Listing Rules for information on the Share Buy-back Mandate is set out in Appendix I to this circular.

### PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Board proposes to seek the approval of the Shareholders to refresh the Scheme Mandate Limit of the Share Option Scheme. The Share Option Scheme was adopted on 22 July 2009. The existing Scheme Mandate Limit was refreshed on 30 September 2014, pursuant to which the Directors were authorized to grant Share Options to subscribe for up to 829,074,251 Shares, representing 10% of the issued share capital of the Company as at the date of the annual general meeting of the Company on which the Scheme Mandate Limit was refreshed.

During the period from 30 September 2014, being the date when the Scheme Mandate Limit was last refreshed, and up to the Latest Practicable Date, Share Options to subscribe up to 477,700,000 Shares have been granted under the Share Option Scheme, out of which no Share Options have been exercised. Among such Share Options granted, up to the Latest Practicable Date, share options to subscribe for 8,000,000 Shares have been cancelled or lapsed and Share Options to subscribe for 469,700,000 Shares remain outstanding.

## LETTER FROM THE BOARD

As at the Latest Practicable Date, the maximum number of Shares which may be issued upon exercise of all Share Options to be granted under the Share Option Scheme was 359,374,251.

The Share Option Scheme was adopted to recognise and acknowledge the contributions of the Group's employees and other selected grantees made or may have made to the Group. The Share Option Scheme will provide the grantees with an opportunity to have a personal stake in the Company with the view to achieving the objectives of motivating the grantees to optimise their performance efficiency for the benefit of the Company, and to attract and retain or otherwise maintain on-going relationships with the grantees whose contributions are or will be beneficial to the long-term growth of the Group.

As at the Latest Practicable Date, there were 14,964,442,519 Shares in issue and hence the maximum number of Shares which may be further issued under the existing Scheme Mandate Limit available to be granted to eligible participants represents only approximately 2.4% of the total number of Shares in issue. The Directors consider that it is in the interest of the Company and the Shareholders as a whole to refresh the Scheme Mandate Limit to the 10% provided under Chapter 17 of the Listing Rules in order to provide the Company with greater flexibility in granting further share options to eligible persons (including employees and directors) of the Company under the Share Option Scheme as incentives to rewarding their contribution to the Company. The Company has, since 2014, entered into a number of acquisition agreements for the development of photovoltaic power plants in the PRC and the Company would need to recruit new employees who possess the necessary technical skills and have the necessary experience to assist the Company with its development in this sector. In this connection, the Directors consider that the additional flexibility to be able to offer more share options is an important factor for the Company to attract potential recruits and to retain existing employees and officers of the Company.

It is proposed that subject to the approval of the Shareholders at the AGM and such other requirements prescribed under the Listing Rules, the Scheme Mandate Limit will be refreshed so that the total number of Shares which may be issued upon exercise of all Share Options to be granted under the Share Option Scheme and all other schemes of the Company shall not exceed 10% of the Shares in issue as at the date of approval of the Proposed Refreshment by the Shareholders at the AGM. As at the Latest Practicable Date, there were 14,964,442,519 Shares in issue. Upon the approval of the Proposed Refreshment and assuming that the total number of Shares in issue remains unchanged prior to the date of the AGM, the Company may grant share options to eligible participants under the Share Option Scheme to subscribe for a maximum of 1,496,444,251 Shares, being 10% of the Shares in issue as at the date of passing of the resolution for the Proposed Refreshment.

Share Options previously granted under the Share Option Scheme and/or any other share option scheme(s) of the Company, including without limitation those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme or such other schemes of the Company will not be counted for the purpose of the Proposed Refreshment.



## LETTER FROM THE BOARD

As at the Latest Practicable Date, apart from the Share Option Scheme, the Company has no other share option scheme currently in force. Pursuant to Note 2 to Rule 17.03(3) of the Listing Rules and the Share Option Scheme, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time. On the basis of 14,964,442,519 Shares in issue as at the Latest Practicable Date, the 30% overall limit represented a total of 4,489,332,755 Shares. As at the Latest Practicable Date, there were 469,700,000 outstanding options under the Share Option Scheme. The total number of Shares which may be issued upon exercise of all outstanding options will amount to 469,700,000. Even if the Scheme Mandate Limit proposed to be refreshed at the AGM were to be utilised in full in granting additional options, the maximum number of Shares which may be issued upon exercise of all outstanding options granted (being a total of 1,966,144,251 Shares) will be well within the 30% overall limit.

The Proposed Refreshment is conditional upon:

- (a) the approval of the Shareholders at the AGM; and
- (b) the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any options granted under the refreshed limit of the Share Option Scheme.

An application will be made to the Listing Committee of the Stock Exchange for obtaining the approval mentioned in paragraph (b) above.

Since the adoption of the Share Option Scheme, the Company has not granted any share options to any grantee that exceeded 1% of the total number of Shares in issue in any 12-month period.

### GENERAL MANDATE TO GRANT OPTIONS

The Company is a company incorporated in Hong Kong. Under section 141 of the Companies Ordinance, directors of a company shall not, without shareholders' prior approval in general meeting or such approval expires at the conclusion of the next annual general meeting after the approval was given, allot new shares or grant rights to subscribe for, or to convert any security into shares in the company. Therefore, the Shareholders' approval given when the Share Option Scheme was adopted will expire at the conclusion of the AGM and the Directors propose to seek the approval of the Shareholders at the AGM to grant to the Directors an unconditional mandate to grant share options under the Share Option Scheme.

Assuming that both the resolutions in relation to the Proposed Refreshment and the general mandate to grant options are approved at the AGM, the Directors will be authorized to grant up to a maximum of 1,496,444,251 options under the refreshed Scheme Mandate Limit.

## LETTER FROM THE BOARD

### RE-ELECTION OF RETIRING DIRECTORS

Article 77 of the Articles provides that any Director appointed to fill a casual vacancy will only hold office until the next following general meeting. Mr. Zeng Jianhua, being an executive Director, was appointed on 6 March 2017. Mr. Yuen Kin, being a non-executive Director, was appointed on 24 January 2017. Ms. Wang Fang, being an independent non-executive Director, was appointed on 24 January 2017. Accordingly, each of Mr. Zeng Jianhua, Mr. Yuen Kin and Ms. Wang Fang will retire at the AGM, and being eligible, will offer himself or herself for re-election at the AGM.

In accordance with Article 81 and Article 84 of the Articles, Mr. Chang Hoi Nam, an executive Director, and Mr. Miu Hon Kit and Mr. Wang Haisheng, independent non-executive Directors, will retire by rotation at the conclusion of the AGM and being eligible, will offer themselves for re-election at the AGM.

Details of the above retiring Directors to be re-elected at the AGM are set out in Appendix II to this circular in accordance with the relevant requirements of the Listing Rules.

### ADOPTION OF NEW ARTICLES OF ASSOCIATION

The Directors propose to put forward to Shareholders for approval at the AGM a special resolution to adopt the New Articles. The proposed New Articles mainly reflect certain changes (i) to provide for rights of HKSCC Nominees Limited to appoint multiple proxies or corporate representatives; (ii) to update market and governance practices; and (iii) to consolidate all previous amendments and proposed amendments to replace the existing Articles, with effect from the date of passing the relevant special resolution at the AGM.

A summary of the major changes to the Articles are set out below:

- (a) To streamline the Articles regarding payment of fees upon replacement of share certificates and registration of transfer with the maximum fees as prescribed under the Companies Ordinance.
- (b) To exclude the entitlement of the Shareholders from dividend declared or other rights as a Shareholder in the event that any Shareholder defaulted in payment of any call or other sum for the time being due and payable on the Shares held.
- (c) To provide for the manner of execution of the instrument of transfer by transferor or transferee which is a clearing house or its nominees.
- (d) To make clear that, the chairman of the general meetings, in good faith, may allow resolutions which relates to purely a procedural or administrative matter to be voted on by a show of hands.
- (e) To grant a right to any Shareholder which is a recognised clearing house to authorise multiple proxies or corporate representatives, and to grant a right to any Shareholder to appoint more than one proxy.
- (f) To amend the minimum notice period for determination of the authority of proxy or duly authorised representative from 1 hour to 48 hours before commencement of the meeting.

## LETTER FROM THE BOARD

- (g) To stipulate that there is no maximum number of Directors and to specify that the Directors shall have no shareholding qualification.
- (h) To allow the Company to order vacation of office of any of the Directors if so requested in writing by all of the other Directors.
- (i) To require Shareholders' approval by ordinary resolutions to determine the sum of Directors' remuneration.
- (j) To broaden the scope of companies which shall be deemed to be a company in which a Director is interested to include any company which the Director and his close associates or connected entities are the holder of or beneficially interested in any class of the equity share capital of such company.
- (k) To allow the Company to execute a document as a deed without using its common seal as permitted under the Companies Ordinance.
- (l) To provide the Company with the power to deal with any dividends unclaimed for one year from the date of declaration for the benefit of the Company until claimed.
- (m) To empower the Company to purchase and maintain for any Director, manager secretary, officer and auditor insurance against any liability to the Company and any liability incurred by him in defending any proceedings in respect of or taken against him for any negligence, default, breach of duty or breach of trust of which he may be guilty.

Other house-keeping amendments to the Articles reflecting sub-sequential amendments in line with the above amendments to the Articles, and new definitions are proposed to improve clarity to the Articles generally.

The legal adviser to the Company as to Hong Kong laws has confirmed that the proposed New Articles comply with the requirements of the Listing Rules. The Company confirms that there is nothing unusual about the proposed amendments for a Hong Kong company listed on the Stock Exchange.

A marked-up copy of the proposed New Articles against the Articles reflecting the proposed changes is set out in Appendix III to this circular. Shareholders are advised that the Chinese translation of the proposed New Articles is for reference only. In case of any inconsistency, the English version shall prevail.

### **AGM**

A notice of the AGM is set out on pages AGM-1 to AGM-7 of this circular. At the AGM, resolutions will be proposed for the Shareholders to consider and, if thought fit, among other things, to approve (i) the grant of general mandates to the Directors to issue and buy back Shares; (ii) the proposed refreshment of the Scheme Mandate Limit; (iii) the grant of a general mandate to Directors to grant options; (iv) the re-election of the retiring Directors; and (v) the adoption of the New Articles.

## LETTER FROM THE BOARD

A form of proxy for use at the AGM is sent to the Shareholders together with this circular. Whether or not the Shareholders are able to attend the AGM, the Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time for holding of the AGM or adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting at the AGM or any adjourned meeting thereof should the Shareholders so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll.

As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors having made all reasonable enquiries, no Shareholder is required under the Listing Rules to abstain from voting on the resolution regarding the Proposed Refreshment at the AGM.

### 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 Board believes that the general mandates to issue and buy back shares, the proposed refreshment of the Scheme Mandate Limit, the general mandate to grant options, the re-election of retiring Directors to be put before the AGM, and the adoption of the New Articles are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

Your attention is also drawn to the information set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of the Board  
**Liu Wen Ping**  
*Executive Director*

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Share Buy-back Mandate.

### **SHARE BUY-BACK MANDATE**

The following is the explanatory statement required to be sent to the Shareholders under the Listing Rules relating to an ordinary resolution to be proposed at the AGM to approve a general and unconditional mandate to be given to the Directors to exercise the powers of the Company to buy back, at any time until the next annual general meeting of the Company or such earlier period as stated in the ordinary resolution, shares of the Company, up to a maximum of 10% of the total number of Shares in issue as at the date of passing the resolution.

The Directors believe the Share Buy-back Mandate is in the interests of the Company and the Shareholders, and accordingly recommend the Shareholders to vote in favour of the relevant resolution to be proposed at the AGM.

### **SHARES IN ISSUE**

As at the Latest Practicable Date, the number of Shares in issue was 14,964,442,519 Shares. Subject to the passing of an ordinary resolution for the grant of the Share Buy-back Mandate and on the basis that there is no change in the total number of Shares in issue prior to the AGM, the Company would be allowed under the Share Buy-back Mandate to buy back a maximum of 1,496,444,251 Shares.

### **REASONS FOR BUY BACK**

The Directors consider that it is in the best interests of the Company and its Shareholders to have a general authority from the Shareholders to enable the Directors to buy back Shares on the market. Such buy back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and its assets and/or earnings per Share and will only be made when the Directors believe that such buy back will benefit the Company and its Shareholders.

### **FUNDING OF THE BUY BACK**

Buying back of Shares will be funded entirely from funds legally available for such purpose in accordance with the Articles and the applicable laws of Hong Kong. It is presently proposed that any Shares bought under the Share Buy-back Mandate would be bought out of the capital paid up on the repurchased Shares, profits of the Company which would otherwise be available for distribution or the Company's share premium account.

**IMPACT ON WORKING CAPITAL**

There might be a material adverse impact on the working capital requirements or gearing levels of the Company (as compared with the position disclosed in its audited financial statements contained in the annual report of the Company for the year ended 31 December 2015) in the event that the Share Buy-back Mandate is exercised in full. However, the Directors do not propose to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital or gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

**UNDERTAKING**

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make buy-back pursuant to the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of the Directors, to the best of their knowledge having made all reasonable enquiries, nor any of their respective close associates, having any present intention to sell any Shares to the Company or its subsidiaries in the event that the Share Buy-back Mandate is granted.

No core connected persons (as defined in the Listing Rules) of the Company have notified the Company that he/she has a present intention to sell to the Company or its subsidiaries any of his/her Shares, or has undertaken not to do so, in the event that the Share Buy-back Mandate is granted.

**TAKEOVERS CODE AND SHARE REPURCHASES**

In the event that the exercise of the power to buy back Shares pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Pohua JT Private Equity Fund L.P. and its associates were interested in 9,286,301,000 Shares, representing 62.06% of the total number of Shares. If the Share Buy-back Mandate is exercised in full, the interest of Pohua JT Private Equity Fund L.P. in the Company would increase to 68.95%, and will not give rise to an obligation to make a mandatory general offer under Rule 26.1 of the Takeovers Code.

The Directors have no present intention to exercise the power to buy back Shares pursuant to the Share Buy-back Mandate to such extent that the aggregate amount of Shares in public hands would fall below the minimum requirement for public hands under the Listing Rules of 25%.

**SHARE PRICES**

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

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2016</b>		
March	0.57	0.37
April	–	–
May	–	–
June	–	–
July	–	–
August	–	–
September	–	–
October	–	–
November	–	–
December	0.36	0.28
<b>2017</b>		
January	0.390	0.300
February	0.330	0.208
March (up to the Latest Practicable Date)	0.260	0.236

*Remark: Trading of the Shares had been suspended at the request of the Company from 1 April 2016 to 14 December 2016 and has been resumed on 15 December 2016.*

**SHARE BUY BACK MADE BY THE COMPANY**

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) during the six months prior to the Latest Practicable Date.

Pursuant to the Listing Rules, details of the Directors who will retire at the conclusion of the AGM according to the Articles and will be proposed to be re-elected at the AGM are provided below:

**Mr. Zeng Jianhua**

Mr. Zeng Jianhua, aged 59, is a senior economist graduated from the enterprise management major of Hunan University with a Ph.D. degree in management in 2005. Mr. Zeng has served as the chief risk officer of China Construction Bank Corporation (“CCB”) from September 2013 to February 2017. From March 2011 to September 2013, Mr. Zeng served as the chief financial officer of CCB. He served as general manager of Guangdong Branch of CCB from September 2007 to March 2011. Mr. Zeng was the head of Guangdong Branch of CCB from July 2007 to September 2007, general manager of Shenzhen Branch of CCB from October 2004 to July 2007, deputy general manager of the asset and liability management department of CCB from July 2003 to October 2004, and deputy general manager of Hunan Branch of CCB from February 1996 to July 2003.

Mr. Zeng has entered into a letter of appointment with the Company on 6 March 2017 for a term of three years. Mr. Zeng will be subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles. Mr. Zeng’s remuneration after the re-election will be determined by the remuneration committee of the Company with reference to his duties and responsibilities with the Company.

Save as disclosed, Mr. Zeng has not been a director of any other listed public companies in the past three years and does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Zeng does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Zeng has not been involved in any of the events under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters in relation to his re-election as an executive Director that need to be brought to the attention of the Shareholders.

**Mr. Yuen Kin**

Mr. Yuen Kin, aged 62, joined the Group on 24 January 2017 as a non-executive Director. Mr. Yuen holds a Master of Business Administration degree from the University of Toronto, Canada. He is a Chartered Professional Accountant in Canada and a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has extensive experience in corporate finance, financial planning, reporting and management. He is currently an independent non-executive director of Huayi Tencent Entertainment Company Limited (HK stock code: 419), a company engaged in the provision of online and offline healthcare and wellness services, and media business with its shares listed on the Stock Exchange. Mr. Yuen is also an independent non-executive director of Lafe Corporation Limited (SGX: AYB), a company engaged in property investment, development, agency, and consultancy activities with its shares listed on the Singapore Stock Exchange. He is also an



independent non-executive director of Emerson Radio Corporation (NYSEMKT: MSN), a company engaged in the design and distribution of consumer electronic products with its shares listed on The New York Stock Exchange. Mr. Yuen is also a partner of Pohua JT Private Equity Fund L.P., the controlling shareholder of the Company.

Mr. Yuen has entered into a service contract with the Company on 24 January 2017 with no fixed period of service but he will be subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles. Mr. Yuen receives a monthly remuneration of HK\$20,000 per month. His remuneration after the re-election will be determined by the remuneration committee of the Company with reference to his duties and responsibilities with the Company.

Save as disclosed, Mr. Yuen has not been a director of any other listed public companies in the past three years and does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Yuen does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Yuen has not been involved in any of the events under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters in relation to his re-election as a non-executive Director that need to be brought to the attention of the Shareholders.

#### **Ms. Wang Fang**

Ms. Wang Fang, aged 45, joined the Company as an independent non-executive Director with effect from 24 January 2017. Ms. Wang graduated from the Shanghai University of Finance and Economics in 1999 major in accounting, and obtained an intermediate accounting certification from the Shanghai Municipal Finance Bureau in 2003. Ms. Wang has over 24 years of experience working in finance-related matters and had acted as the financial controller and finance manager of various sizeable corporations in the People's Republic of China in the past.

Ms. Wang has entered into a service contract with the Company on 24 January 2017 with no fixed period of service but she will be subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles. Ms. Wang receives a monthly remuneration of HK\$10,000 per month. Her remuneration after the re-election will be determined by the remuneration committee of the Company with reference to her duties and responsibilities with the Company.

Ms. Wang has not been a director of any other listed public companies in the past three years and does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Ms. Wang does not have any interests in the Shares within the meaning of Part XV of the SFO.

Ms. Wang has not been involved in any of the events under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters in relation to her re-election as an independent non-executive Director that need to be brought to the attention of the Shareholders.

**Mr. Chang Hoi Nam**

Mr. Chang Hoi Nam (“**Mr. Chang**”), aged 38, joined the Group on 30 September 2013 as an executive Director. Mr. Chang obtained a bachelor degree in business management from the University of New Brunswick of Canada in September 2000. Mr. Chang is currently an executive director and the chief executive officer of China Assurance Finance Group Limited (Stock code: 8090). Mr. Chang was an independent non-executive director of Sincere Watch (Hong Kong) Limited (Stock code: 444) from June 2012 to September 2012.

Mr. Chang has entered into a service contract with the Company with no fixed period of service but he will be subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles. Mr. Chang received a remuneration of approximately HK\$360,000 for the year ended 31 December 2015 and 2016 respectively. His remuneration after the re-election will be determined by the remuneration committee of the Company with reference to his duties and responsibilities with the Company.

Save as disclosed, Mr. Chang has not been a director of any other listed public companies in the past three years. Mr. Chang does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Chang was interested in 2,000,000 share options of the Company. Save as disclosed, Mr. Chang does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Chang has not been involved in any of the events under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters in relation to his re-election as an executive Director that need to be brought to the attention of the Shareholders.

**Mr. Miu Hon Kit**

Mr. Miu Hon Kit (“**Mr. Miu**”), aged 49, joined the Group on 8 July 2014 as an independent non-executive Director. Mr. Miu is a qualified accountant with over 21 years of professional experience in auditing, accounting, compliance, corporate finance and private equity investments. Mr. Miu is currently holding the position of Senior Vice President with Standard Perpetual Partners Limited, a licensed corporation with licenses granted by the SFC under the Securities and Futures Ordinance to carry on the Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities. Furthermore, he is also a director of LMN Certified Public Accountants Limited and a non-executive director of FM China Fund Limited. Mr. Miu has been appointed as an adjunct professor of the Department of Finance, Faculty of Business Administration, Chinese University of Hong Kong since 2013. Mr. Miu received a Master’s degree in Business Administration from Imperial College London and a Bachelor of Arts in Accountancy with Honours from City University of Hong Kong. Mr. Miu is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants (UK) and the Institute of Chartered Accountants in England and Wales. Mr. Miu is currently an independent non-executive director of Gold Tat Group International Limited (Stock code: 8266) and Chong Kin Group Holdings Limited (Stock code: 1609).

Mr. Miu has entered into a letter of appointment with the Company with no fixed period of service but he will be subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles. Mr. Miu received a remuneration of approximately HK\$216,000 for the year ended 31 December 2015 and 2016 respectively. His remuneration after the re-election will be determined by the remuneration committee of the Company with reference to his duties and responsibilities with the Company.

Save as disclosed, Mr. Miu has not been a director of any other listed public companies in the past three years. Mr. Miu does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Miu was interested in 1,000,000 share options of the Company. Save as disclosed, Mr. Miu does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Miu has not been involved in any of the events under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters in relation to his re-election as an independent non-executive Director that need to be brought to the attention of the Shareholders.

#### **Mr. Wang Haisheng**

Mr. Wang Haisheng (“**Mr. Wang**”), aged 38, joined the Group on 30 September 2014 as an independent non-executive Director, Mr. Wang has more than 13 years of experience in the areas of power equipment and new energy, with essential positions in corporate management, investment, strategic mergers and acquisitions and industry research. Mr. Wang was the chief analyst of several leading PRC securities companies for five years focusing in the new energy sector. Mr. Wang has obtained multiple awards of “Best Analyst”. He is currently the executive general manager of Ping An Securities Co. Ltd.. Mr. Wang graduated from Tsinghua University with a bachelor degree and a master degree in automation.

Mr. Wang has entered into a letter of appointment with the Company with no fixed period of service but he will be subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles. Mr. Wang received a remuneration of approximately HK\$120,000 for the year ended 31 December 2015 and 2016 respectively. His remuneration after the re-election will be determined by the remuneration committee of the Company with reference to his duties and responsibilities within the Company.

Mr. Wang has not been a director of any other listed public companies in the past three years. Mr. Wang does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Wang was interested in 1,000,000 share options of the Company. Save as disclosed, Mr. Wang does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Wang has not been involved in any of the events under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters in relation to his re-election as an independent non-executive Director that need to be brought to the attention of the Shareholders.

*The English version of the Articles of Association of the Company shall prevail in case of any discrepancy or inconsistency between English version and its Chinese translation.*

**ARTICLES OF ASSOCIATION**

~~(As adopted by special resolution passed on 11th day of April 2017 mended, restated and adopted by special resolutions passed on 21 May 2014, 2 June 2009 15 November 2007, 28 June 1996, and 21 June 1994)~~

OF

**KONG SUN HOLDINGS LIMITED**

**江山控股有限公司**

(Name changed on 16th July 1997, 7th July 1994, 28th February 1991,  
29th September 1987, 10th September 1983 and 13th June 1955)

Incorporated the 13th day of June, 1955.

## THE COMPANIES ORDINANCE (CHAPTER 622)

Public Company Limited by Shares

## ARTICLES OF ASSOCIATION

(Amended, restated and adopted by special resolutions passed on 21 May 2014, 2 June 2009  
15 November 2007, 28 June 1996, and 21 June 1994)

of

## KONG SUN HOLDINGS LIMITED

## 江山控股有限公司

(As adopted by special resolution passed on 11th day of April 2017 Name changed on 16th July 1997, 7th July  
1994, 28th February 1991, 29th September 1987, 10th September 1983 and 13th June 1955)

## COMPANY NAME

1. The name of the Company is “KONG SUN HOLDINGS LIMITED 江山控股有限公司”.

CAPACITY AND POWER OF THE COMPANY

2. The Company has the capacity and the rights, powers and privileges of a natural person.

## MEMBERS' LIABILITY

- (i) 3. The liability of the Members is limited and the liability of the Members is limited to any amount unpaid on the shares held by the Members.
- (ii) ~~The liability of the members is limited to any amount unpaid on the shares held by the members.~~

## PART I

## SPECIAL PROVISIONS

## BORROWING POWERS

1. (A) ~~The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Ordinance and the approval by the Company in the general meeting, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.~~

**VOTES OF MEMBERS**

- (B) ~~Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, at any general meeting of the Company on a poll every Member who is present in person (or, in the case of a Member being a corporation by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register.~~

**NUMBER OF DIRECTORS**

- (C) ~~Unless and until otherwise determined by ordinary resolution of the Company, the Directors (disregarding alternate Directors) shall be not less than three nor more than fifteen in number.~~

**DIRECTORS' FEES**

- (D) ~~A Director shall be entitled to receive by way of remuneration for his services such sum as shall from time to time be determined by the Company in general meeting by ordinary resolution, except that in the event a Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only be entitled to a part of such sum in proportion to the time during such period for which he has held office.~~

**DIRECTORS' SHAREHOLDING QUALIFICATION**

- (E) ~~No shareholding qualification for Directors shall be required.~~

**DISQUALIFICATION OF DIRECTORS**

- (F) ~~Without prejudice to any of the provisions for disqualification of Directors or for retirement by rotation hereinafter contained and notwithstanding any other provisions of these Articles, the office of a Director shall be vacated if by notice in writing delivered to the Office or tendered at a meeting of the Board his resignation is requested by all of the other Directors.~~

**PROVISION FOR EMPLOYEES**

- (G) ~~The Board may by resolution exercise any power conferred by the Ordinance to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.~~

~~UNTRACED SHAREHOLDERS~~

- (H) ~~The Company may sell any shares in the Company if:~~
- ~~(i) all cheques or warrants, being not less than three in total number, for any sum payable in cash to the holders of such shares as dividends in respect of them sent during the relevant period in the manner authorised by the Articles of the Company have remained uncashed;~~
  - ~~(ii) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the Member who is the holder of such shares or of a person entitled to such shares by death bankruptcy or operation of law; and~~
  - ~~(iii) the Company has, by advertisement in one or more newspapers circulating in Hong Kong including, where the issued ordinary shares capital of the Company is for the time being listed on the Stock Exchange (in which event an additional notice has also to be given to the same), the newspaper referred to in Article 131, given notice of its intention to sell such shares and a period of three months has elapsed since the date of such advertisement.~~

~~For the purpose of the foregoing, the "relevant period" means the period commencing twelve years before the date of publication of the advertisement referred to in paragraph (iii) above and ending at the expiry of the period referred to in that paragraph.~~

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



## PART 2

~~GENERAL PROVISIONS DISAPPLICATION OF TABLE A AND MODEL ARTICLES~~

- ~~2.4.~~ The regulations contained in (a) Table A in the First Schedule to the predecessor of the Companies Ordinance and (b) Model Articles in Schedule 1 of the Companies (Model Articles) Notice (Cap. 622H) shall not apply to the Company.

## INTERPRETATION

- ~~3.5.~~ In these Articles, unless the context otherwise requires:-

“associates” shall have the meaning attributed to it in the Listing Rules;

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

“these Articles” means these Articles of Association in their present form or as from time to time supplemented, altered or substituted;

“Board” means the Board of Directors of the Company or the Directors present at a meeting of Directors at which a quorum is present;

“business day” shall mean any day on which the Stock Exchange is open for the business of dealing in securities. ~~For the avoidance of doubt, where the Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Articles be counted as a business day;~~

“clear days” in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

“close associates” shall have the meaning attributed to it in the Listing Rules;

“Company” shall mean the abovenamed company;

“Company’s Website” shall mean the website of the Company, the address or domain name of which has been notified to Member;

“connected entity” shall have the meaning given by section 486 of the Ordinance;

“Corporate Communication” shall mean any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to: (a) the directors’ report, its annual accounts together with a copy of the auditor’s report, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of

meeting; (d) a listing document; (e) a circular; and (f) a proxy form, within the meaning ascribed thereto under the Listing Rules where the Company's shares are listed;

"electronic means" includes sending or otherwise making available to the intended recipients of the communication in electronic format;

"Executive Director" means a Managing Director, Joint Managing Director or Assistant Managing Director of the Company or a Director who is the holder of any other employment or executive office with the Company;

"the holder" in relation to any shares means the Member whose name is entered in the Register as the holder of such shares;

"Listing Rules" means the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;

"Member" means a member of the Company;

"Office" means the registered office of the Company;

"the Ordinance" means the Companies Ordinance (Chapter 622 of the laws of Hong Kong) and any amendments thereto or re-enactment thereof for the time being in force and includes every other ordinance incorporated therewith or substituted therefor and in the case of any such substitution the references in these Articles to the provisions of the Ordinance shall be read as references to the provisions substituted therefor in the new Ordinance ~~every other Ordinance incorporated therewith, or any Ordinance or Ordinances substituted therefor; and in case of any such substitution the references in these presents to the provisions of the Ordinance shall be read as references to the provisions substituted therefor in the new Ordinance or Ordinances;~~

"paid up" means paid up or credited as paid up;

"Register" means the Register of Members of the Company;

"Seal" means the common seal of the Company or any official seal that the Company may be permitted to have under the Ordinance;

"Secretary" includes a temporary or assistant or deputy Secretary and any person appointed by the Board to perform any of the duties of the Secretary;

"Stock Exchange" means The Stock Exchange of Hong Kong Limited (or any other stock exchange in Hong Kong on which the shares or other securities of the Company are for the time being listed);

(i) references to writing shall include typewriting, printing, lithography, photography and other modes (including telex and facsimile transmission) of representing or reproducing words in a legible and non-transitory form;

- (ii) any words or expressions defined in the Ordinance in force at the date when these Articles or any part thereof are adopted shall bear the same meaning in these Articles or such part (as the case may be) save that “company” shall where the context permits include any company or body incorporated in Hong Kong or elsewhere;
- (iii) where for any purpose an ordinary resolution of the Company is required, a special resolution shall also be effective; and
- (iv) references to a meeting shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person; ~~and~~

~~in the event of any conflict between Part 1 and Part 2 of these Articles, Part 1 shall prevail.~~

#### REGISTERED OFFICE

- ~~4.6.~~ The Office shall be at such place in Hong Kong as the Board shall from time to time appoint.

#### SHARE RIGHTS

- ~~5.7.~~ 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 shares or attaching to any class of shares, any share in the Company 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, or be redeemable whether at the option of the Company or the holder, and to such persons at such times and for such consideration as the Board may determine provided always that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”. The directors may determine the terms, conditions and manner of redemption of the shares.
- ~~6.8.~~ Subject to the Ordinance 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. Purchases for redemption of a redeemable share:
- (i) not made through the market or by tender shall be limited to a maximum price; and
  - (ii) by tender shall be made available to all Member alike.-

**MODIFICATION OF RIGHTS**

- ~~7.9.~~ Subject to the Ordinance, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders representing at least 75% of the total voting rights of holders of shares in the class or with the sanction of a special resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutates mutandis apply, but so that the necessary quorum shall be one or more persons holding or representing by proxy not less than one-third of the total voting right of the class, that every holder of shares of the class shall be entitled to one vote for every such share held by him and that at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum.
- ~~8.10.~~ The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking pariâ passu therewith.

**SHARES**

- ~~9.11.~~ Subject to the provisions of the Ordinance and these Articles, the unpaid shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine.
- ~~10.12.~~ Subject to and in accordance with all applicable laws and the Listing Rules, the Company may purchase or otherwise acquire its own shares of any class in the capital of the Company (including redeemable shares). Such powers shall be exercisable by the Board upon such terms and subject to such conditions as the Board thinks fit provided that no purchases of its own shares shall be made (otherwise than through a recognised stock exchange) save with the sanction of and at a price determined by an ordinary resolution of the Company.
- ~~11.13.~~ For the purposes of these Articles, “shares” shall where the context so permits include share warrants or any other securities which carry a right to subscribe for or purchase shares in the Company.
- ~~12.14.~~ The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Ordinance.
- ~~13.15.~~ Except as ordered by a Court of competent jurisdiction or as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any

share or any interest in any fractional part of a share or (except only as otherwise provided by these Articles or by law) any other right in respect of any share except an absolute right to the entirety thereof in the ~~the~~ registered holder.

~~14.~~16. The Company may issue warrants (hereinafter called "share warrants") stating that the bearer is entitled to the share therein specified, and may provide by coupons or otherwise howsoever for the payment of future dividends on the shares included in such warrants, provided that the Company shall not have power to issue share warrants to bearer. Where warrants are issued to bearer, no certificate thereof shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate thereof 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 replacement certificate.

~~15.~~17. The bearer of a share warrant shall from the date of any share warrant at any time after the incorporation of the Company be deemed to be a ~~member~~Member of the ~~Company~~ within the meaning of the ~~Companies~~ Ordinance to the full extent and for all the purpose thereof.

#### CERTIFICATES

~~16.~~18. Every person whose name is entered as a holder of any shares in the Register shall be entitled, without payment, to receive within two months after allotment or lodgement of a transfer to him of the shares in respect of which he is so registered (or within such other period as the terms of issue shall provide) one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board may from time to time determine. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A Member (except such a nominee as aforesaid) who has transferred part of the shares comprised in his registered holding shall be entitled to a certificate for the balance without charge.

~~17.~~19. If a share certificate is defaced, worn out, lost or destroyed it may, subject to the Ordinance, be replaced on payment of a fee not exceeding ~~2 Hong Kong Dollars (or such higher amount as shall for the time being be approved by any stock exchange in Hong Kong)~~ such sum as the Board may from time to time determine provided that such fees shall not exceed the maximum fees as prescribed in the Ordinance or as may from time to time be permitted under the rules prescribed by the Stock Exchange, and on such terms (if any) as to evidence and indemnity and to payment of any exceptional costs and the reasonable out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, where it is defaced or worn out, after delivery of the old certificate to the Company.

~~18.~~20. All forms of certificate for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall be issued under a Seal and, if issued under an official seal, need not be signed by any

person. The Board may also by resolution determine, either generally or in any particular case or cases, that any signatures or any such certificates need not be autographic but may be affixed to such certificates by some mechanical method or system.

#### LIEN

~~19-21.~~ The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable (whether presently or not) in respect of such share. The Company shall also have a first and paramount lien on every share (not being a fully paid up shares) registered in the name of a Member (whether solely or jointly with others) for all amounts payable in respect of such share. The Company's lien on a share shall extend to all dividends and distributions declared or payable thereon. The Board may at any time either generally or in any particular case waive any lien that has arisen, or declare any share to be wholly or in part exempt from the provisions of this Article.

~~20-22.~~ The Company may sell, in such manner as the Board may think fit, any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default of such payment, has been served on the holder for the time being of the share.

~~21-23.~~ The net proceeds, after payment of the costs, of the sale by the Company of any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as the same is presently payable, and any residue, if any, shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale and upon surrender, if required by the Company, for cancellation of the certificate for the shares sold) be paid to the holder immediately before such sale of the share. For giving effect to any such sale the Board may authorise some person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the share and he shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the sale.

#### CALLS ON SHARES

~~22-24.~~ The Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares and not by the terms of issue thereof made payable at a date fixed by or in accordance with such terms of issue, and each Member shall (subject to the Company serving upon him at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call, before receipt by the Company of an amount due under it, may be revoked or postponed as the Board may determine. 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.

- ~~23-25.~~ A call may be made payable in one sum or by installments and shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed.
- ~~24-26.~~ The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- ~~25-27.~~ If a sum called in respect of a share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 15 per cent per annum, as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.
- ~~26-28.~~ Any sum which, by the terms of issue of a share, becomes payable on allotment or at any date fixed by or in accordance with such terms of issue, shall for all the purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which, by the terms of issue, the same becomes payable and, in case of non-payment, all the relevant provisions of these Articles as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- ~~27-29.~~ The Board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.
- ~~28-30.~~ The Board may, if it thinks fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate, not exceeding (unless the Company by ordinary resolution shall otherwise direct) 15 per cent per annum, as may agreed upon between the Board and the Member paying such sum in advance, but a payment in advance of a call shall not entitle the Members to receive any dividend subsequently declared or to exercise any other rights or privileges as a Member in respect of a share or the due portion of the shares upon which payment has been advanced by such Member before it is called up.
31. No Member shall be entitled to receive any dividend, or (save as proxy for another Member) to be present or vote at any general meeting, either personally or by proxy, or to exercise any privilege as a Member, or be reckoned in a quorum in respect of any share held by him (whether alone or jointly with any other person) if and so long as he shall have defaulted in payment of any call or other sum for the time being due and payable on the share or any interest or expenses (if any) payable in connection therewith.



## FORFEITURE OF SHARES

- ~~29.~~32. If any call or instalment of a call remains unpaid on any share after the day appointed for payment thereof, the Board may at any time serve a notice on the holder of such share requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
- ~~30.~~33. The notice shall name a further day (not being less than fourteen days from the date of 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 on or before the day and at the place appointed, the shares in respect of which such call was made or instalment is payable will liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Articles to forfeiture shall include surrender.
- ~~31.~~34. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or installments and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
- ~~32.~~35. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.
- ~~33.~~36. Until cancelled in accordance with the requirements of the Ordinance, a forfeited share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Board shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board may think fit.
- ~~34.~~37. A person whose shares have been forfeited shall thereupon cease to be a Member in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon at the rate fixed by the terms of issue of the shares or, if no such rate is fixed, at the rate of 15 per cent per annum (or such lower rate as the Board may determine) from the date of forfeiture until payment, and the Company may enforce payment without being under any obligation to make any allowance for the value of the shares forfeited or for any consideration received on their disposal.
- ~~35.~~38. A statutory declaration that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited on the date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares. The Company may receive the



consideration (if any) given for the share on the sale, re-allotment or disposition thereof and the Board may authorize some person to transfer the share to the person to whom the same is sold, re- allotted or disposed of, and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the share.

### TRANSFER OF SHARES

~~36-39.~~ Subject to such of the restrictions of these Articles as may be applicable, any Member may transfer all or any of his shares by an instrument of transfer in the usual common form or in a form prescribed by the Stock Exchange or in any other form which the Board may approve and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.

~~37-40.~~ The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. The machine imprinted signature on an instrument of transfer may be accepted by the Company for the purpose of such transfer subject to any terms which the Company may impose. All instruments of transfer, when registered, may be retained by the Company.

~~38-41.~~ The Board may, in its absolute discretion, decline to register any transfer of any share:-

- (i) which is not a fully paid share; or
- (ii) on which the Company has a lien.

~~39-42.~~ The Board may also decline to register any transfer unless:-

- ~~(a)~~(i) the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- ~~(b)~~(ii) the instrument of transfer is in respect of only one class of share; ~~and~~
- ~~(c)~~(iii) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four; and
- (iv) the instrument of transfer is accompanied by payment of such fee, not exceeding the maximum amount prescribed by the Stock Exchange from time to time, as the Board may from time to time require.

~~40.~~43. If the Board refuses to register the transfer of a share:

- (i) the transferor or transferee may request a statement of the reasons for the refusal; and
- (ii) the instrument of transfer must be returned to the transferor or transferee who lodged it unless the Board suspects that the proposed transfer may be fraudulent.

~~40A.~~44. The instrument of transfer must be returned in accordance with Article ~~40~~43(ii) together with a notice of refusal within 2 months after the date on which the instrument of transfer was lodged with the Company.

~~40B.~~45. If a request is made under Article ~~40~~43(i), the directors must, within 28 days after receiving the request:

- (i) send the transferor or transferee who made the request a statement of the reasons for the refusal; or
- (ii) register the transfer.

~~41.~~46. ~~The Company shall not charge any fee more than the A fee not exceeding 2 Hong Kong Dollars (or such maximum amount as shall the time being be approved fee prescribed by the Stock Exchange from time to time in respect of the registration of a) may be charged by the Company for registering any transfer, or in respect of registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other documents relating to or affecting the title to any share, or for otherwise making any entry in the rRegister relating the title to any share.~~

### TRANSMISSION OF SHARES

~~42.~~47. In the case of the death of a Member, the survivor or survivors, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole holder, shall be the only persons recognised by the Company as having any title to his shares; but nothing herein contained shall release the estate of a deceased holder from any liability in respect of any share held by him solely or jointly with other persons.

~~43.~~48. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law may, subject as hereinafter provided and upon such evidence being produced as may from time to time be required by the Board as to his entitlement, either be registered himself as the holder of the share or elect to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled elects 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 signify his election by signing an

instrument of transfer of such share in favour of his nominee. 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 instrument of transfer as aforesaid as if the death or bankruptcy of the Member or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was an instrument of transfer signed by such Member.

44.49. A person becoming entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law shall (upon such evidence being produced as may from time to time be required by the Board as to his entitlement) be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or at any separate meeting of the holders of any class of shares in the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Member until he shall have become registered as the holder thereof. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the Board may thereafter ~~withold~~ withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

#### UNTRACED SHAREHOLDERS

50. The Company may sell in such manner as the Board thinks fit, any shares in the Company of a Member who is untraceable, if:

- (i) all cheques or warrants, being not less than three in total number, for any sum payable in cash to the holders of such shares as dividends in respect of them sent during the relevant period in the manner authorised by these Articles of the Company have remained uncashed;
- (ii) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the Member who is the holder of such shares or of a person entitled to such shares by death bankruptcy or operation of law; and
- (iii) the Company has, be advertisement in one or more newspapers circulating in Hong Kong including, where the issued ordinary shares capital of the Company is for the time being listed on the Stock Exchange (in which event an additional notice has also to be given to the same), the newspaper referred to in Article 140, given notice of its intention to sell such shares and a period of three months has elapsed since the date of such advertisement.

For the purpose of the foregoing, the "relevant period" means the period commencing twelve years before the date of publication of the advertisement referred to in paragraph (iii) above and ending at the expiry of the period referred to in that paragraph.

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

#### INCREASE OF CAPITAL

45. ~~The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe in any one or more of the ways set out in Section 170 of the Ordinance.~~
46. ~~Subject to the Ordinance, the Company may, by the resolution increasing the capital, direct that the new shares or any of them shall be offered in the first instance to all the holders for the time being of shares of any class or classes in proportion to the number of such shares held by them respectively or may make any other provisions as to issue of the new shares.~~
47. ~~The new shares shall be subject to all the provisions of these Articles with reference to lien, the payment of calls, forfeiture, transfer, transmission and otherwise.~~

#### ALTERATIONS OF CAPITAL

~~48.51.~~ The Company may from time to time by ordinary resolution alter its share capital in any one or more of the ways set out in Section 170 of the Ordinance, including but not limited to:-

- (i) increasing its share capital;
- ~~(a)~~(ii) consolidating and dividing all or any of its share capital into shares of a larger amount than its existing shares;
- ~~(b)~~(iii) cancelling any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; and may also by special resolution; and

(e)(iv) subject to any confirmation or consent required by law, reduce its issued share capital or any other undistributable capital redemption reserve in any manner. Where any difficulty arises in regard to any consolidation and division under paragraph (iia) of this Article, the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to or in accordance with the directions of the purchaser thereof. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

#### PURCHASE OF OWN SHARES AND WARRANTS

52. Subject to the provisions of the Ordinance and the Listing Rules, the Company may purchase its own shares of any class in the capital of the Company, including any redeemable shares or warrants or other securities carrying a right to subscribe for or purchase shares of the Company issued by the Company and, should the Company acquire its own shares or warrants or other such securities, neither the Company nor the Board shall be required to select the shares or warrants to be acquired rateably or in any other particular 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 or warrants. In the case of purchases of redeemable shares, purchases not made through the market or by tender shall be limited to a maximum price and if purchases are by tender, tenders shall be available to all shareholders holding redeemable shares of the Company alike.

#### GENERAL MEETINGS

49.53. The Board shall convene and the Company shall hold general meetings in each financial year as annual general meetings in accordance with the requirements of the Ordinance at such times and places as the Board shall appoint; and may be held at two or more places using any technology that enables the ~~members~~ Members who are not together at the same place to listen, speak and vote at the meeting. Any general meeting of the Company other than an annual general meeting shall be called an extraordinary general meeting.

50.54. The Board may, whenever it thinks fit, convene an extraordinary general meeting.

## NOTICE OF GENERAL MEETINGS

~~51.55.~~ Subject to such other minimum period as may be specified in the Listing Rules from time to time: (a) an annual general meeting shall be called by not less than twenty-one clear days' notice or twenty clear business days' notice in writing or by other electronic means, whichever is longer; (b) ~~shall be called by not less than twenty-one clear days' notice or ten clear business days' notice in writing or by other electronic means, whichever is longer (as may be required by the Listing Rules); and~~ (c) a meeting other than an annual general meeting or a meeting called for the passing of a special resolution shall be called by not less than fourteen clear days' notice or ten clear business days' notice in writing or by other electronic means, whichever is the longer (as may be required by the Listing Rules). Subject to the requirements of the Listing Rules the notice shall be exclusive of the day on which it is served or deemed to be served, received or delivery and of the day for which it is given, sent or supplied and shall specify the place (and if the meeting is to be held in two or more places, the principal place of the meeting and the other place or places of meeting), day and time of meeting, the 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 shall be given in manner hereinafter mentioned to all Members other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the Auditors for the time being of the Company. Subject to the provisions of the Ordinance, Notwithstanding that a meeting of the Company is called by shorter notice than that specified in this Article, 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 entitled to attend and vote thereat; 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 per cent of the total voting rights at the meeting of all the ~~m~~Members.

~~52.56.~~ The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of meeting or such instrument of proxy by, any person entitled to receive such notice shall not invalidate the resolutions passed or the proceedings had at that meeting.

## PROCEEDINGS AT GENERAL MEETINGS

~~53.~~ At any general meeting a resolution put to the vote of the meeting shall be decided ~~on a show of hands unless a poll is~~ (1) required by the Listing Rules, except where the Chairman of the meeting, in good faith and in compliance with the Listing Rules, decides to allow such resolution to be voted on by a show of hands; or (2) (before or

~~on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:-~~

- ~~(i) by the Chairman of the meeting; or~~
- ~~(ii) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or~~
- ~~(iii) by any member or members present in person or by proxy and representing not less than 5% of the total voting rights of all the members having the right to vote at the meeting; or~~
- ~~(iv) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.~~

~~Unless a poll be so required or demanded as aforesaid, and in the latter case, not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.~~

~~54.57.~~ No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment choice or election of a chairman for the meeting which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, two Members present in person or by proxy and entitled to vote shall be a quorum for all purposes. A corporation being a Member shall be deemed for the purpose of these Articles to be present in person if represented by proxy or in accordance with the provisions of the Ordinance.

~~55.58.~~ If within five minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to such other day (not being less than fourteen nor more than twenty-eight days thereafter) and at such other time or place as the chairman of the meeting may determine and at such adjourned meeting one Member present in person or by proxy (whatever the number of shares held by him) shall be a quorum. The Company shall give not less than seven days' notice in writing or by other electronic means of any meeting adjourned through want of a quorum and such notice shall state that one Member present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

~~56.59.~~ Each Director shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the Company.



~~57-60.~~ The Chairman (if any) of the Board or, in his absence, a Deputy Chairman (if any) shall preside as chairman at every general meeting. If there is no such Chairman or Deputy Chairman, or if at any meeting neither the Chairman nor a Deputy Chairman is present within five minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote shall elect one of their number to be chairman. A proxy may be elected to be the Chairman of a general meeting by a resolution of the Company passed at the meeting.

~~58-61.~~ The chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for ~~three~~ thirty days ~~months~~ or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

~~59-62.~~ Save as expressly provided by these Articles, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### VOTING

~~60-63.~~ At any general meeting a resolution put to the vote of the meeting shall be decided on a poll, except where the chairman, in good faith, decides to allow a resolution which relates to purely a procedural or administrative matter to be voted on by a show of hands.

~~61-64.~~ A poll shall be taken in such manner as the chairman shall direct and he may appoint scrutineers (who need not be Members). The result of the poll shall be deemed to be the resolution of the meeting.

~~63-65.~~ Any question of adjournment shall be decided at the meeting and without adjournment.

~~64-66.~~ Votes may be given either personally or by proxy. Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, at any general meeting of the Company on a poll every Member who is present in person (or, in the case of a Member being a corporation by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the Register.

~~65-67.~~ A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.



- ~~66-68.~~ In the case of an equality of votes at a general meeting, the chairman of such meeting shall be entitled to a second or casting vote (except in the case where the Chairman is not permitted to vote or be counted in quorum of any meeting of the Board).
- ~~67-69.~~ In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.
70. Where a Member is a recognised clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong) or its nominee(s), it may authorise any person or persons as it thinks fit to act as its proxy (or proxies) or representative (or representatives) at any general meeting of the Company or any separate meeting of any class of members of the Company provided that, if more than one person is so authorised, the instrument of proxy or authorisation must specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarized authorisation and/or further evidence for substantiating the facts that it is duly authorised and will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise if it were an individual shareholder of the Company.
- ~~68-71.~~ A Member in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote on a poll by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be delivered at the Office (or at such other place as may be specified in accordance with these Articles for the delivery of instruments appointing a proxy) not later than the last time at which a valid instrument of proxy could be so delivered.
- ~~69-72.~~ No Member shall, unless the Board otherwise determines, be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- ~~70-73.~~ If (i) any objection shall be raised to the qualification of any voter or (ii) any votes have been counted which ought not to have been counted or which might have been rejected or (iii) any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decided that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

~~70A:~~74. Where the Company has knowledge that any Member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.

### PROXIES

~~71:~~75. 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 authorised to sign the same.

~~72:~~76. A proxy need not be a Member and a Member may appoint more than one proxy to attend on the same occasion.

~~73:~~77. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the Office (or at such other place in Hong Kong 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) and received by the Company (a) for a general meeting or adjourned general meeting, at least 48 before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; and (b) for a poll taken more than 48 hours after it was demanded, at least 24 hours before the time appointed for taking the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting or poll concerned.

~~74:~~78. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in common form (provided that this does not preclude the use of the two-way 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. The instrument of proxy shall, 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 months from such date.

~~75:~~79. A vote given by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting, unless notice in writing of such determination was received by the Company at the Office (or such other place in Hong Kong as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other

document sent therewith) ~~48~~one hours at least before the commencement of the meeting or adjourned meeting at which the vote is given or (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

#### APPOINTMENT AND REMOVAL OF DIRECTORS

~~76.~~ Subject to the provisions of these Articles and the Ordinance, 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 Board, but so that the total number of Directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles.

80. Unless and until otherwise determined by ordinary resolution of the Company, the number of Directors (disregarding alternate Directors) shall be not less than three and there shall be no maximum number of Directors.

81. A Director need not be a Member and no shareholding qualification for Directors shall be required.

~~77-82.~~ Without prejudice to the power of the Company in general meeting in pursuance of any of the provisions of these Articles to appoint any person to be a Director and subject to the Ordinance, the Board shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles. Any Director so appointed shall hold office only until the next following general meeting, or if earlier, the next following extraordinary general meeting of the Company and shall then be eligible for re-election, provided that any Director who so retires shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting for the purpose of Article 86.

~~78-83.~~ Subject to the Ordinance, the Company may by ordinary resolution remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may by ordinary resolution to appoint another person in his stead. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number) and shall then be eligible for re-election, provided that any Director who so retires shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

~~79~~.84. No person other than a retiring Director shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose such person for election as a Director, signed by a shareholder (other than the person to be proposed for election as a Director) duly qualified to attend and vote at the meeting for which such notice is given, and a notice in writing signed by such person of his willingness to be elected shall have been lodged at head office or at its registration office to the Secretary. The minimum length of the period during which such notices are given shall be at least seven days and the period for lodgement of such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.

#### DISQUALIFICATION VACATION OF OFFICE OF DIRECTORS

~~80~~.85. Without prejudice to the provisions for retirement by rotation hereinafter contained, the office of a Director shall be vacated in any of the events following, namely:-

~~(a)~~(i) if (not being an Executive Director whose contract precludes resignation) he resigns his office by notice in writing delivered to the Office or tendered at a meeting of the Board;

~~(b)~~(ii) if he becomes of unsound mind or a patient for any purpose of any statute relating to mental health and the Board resolves that his office is vacated;

~~(c)~~(iii) if, without leave, he is absent from meetings of the Board (without having appointed an alternate or, having appointed an alternate, such alternate is also absent from such meetings) for six consecutive months, and the Board resolves that his office is vacated;

~~(d)~~(iv) if he becomes bankrupt or compounds with his creditors;

~~(e)~~(v) if he is prohibited by law from being a Director;

~~(f)~~(vi) if he ceases to be a Director by virtue of the Ordinance or is removed from office pursuant to these Articles; or

(vii) if by notice in writing delivered to the Office or tendered at a meeting of the Board his resignation is requested by all of the other Directors, without prejudice to any of the provisions for disqualification of Directors or for retirement by rotation hereinafter contained and notwithstanding any other provisions of these Articles.

If the office of a Director is vacated for any reason, he shall cease to be a member of any committee or sub-committee appointed by the Board.

**ROTATION OF DIRECTORS**

~~81-86.~~ Subject to the ~~special provisions set out in Part 1~~ of these Articles, at every annual general meeting of the Company, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office 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 years. A retiring Director shall continue to act as a Director throughout the meeting at which he retires.

~~82-87.~~ The Directors to retire by rotation on each occasion shall be those who have been longest in office since their last election or re-election, but as between persons who became or were re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the date of the notice convening the annual general meeting, and no Director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after the date of such notice but before the close of the meeting.

~~83-88.~~ A retiring Director shall be eligible for re-election.

~~84-89.~~ Subject to the provisions of these Articles, the Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by electing a person thereto and in default the retiring Director shall, if willing to continue to act, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless resolution for the re-election of such Director shall have been put to the meeting and lost.

**EXECUTIVE DIRECTORS**

~~85-90.~~ The Board may from time to time appoint one or more of its body to be Managing Director and one or more of its body to be Assistant Managing Director or to hold any other employment or executive office with the Company for such period (subject to the Ordinance and the applicable Listing Rules from time to time) and upon such terms as the Board may determine and may revoke or terminate any of such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company which may be involved in such revocation or termination.

~~86-91.~~ An Executive Director shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and either in addition to or in lieu of his remuneration as a Director.

**ALTERNATE DIRECTORS**

- 87.92.(A) Each Director shall have the power to appoint any person to be his alternate Director and may at his discretion remove such alternate Director. If such alternate Director is not another Director, such appointment, unless previously approved by the Board, shall have effect only upon and subject to it being so approved. Any appointment or removal of an alternate Director shall be effected by notice in writing signed by the appointor and delivered to the Office or tendered at a meeting of the Board, or in any other manner approved by the Board. An alternate Director shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director.
- (B) Every person acting as an alternate Director shall (except as regards power to appoint an alternate Director and remuneration) be subject in all respects to the provisions of these Articles relating to Directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate Director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director but shall not be entitled to receive from the Company any fee in his capacity as an alternate Director.
- (C) Every person acting as an alternate Director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director). The signature of an alternate Director to any resolution in writing of the Board or a committee of the Board shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.
- (D) An alternate Director shall *ipso facto* cease to be an alternate Director if his appointor ceases for any reason to be a Director provided that, if at any meeting any Director retires by rotation or otherwise but is re-elected at the same meeting, any appointment made by him pursuant to this Article which was in force immediately before his retirement shall remain in force as though he had not retired.

**~~ADDITIONAL REMUNERATION AND EXPENSES~~**

93. A Director shall be entitled to receive by way of remuneration for his services such sum as shall from time to time be determined by the Company in general meeting by ordinary resolution, except that in the event a Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only be entitled to a part of such sum in proportion to the time during such period for which he has held office.

88:94. Each Director may be paid his reasonable traveling, hotel and incidental expenses of attending and returning from meetings of the Board or committees of the Board or general meetings or any other meeting which as a Director he is entitled to attend and shall be paid all expenses properly and reasonable incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. Any Director who, by request, goes or resides outside the jurisdiction in which he normally resides for any purposes of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.

#### DIRECTORS' INTERESTS

- 89:95. (A) A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.
- (B) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (C) A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested, and subject to the Ordinance, shall not be liable to account to the Company or the Members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.
- (D) A Director shall not vote on (nor be counted in the quorum in relation to) any resolution of the Board concerning his own appointment (including fixing or varying its terms), or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).



- (E) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof or the termination thereof).
- (F) Subject to the Ordinance and to the next paragraph of this Article, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit (except that of ~~the a~~Auditor of the Company) or as vendor, purchaser or in any other manner whatever, nor (subject to the interest of the Director being duly declared) shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- (G) A Director who to his knowledge is in any way, whether directly or indirectly, interested in a transaction, contract or arrangement or proposed transaction, contract or arrangement with the Company shall declare the nature and extent of his interest at the meeting of the Board at which the question of entering into the transaction, contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case as soon as is reasonably practicable, and in any event at the first meeting of the Board after he knows that he is or has become so interested. Such declaration shall be made in accordance with the Ordinance. For this purpose, a general notice to the Board by a Director to the effect that:-
- (i) he is interested (as a member of, officer, employee or otherwise) in a specified company or firm (with such notice to specify the nature and extent of the Director's interest) and is to be regarded as interested in any transaction, contract or arrangement which may after the date of the notice be made with that company or firm; or
  - (ii) he is to be regarded as interested in any transaction, contract or arrangement which may after the date of the notice be made with a specified person who is connected (as such term is defined in the Ordinance) with him (with such notice to specify the nature of the Director's connection),



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

- (H) Save as otherwise provided by these Articles, a Director shall not vote (nor be counted in the quorum in relation to) on any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his close associate(s) 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:
- (i) the giving of any security or indemnity either:-
    - (a) to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of his associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;
    - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close 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 concerning any other company in which the Director or any of his close associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or any of his close associate(s) is/are beneficially interested in the shares of that company, provided that he and/or any of his close associate(s) is/are not, in aggregate, beneficially interested in five per cent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of his close associates is derived) or of the voting rights;
  - (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
    - (a) the adoption, modification or operating of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or his close associate(s) may benefit;

- (b) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors or any of his close associate(s) and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his close associate(s) as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.”;
- (I) A company shall be deemed to be a company in which a Director is interested, where such Director and his close associates or connected entities ~~has shareholding interests own five (5) per cent. or more~~ if and so long as (but only if and so long as) ~~he and his associates~~ they are (either directly or indirectly) the holder of or beneficially interested in ~~five (5) per cent. or more~~ of any class of the equity share capital of such company or of the voting rights available to members of such company. For the purpose of this paragraph, there shall be disregarded any shares held by a Director or any of his close associate(s) or connected ~~as entities as~~ bare or custodian trustee and in which he or such close associate(s) or connected entities has/have no beneficial interest, any shares comprised in a trust in which the interest of the Director or any of his close associates is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or any of his close associates is interested only as a unit holder.
- (J) ~~Where a company in which a Director and his associates hold five (5) per cent. or more is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.~~
- (J)(K) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director or any of his associates (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned or his associates as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting, such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman or his associates as known to such chairman has not been fairly disclosed to the Board.

**POWERS AND DUTIES OF THE BOARD**

~~90.~~96. The business of the Company shall be managed by the Board, which may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) which are not by the Ordinance or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Ordinance and of these Articles and to such regulations, being not inconsistent with such provisions or these Articles or the provisions of the Ordinance, as may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

~~91.~~97. The Board may establish any boards or agencies for managing any of the affairs of the Company, either in Hong Kong or elsewhere, and may appoint any persons to be members of such boards, may appoint any person, firm or company as managers or agents for the management of the whole or such part of the activities of the Company (and in particular, but without limitation, may appoint any company, firm or person to be the Company's investment manager), and may in each case fix their remuneration. The Board may delegate to any such board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board, with power to sub-delegate, and may authorise the members of any such board or any of them to fill any vacancies therein and to act notwithstanding vacancies. Any such ~~appointment~~appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby.

~~92.~~98. The Board may by power of attorney 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.

~~93.~~99. The Board may entrust to and confer upon any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.

94-100. The Company may exercise all the powers conferred by the Ordinance with regard to having official seals, and such powers shall be vested in the Board.

95-101. Subject to the provisions of the Ordinance, the Company may keep an overseas or local or other register in any place, and the Board may make and vary such regulations as it may think fit respecting the keeping of any such register.

96-102. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

97-103. The Board shall cause minutes or records to be made in books provided for the purpose:-

(a)(i) of all appointments of officers made by the Board;

(b)(ii) of the names of the Directors present at each meeting of the Board or committee of the Board; and

(c)(iii) of all resolutions and proceedings at all meetings of the Company and of the holders of any class of shares in the Company and of the Board and of any committee of the Board.

98-104. The Board on behalf of the Company may exercise all the powers of the Company to grant pensions, annuities or other allowances and benefits in favour of any person including any Director or former Director or the relations, connections or dependants of any Director or former Director provided that no pension, annuity or other allowance or benefit (except such as may be provided for by any other Article) shall be granted to a Director or former Director who has not been an Executive Director or held any other office or place of profit under the Company or any of its subsidiaries or to a person who has no claim on the Company except as a relation, connection or dependant of a Director or former Director without the approval of an ordinary resolution of the Company. A Director or former Director shall not be accountable to the Company or the Members for any benefit of any kind conferred under or pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

105. The Board may exercise all the powers of the Company to raise, borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Ordinance and the approval by the Company in the general meeting, to issue debentures, bonds and/or other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

106. The Board may by resolution exercise any power conferred by the Ordinance to make provision for the benefit of persons employed or formerly employed by the

Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

### PROCEEDINGS OF THE BOARD

~~99~~107. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the chairman of the meeting shall have an additional or casting vote. The Board or any committee of the Board may participate in a meeting of the Board or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting.

~~100~~108. Notice of Board meeting shall be given to all Directors. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from Hong Kong may request the Board that notices of Board meetings shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose, but such notices need not be given any earlier than notices given to Directors not so absent and in the absence of any such request it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from Hong Kong. A Director may waive notice of any meeting either prospectively or retrospectively.

~~101~~109. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two. Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

~~102~~110. The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director, notwithstanding that the number of Directors is below the number fixed by or in accordance with these Articles as the quorum or that there is only one continuing Director, may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company but not for any other purpose.

~~102A~~111. A resolution in writing signed by all the Directors for the time being entitled to receive notice, except such as are absent from Hong Kong or temporarily unable to act through ill-health or disability (or their alternate Directors), or by all the members of committee for the time being shall (so long as they constitute a quorum as provided in Article ~~99~~109) be as valid and effectual as if it had been passed at a

meeting of the Board or, as the case may be, such committee duly convened and held. Any such resolution in writing may consist of several documents in like form each signed by one or more of the Directors or alternate Directors or the members of the committee concerned. Notwithstanding the foregoing, in respect of any matter to be considered by the Board in which a Director or substantial shareholder (as defined under the Listing Rules) has a conflict of interest and which the Board has determined to be material, the matter shall be dealt with by resolution of the Board passed at a meeting of the Board and not by resolution in writing signed by the Directors.

~~103.112.~~ The Board may elect a Chairman and one or more Deputy Chairman of its meetings and determine the period for which they are respectively to hold such office. If no such Chairman or Deputy Chairman is elected, or if at any meeting neither the Chairman nor any Deputy Chairman is present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

~~104.113.~~ A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.

~~105.114.~~ The Board may delegate any of its powers authorities and discretions to any committee, consisting of such one or more Directors of the Company, together with such other persons, as it thinks fit, provided that, in the case of a committee consisting of two or more members, the majority of its members are Directors of the Company and no meeting of such committee shall be quorate for the purpose of exercising any of such powers authorities or discretions unless a majority of those present are Directors of the Company. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board.

~~106.115.~~ The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Article.

~~106A.(A) In respect of any dividend proposed to be paid or declared by the Directors or by the Company in general meeting, the Directors may propose and announce prior to or contemporaneously with the payment or declaration of such dividend:-~~

~~(1) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up provided that members 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:-~~

~~(a) the basis of any such allotment shall be determined by the Directors;~~

- (b) ~~the Directors, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the members 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;~~
  - (c) ~~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;~~
  - (d) ~~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 lieu and in satisfaction thereof shares shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of any part of any of the Company's reserve accounts (including any share premium account or capital redemption reserve fund) or profit and loss account or amounts otherwise available for distribution as the Directors may determine such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis;~~  
~~or~~
- (2) ~~that members entitled to such dividend 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 Directors may think fit. In such case, the following provisions shall apply:-~~
- (a) ~~the basis of any such allotment shall be determined by the Directors;~~
  - (b) ~~the Directors, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the members 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;~~
  - (c) ~~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;~~



- (d) ~~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 and in satisfaction thereof shares shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of any part of any of the Company’s reserve accounts (including capital redemption reserve fund) or profit and loss account or amounts otherwise available for distribution as the Directors may determine such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.~~
- (B) The shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank *par passu* in all respects with the shares then in issue save only as regards participation:-
- (1) ~~in the relevant dividend (or the right to receive or to elect to receive an allotment of shares in lieu thereof as aforesaid); or~~
  - (2) ~~in any other distribution, bonus or right paid, made, declared or announced prior to or contemporaneously with the payment of declaration of the relevant dividend unless, contemporaneously with the announcement by the Directors of their proposal to apply the provisions of subparagraph (1) or (2) of paragraph (A) of this Article in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Directors shall specify that the shares to be allotted pursuant to the provisions of paragraph (A) of this Article shall rank for participation in such distribution, bonus or rights.~~
- (C) ~~The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Article with full power to make such provisions as they think fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled or are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter into, on behalf of all members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.~~
- (D) ~~The Company may upon the recommendation of the Directors by special resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (A) of this Article a dividend may be satisfied wholly in the form of an allotment of shares~~



~~credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.~~

~~(E) The Directors may on any occasion determine that rights of election and the allotment of shares under paragraph (A) of this Article shall not be made available or made to any members with registered addresses in any territory where in the absence of compliance with applicable registration requirements or other special formalities an offer of such rights of election or the allotment of shares would or might be unlawful, and in such event all of the foregoing provisions of this Article shall be read and construed such determination.”; and (B) the substitution of the existing Article 109 in its entirety by the following new regulation:-~~

~~107. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board (provided that number is sufficient to constitute a quorum) or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee concerned.~~

~~108.116.~~ All acts done by the Board or by any committee or by any person acting as a Director or member of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

#### SECRETARY

~~109.117.~~ 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.

~~110.118.~~ A provision of the Ordinance or these Articles requiring or authorizing a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

#### SEALS

~~111.119.~~(A) (i) The Board shall provide for the custody of every Seal. Seal shall only be used by the authority of the Board or of a committee of the ~~b~~Board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, any instrument to which the common seal is affixed shall be signed by any two Directors or one Director and the Secretary, or such other person or persons as the board may from time to time by resolution appoint for the purpose, and any instrument to which an official seal is affixed need not, unless the Board for the time being

otherwise determines or the law otherwise requires, be signed by any person. Every instrument executed in manner provided by this Article shall be deemed to be sealed and executed with the authority of the Directors previously given.

- (ii) Notwithstanding Article ~~111~~ 119(A), the Company may execute a document as a deed in any other manner as may be permitted by law.
- (B) The Company may have an official seal for use for sealing certificates for shares or other securities issued by the Company as permitted by Section ~~73A~~126 of the Ordinance (and no signature of any Director, officer or other person and no mechanical reproduction thereof shall be required on any such certificates or other document and any such certificates or other document to which such official seal is affixed shall be valid and deemed to have been sealed and executed with the authority of the Board notwithstanding the absence of any such signature or mechanical reproduction as aforesaid) and an official seal for use abroad under the provisions of the Ordinance where and as the Board shall determine, and the Company may by writing under the seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company for the purpose of affixing and using such official seal and they may impose such restrictions on the use thereof in accordance with the Ordinance and as may otherwise be thought fit. Wherever in these Articles reference is made to the seal, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.
- (C) Any document executed in accordance with section 127(3) of the Ordinance and expressed (in whatever words) to be executed by the Company shall have the same effect as if it has been executed under seal.

~~112~~120. Every certificate of shares, stock, debentures or debenture stock of the Company must (a) have affixed to it the Company's common seal or a Securities Seal provided that, with the authority of a resolution of the Board, any such certificate may be issued under the Seal or a Securities Seal but without such signatures or with such signatures made or fixed by means of some mechanical method or system of under Section 126 of the Ordinance; or (b) be otherwise executed in accordance with the Ordinance.

~~113~~121. The Company may exercise the powers conferred by the ~~Companies~~ Ordinance with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.

### DIVIDENDS AND OTHER PAYMENTS

~~114~~122. Subject to the ~~Companies~~ Ordinance and as hereinafter set out, the Company in general meeting may from time to time declare dividends to be paid to the Members according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board. Surpluses arising from the revaluation of properties and investments shall not be available for dividend and shall be placed into a revaluation reserves account.

~~115~~123. The Company in general meeting declaring a dividend may, upon the recommendation of the Directors, direct that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares or debentures of the Company or any other company, or in any one or more of such ways, with or without offering any rights to ~~members~~ Members to elect to receive such dividend in cash, and the Directors shall give effect to such direction, and where any difficulty arises in regard to such distribution the Directors may settle the same as they think expedient, and in particular may disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any ~~members~~ Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend. Where a contract is required to be filed in accordance with the provisions of the ~~Companies~~ Ordinance, the Directors may appoint any person to sign contract on behalf of the persons entitled to the dividend.

~~116~~124. The Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the position of the Company; the Board may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates, whenever such position, in the opinion of the Board, justifies such payment. If the share capital is divided into different classes, the Board may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if at the time of payment, any preferential dividend is in arrear. Provided the Directors act in good faith, they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

~~117~~125. The Board may deduct from any dividend or other moneys payable to a Member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.

~~118~~126. No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

~~119~~127. (A) In respect of any dividend proposed to be paid or declared by resolution of the Board or of the Company in general meeting, the Board may further resolve and announce prior to or contemporaneously with the payment or declaration of such dividend:-

- (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 Members

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:-

- (a) the basis of any such allotment shall be determined by the Board;
  - (b) the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the holders of the shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
  - (c) 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;
  - (d) 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 lieu and in satisfaction thereof shares shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of any of the Company's reserve accounts or profit and loss account or amounts otherwise available for distribution as the Board may determine such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or
- (ii) that Members entitled to such dividend 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 dividends as the Board may think fit. In such case, the following provisions shall apply:-
- (a) the basis of any such allotment shall be determined by the Board;
  - (b) the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the holders of the shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
  - (c) 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;

- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised ("the elected shares") and in lieu and in satisfaction thereof shares shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of any of the Company's reserve accounts or profit and loss account or amounts otherwise available for distribution as the Board may determine such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.
- (B) The shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank *par passu* in all respects with the shares then in issue save only as regards participation:-
- (i) in the relevant dividend (or the right to receive or to elect to receive an allotment of shares in lieu thereof as aforesaid);
- (ii) in any other distribution, bonus or right paid, made, declared or announced prior to or ~~contemporaneously~~ 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) and (ii) of paragraph (A) of this Article 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 paragraph (A) of this Article shall rank for participation in such distribution, bonus 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 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 special resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (A) of this Article a dividend may be satisfied wholly in the form of an allotment of shares

credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

(E) The Directors may on any occasion determine that rights of election and the allotment of shares under paragraph (A) of this Article shall not be made available or made to any ~~members~~ Members with registered addresses in any territory where in the absence of compliance with applicable registration requirements or other special formalities an offer of such rights of election or the allotment of shares would or might be unlawful, and in such event all of the foregoing provisions of this Article shall be read and construed such determination.

~~120-128.~~ (A) Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

(B) The Company may cease to send any cheque or warrant through the post for any dividend payable on any shares in the Company which is normally paid in that manner on those shares if in respect of at least two consecutive dividends payable on those shares the cheques or warrants have been returned undelivered or remain uncashed but, subject to the provisions of these Articles, shall recommence sending cheques or warrants in respect of dividend payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.

~~121-129.~~ Any dividend unclaimed for one year from the date of declaration of such dividend may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend unclaimed after a period of six years from the date of declaration of such dividend shall be forfeited and shall revert to the Company and the payment by the Board of any unclaimed dividend, interest or other sum payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

~~122-130.~~ Any general meeting declaring a dividend may by ordinary resolution, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or in part by the distribution of specific assets, and in particular of paid up shares or debentures of any other company, and the Board shall give effect to such



direction, and where any difficulty arises in regard to such distribution the Board may settle it as it thinks expedient, and in particular may issue fractional certificates or authorize any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution purposes of any such specific assets and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to secure equality of distribution and may vest any such specific assets in trustees as may seem expedient to the Board.

~~122A-131.~~ 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.

### RESERVES

~~123-132.~~ The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose for which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which it may think it prudent not to distribute.

### CAPITALISATION OF PROFITS

~~124-133.~~ ~~To the extent as permitted under the Ordinance,~~ The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively, debentures or other obligations of the Company, to be allotted and ~~distributed~~ credited as fully paid up among such Members, or partly in one way and partly in the other.

~~125-134.~~ Where any difficulty arises in regard to any ~~distribution~~ distribution under the last preceding Article the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any

Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

#### RECORD DATES

~~126-135.~~ Notwithstanding any other provision of these Articles, the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

#### ACCOUNTING RECORDS

~~127-136.~~ The Board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions, in accordance with the Ordinance.

~~128-137.~~ The accounting records shall be kept at the Office or, subject to the Ordinance, at such other place or places as the Board may think fit and shall always be open to inspection by the officers of the Company. No Member (other than an officer of the Company) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board.

~~129-138.~~ A ~~printed~~ copy of either (i) the directors' report, accompanied by the every balance sheet and profit and loss account, (including every document required by law to be annexed thereto); or (ii) the summary financial report, which is to be laid before the Company in annual general meeting, ~~accompanied by the directors' report, the auditors' report and the notice of the annual general meeting,~~ shall, not less than 21 clear days ~~or 20 clear business days, whichever is longer,~~ before the date of the general meeting, be delivered or sent by post to every Member and each other person entitled thereto under the Ordinance, ~~and copies shall also be sent in appropriate numbers to the Stock Exchange in accordance with the terms of any listing agreement for the time being binding on the Company or with the continuing obligations binding on the Company by virtue of any list.~~

#### AUDIT

~~130-139.~~ Auditors shall be appointed and their duties regulated in accordance with the Ordinance.

#### SERVICE OF NOTICES AND OTHER DOCUMENTS

~~131-140.~~ Except as otherwise provided in these Articles, any Corporate Communication may be served by the Company and any notice or other document (including a share certificate) may be served on or delivered to any Member by the Company by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register or by delivering it to or leaving it at such registered address addressed as aforesaid. To the extent permitted by the



Listing Rules and all applicable laws and regulations, any Corporate Communication and notice may also be served 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. A notice may also be served by advertisement inserted in newspapers circulating in Hong Kong according to the requirements of the Stock Exchange and including at least one English language newspaper and one Chinese language newspaper (in which the relevant notice shall appear in the Chinese language), being in each case a newspaper published daily and circulating generally in Hong Kong and specified in the list of newspapers issued for the purpose of Section 71A of the Companies Ordinance by the Secretary for Administration Services and Information of Hong Kong and published in the Hong Kong Government Gazette. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.

~~132.~~141. Any such notice or other document sent by post, shall be deemed to have been served or delivered 24 hours after the time when it was put in the post (airmail if posted from Hong Kong to an address in or outside Hong Kong), and in proving such service, received or delivery it on the second business day (as defined in Part 18 of the Ordinance) shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post and a certificate in writing signed by the Secretary or other officer of the Company that the envelop containing the notice was so addressed and put in the post shall be conclusive evidence thereof. 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. Any notice as provided herein shall be sent to such ~~member's~~ Member's address as shown in the ~~Company's Register of members~~. A ~~member~~ Member ceases to be entitled to receive notices from the Company if the Company sends two consecutive documents to the ~~member~~ Member over a period of at least twelve months and each of those documents is returned undelivered, or the Company receives notification that it has not been delivered. A ~~member~~ Member who has ceased to be entitled to receive notices from the Company becomes entitled to receive those notices again by sending the Company an address to be recorded in the ~~register~~ Register of members or if the ~~member~~ Member has agreed that the Company should use a means of communication other than sending things to such an address, the information that the Company needs to use that means of communication effectively as may be prescribed by the Listing Rules or any applicable laws or regulations. Any notice or other document served by advertisement shall be deemed to have been served on the day of issue of the newspapers in which the advertisement is published.

~~133.~~142. Any notice or other document served on or delivered to any Member in pursuance of these Articles shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served joint holder unless before the day of posting (or if it is not sent by post before the day of service or delivery) of the notice or document, his name has been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

#### DESTRUCTION OF DOCUMENTS

~~134.~~143. The Company may destroy:-

- (a)(i) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- (b)(ii) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date such mandate variation cancellation or notification was recorded by the Company;
- (c)(iii) any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration; and
- (d)(iv) any other document on the basis of which any entry in the Register is (made at any time after the expiry of six years from the date an entry in the Register was first made in respect of it;

and it shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:-

- (i)(a) the foregoing provisions, of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;
- (ii)(b) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (a) above are not fulfilled; and
- (iii)(c) references in this Article to the destruction of any document including references to its disposal in any manner.

## WINDING UP

~~135-144.~~ If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Ordinance, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such values as he deems fair upon any property to be divided as aforesaid 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 sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think ~~fit~~, but so that no Member shall be compelled to accept any shares or other assets upon which there is any liability.

## INDEMNITY AND INSURANCE

~~136-145.~~ To the extent as permitted by the Ordinance and/or by the law, ~~Every~~ Director, Executive Director, manager, secretary, officer and ~~a~~ Auditor of the Company shall be indemnified out of the funds of the Company against all liabilities (except for any liability in relation to a Director as mentioned in Section 469(2) of the Ordinance) incurred by him as such Director, Executive Director, manager, secretary, officer or auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under the Ordinance in which relief from liability is granted to him by the Court.

146. The Company may purchase and maintain for any Director, Executive Director, manager, secretary, officer and Auditor or any person employed by the Company as Auditor (i) insurance against any liability to the Company, an associated company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or an associated company; and (ii) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or an associated company.

For the purpose of this Article, "associated company" shall have the meaning ascribed to it in the Ordinance.

## CONFLICT WITH COMPANIES ORDINANCE

~~137-147.~~ (A) Notwithstanding anything contained in these Articles, if the ~~Companies~~ Ordinance prohibit an act being done, the act shall not be done.

(B) Nothing contained in these Articles prevents an act being done that the ~~Companies~~ Ordinance requires to be done.

- (C) If any provision of these Articles is or becomes inconsistent with any provision of the ~~Companies~~ Ordinance, these Articles are deemed not to contain that provision to the extent of the inconsistency and to the extent it does not breach any provision of the ~~Companies~~ Ordinance.

~~WE, the several persons, whose names, addresses and descriptions are hereto subscribed, are desirous of being formed into a Company, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names. The following table sets out the details of the initial subscriber of the Company, the initial number of share(s) taken by the initial subscriber and the initial share capital of the Company on the 8th June 1955:~~

<b>Name(s), Address(es) and Description(s) of <u>Initial</u> Subscriber(s)</b>	<b>Number of Share(s) taken by <u>Initial</u>each <u>s</u>Subscriber</b>
(Sd.) H. W. LEE, H. W. LEE, 74, Kennedy Road, Hong Kong, Banker.	One
(Sd.) J. S. LEE, J. S. LEE, 74, Kennedy Road, Hong Kong, Merchant.	One
Total Number of Share(s) Taken.....	Two

~~Dated the 8th day of June, 1955.~~

~~WITNESS to the above signatures:-~~

~~(sd.)J. T. PRIOR,  
Solicitor,  
Hong Kong~~

# NOTICE OF ANNUAL GENERAL MEETING



## KONG SUN HOLDINGS LIMITED 江山控股有限公司

*(Incorporated in Hong Kong with limited liability)*  
(Stock Code: 295)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (the “**Meeting**”) of Kong Sun Holdings Limited (the “**Company**”) will be held at 9/F., Gloucester Tower, The Landmark, 15 Queen’s Road Central, Hong Kong on Tuesday, 11 April 2017 at 11:00 a.m. for the purpose of considering and, if thought fit, with or without modification, passing the following resolutions:

#### ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “**Director(s)**”) and the auditors for the year ended 31 December 2015;
2. To re-elect Mr. Zeng Jianhua as an executive Director;
3. To re-elect Mr. Yuen Kin as a non-executive Director;
4. To re-elect Ms. Wang Fang as an independent non-executive Director;
5. To re-elect Mr. Chang Hoi Nam as an executive Director;
6. To re-elect Mr. Miu Hon Kit as an independent non-executive Director;
7. To re-elect Mr. Wang Haisheng as an independent non-executive Director;
8. To authorise the board of Directors to fix the remuneration of the Directors;
9. To re-appoint BDO Limited as auditors of the Company and to authorise the board of Directors to fix their remuneration;
10. “**THAT**
  - (a) subject to paragraph (c) of this resolution below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with the additional shares of the Company and to make or grant offers, agreements and options, including bonds, warrants, notes, debentures

## NOTICE OF ANNUAL GENERAL MEETING

and other securities which carry rights to subscribe for or are convertible into shares of the Company, which might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, including bonds, warrants, notes, debentures and other securities which carry rights to subscribe for or are convertible into shares of the Company, which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of shares of the Company allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to:
  - (i) a Rights Issue (as hereinafter defined);
  - (ii) the exercise of rights of subscription or conversion under terms of any existing warrants, Bonds, debentures, notes and other securities of the Company;
  - (iii) the exercise of option granted under any share option scheme or any similar arrangement for the time being adopted for the grant or issue to officers and/or employees and/or other eligible persons of the Company and/or any of subsidiaries of shares or rights to acquire shares of the Company;
  - (iv) any scrip dividend or similar arrangement providing for the allotment and issue of shares of the Company in lieu of the whole or part of a dividend on the shares of the Company in accordance with the articles of association of the Company in force from time to time;
  - (v) the exercise of any conversion rights attaching to any convertible notes issued or to be issued by the Company; and
  - (vi) a specified authority granted by the shareholders of the Company in general meeting;

shall not exceed 20% of the total number of shares of the Company in issue on the date of passing this resolution; and the said approval shall be limited accordingly;

## NOTICE OF ANNUAL GENERAL MEETING

- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this resolution which had been granted to the Directors and which are still in effect be and hereby revoked; and
- (e) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of passing this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the revocation or variation or renewal of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares in the Company, or an offer or issue of warrants, options or other securities giving rights to subscribe for shares of the Company, open for a period fixed by the Directors to holders of the shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in, any territories applicable to the Company).”

### 11. “**THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back the shares in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchanges on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with the applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchanges as amended from time to time, be and is hereby generally and unconditionally approved;

## NOTICE OF ANNUAL GENERAL MEETING

(b) the total number of shares of the Company which the Company is authorised to buy back pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution be limited accordingly; and

(c) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of passing this resolution until whichever is the earlier of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and

(iii) the revocation or variation or renewal of the authority given under this resolution by an ordinary resolution of shareholders of the Company in general meeting.”

12. “**THAT** subject to the passing of the above resolutions 10 and 11, the total number of shares of the Company which are to be bought back by the Company pursuant to the authority granted to the Directors as mentioned in resolution 11 shall be added to the total number of shares of the Company that may be allotted or agreed to be allotted by the Directors pursuant to resolution 10.”



## NOTICE OF ANNUAL GENERAL MEETING

13. “**THAT** subject to and conditional upon the Stock Exchange granting approval for the listing of, and permission to deal in, the shares in the share capital of the Company to be issued pursuant to the exercise of options which may be granted under the Refreshed Scheme Mandate Limit (as defined below), the refreshment of the limit in respect of the granting of share options under the existing share option scheme of the Company up to a new 10 per cent limit (the “**Refreshed Scheme Mandate Limit**”) be approved provided that:
- (a) the total number of Shares which may be issued upon exercise of options to be granted under such scheme after the date of the passing of this resolution, together with all options to be granted under any other share option scheme(s) of the Company on or after the date of passing this resolution, must not exceed 10 per cent of the number of Shares in issue as at the date of passing this resolution; and
  - (b) options granted prior to the date of passing this resolution under such scheme or any other share option scheme(s) of the Company (including without limitation those outstanding, cancelled, lapsed or exercised in accordance with such scheme or such other scheme(s) of the Company) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate Limit and any Director be and is hereby authorised to do such act and execute such document to effect the Refreshed Scheme Mandate Limit.”
14. “**THAT**
- (a) subject to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the terms and conditions of the share option scheme adopted by the shareholders of the Company effective on 22 July 2009 (the “**Share Option Scheme**”), a mandate be and is hereby unconditionally given to the Directors to exercise during the Relevant Period (as defined in paragraph (c) below) all the powers of the Company to grant options to subscribe for shares of the Company and/or to make or grant offers of options under the Share Option Scheme that would or might require shares of the Company to be allotted and/or options to be granted under the Share Option Scheme provided that the total number of shares of the Company allotted or to be allotted or agreed conditionally or unconditionally to be allotted upon the exercise of all options granted or to be granted under the Share Option Scheme shall not exceed 10% of the total number of shares of the Company in issue as at the date of the adoption of the Share Option Scheme or any refreshment thereafter, subject to adjustment in the case of subdivision or consolidation of shares of the Company;

## NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to grant options and/or make offers of options under the Share Option Scheme which would or might require shares of the Company to be allotted and/or options to be granted under the Share Option Scheme after the end of the Relevant Period;
- (c) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

### SPECIAL RESOLUTION

15. “**THAT** the new articles of association of the Company, a copy of which has been produced to the meeting marked “A” and initialed by the chairman of the Meeting for the purpose of identification, be and is hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the articles of association of the Company in force immediately before the passing of this special resolution and **THAT** any Director or the secretary of the Company be and is hereby authorised to do all things necessary to effect and record the adoption of the new articles of association of the Company.”

By order of the Board  
**Kong Sun Holdings Limited**  
**Liu Wen Ping**  
*Executive Director*

Hong Kong, 10 March 2017

## NOTICE OF ANNUAL GENERAL MEETING

*Notes:*

1. Every member of the Company entitled to attend and vote at the above meeting is entitled to appoint more than one proxy (if a member who is holder of two or more shares) to attend and vote for him/her on his/her behalf of the meeting. A proxy need not be a member of the Company but must attend the meeting in person to represent you.
2. A form of proxy for use at the meeting is enclosed. In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof.
3. The Register of Members will be closed from Friday, 7 April 2017 to Tuesday, 11 April 2017 (both days inclusive). In order to be qualified for attending and voting at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 6 April 2017.
4. Completion and return of the form of proxy will not preclude members from attending and voting in person at the Annual General Meeting or any adjourned meeting thereof.
5. As at the date of this notice, the board of Directors of the Company comprises three executive Directors, Mr. Zeng Jianhua, Mr. Liu Wen Ping and Mr. Chang Hoi Nam, one non-executive Director, Mr. Yuen Kin, and three independent non-executive Directors, Mr. Miu Hon Kit, Mr. Wang Haisheng and Ms. Wang Fang.