

# Articles of Association

(As adopted by the Special Resolution passed on 26 March 2024)

of

## ZA Bank Limited

眾安銀行有限公司

(Formerly known as "ZhongAn Virtual Finance Limited  
眾安虛擬金融有限公司")

Incorporated in Hong Kong on 8 August 2018

Certified True Copy

Date: 12 Apr 2024.



IU Man Chung

Executive Director and Chief Executive  
ZA Bank Limited

編號 2731942

No.



公 司 註 冊 處  
COMPANIES REGISTRY

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

— \* \* \* —  
本人謹此證明  
I hereby certify that

ZhongAn Virtual Finance Limited  
眾安虛擬金融有限公司

已藉特別決議更改其名稱，該公司根據  
having by special resolution changed its name, is now incorporated under the

香港法例第622章《公司條例》註冊的名稱現為  
Companies Ordinance (Chapter 622 of the Laws of Hong Kong) in the name of

ZA Bank Limited  
眾安銀行有限公司

本證明書於二〇一九年四月十一日發出。

Issued on 11 April 2019.

.....  
香港特別行政區公司註冊處處長鍾麗玲

Ms Ada L L CHUNG

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

註 Note :

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

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

編號 2731942

No.



公司註冊處  
COMPANIES REGISTRY

公司註冊證明書  
CERTIFICATE OF INCORPORATION

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本人謹此證明  
I hereby certify that

ZhongAn Virtual Finance Limited  
眾安虛擬金融有限公司

於本日根據香港法例第622章《公司條例》  
is this day incorporated in Hong Kong under the Companies Ordinance

在香港成立為法團，此公司是一間  
(Chapter 622 of the Laws of Hong Kong), and that this company is  
有限公司。  
a limited company.

本證明書於二〇一八年八月八日發出。

Issued on 8 August 2018.

香港特別行政區公司註冊處處長鍾麗玲

Ms Ada L L CHUNG

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

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Business Registration Number : 69735474  
Company number: 2731942

THE COMPANIES ORDINANCE (CHAPTER 622)

**SPECIAL RESOLUTION**

OF

**ZA Bank Limited**

眾安銀行有限公司

(the "Company")

Passed on 26 March 2024

By a written resolution dated 26 March 2024 signed by the sole member of the Company in lieu of the holding of an extra-ordinary general meeting pursuant to section 548 of the Companies Ordinance, the following Special Resolution was duly passed: -

ADOPTION OF NEW ARTICLES AND ASSOCIATION OF THE COMPANY

**"RESOLVED THAT** the new articles of association of the Company in the form attached hereto as *Appendix II* be hereby approved and adopted in substitution for and to the exclusion of the existing articles of association the Company with immediate effect."

*For and on behalf of*  
*ZhongAn Financial Services Limited*  
眾安金融服務有限公司

(Sd.)

.....  
*Authorised Signature(s)*  
\_\_\_\_\_  
ZhongAn Financial Services Limited  
Sole Member

Company number: 2731942

Special Resolution

of

**ZhongAn Virtual Finance Limited**  
**眾安虛擬金融有限公司**  
(“Company”)  
(a company incorporated under the laws of Hong Kong)

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Passed on 8 February 2019

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The following resolution was passed as a SPECIAL RESOLUTION of the Company by the sole member of the Company entitled to attend and vote at a general meeting of the Company on 8 February 2019 pursuant to Section 548 of the Companies Ordinance:

ADOPTION OF NEW ARTICLES OF ASSOCIATION

RESOLVED THAT the Articles of Association attached hereto be hereby approved and adopted in substitution for and to the exclusion of the existing Articles of Association of the Company.

*For and on behalf of*  
*ZhongAn Financial Services Limited*  
眾安金融服務有限公司

(Sd.)

.....  
*Authorised Signature(s)*  
\_\_\_\_\_  
ZhongAn Financial Services Limited  
眾安金融服務有限公司  
Sole Member

# THE COMPANIES ORDINANCE (CHAPTER 622)

## Private Company Limited by Shares

### ARTICLES OF ASSOCIATION

(As adopted by the Special Resolution passed on 26 March 2024)

#### OF

#### **ZA Bank Limited**

眾安銀行有限公司

(Formerly known as "ZhongAn Virtual Finance Limited  
眾安虛擬金融有限公司")

#### **Part A Mandatory Articles**

- 1. Company Name** The name of the company is

#### **ZA Bank Limited**

眾安銀行有限公司

(Formerly known as "ZhongAn Virtual Finance Limited  
眾安虛擬金融有限公司")

- 2. Members' Liabilities**

The liability of the members is limited.

- 3. Liabilities or Contributions of Members**

The liability of the members is limited to any amount unpaid on the shares held by the members.

- 4. Share Capital and Initial Shareholdings (on the company's formation)**

The total number of shares that the company proposes to issue

100

The total amount of share capital to be subscribed by the company's founder members

HKD100

(i) The amount to be paid up or to be regarded as paid up

HKD100

(ii) The amount to remain unpaid or to be regarded as remaining unpaid

HKD0.00

Class of Shares

The total number of shares in this class that the company proposes to issue

The total amount of share capital in this class to be subscribed by the company's founder members

(i) The amount to be paid up or to be regarded as paid up

(ii) The amount to remain unpaid or to be regarded as remaining unpaid

Ordinary
100
HKD100.00
HKD100.00
HKD0.00

I/WE, the undersigned, wish to form a company and wish to adopt the articles of association as attached, and I/we respectively agree to subscribe for the amount of share capital of the Company and to take the number of shares in the Company set opposite my/our respective name(s).

Name(s) of Founder Member(s)	Number of Share(s) and Total Amount of Share Capital
(Sd.) ..... ZhongAn Financial Services Limited Unit 403, Level 3, IT Street, Cyberport 3, 100 Cyberport Road, Pokfulam, Hong Kong	100 Ordinary shares HKD100
Total:	100 Ordinary shares HKD100

DATED this 3rd day of August, 2018.



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## Part 1

### Interpretation

#### 1. Interpretation

(1) In these articles—

**Affiliate** means in respect of a person (the **Primary Person**), a person:

- (a) Controlled directly or indirectly by the Primary Person;
- (b) Controlling directly or indirectly the Primary Person;
- (c) directly or indirectly Controlled by a person who Controls the Primary Person (whether alone or with another person or persons); or
- (d) directly or indirectly under the common Control of the Primary Person and another person or persons if such another person or persons fall within the definition in paragraph (a), (b) or (c) above;

**alternate** and **alternate director** mean a person appointed by a director as an alternate under article 27(1);

**appointor**—see article 27(1);

**articles** means the articles of association of the company;

**associated company** means—

- (a) a subsidiary of the company;
- (b) a holding company of the company; or
- (c) a subsidiary of such a holding company;

**Board** means the board of directors for the time being and from time to time;

**Business Day** means a day other than:

- (a) a Saturday or a general holiday (as defined in the General Holidays Ordinance (Cap. 149 of the Laws of Hong Kong)) or a day on which a tropical cyclone No.8 or above or a "black" rainstorm warning is hoisted in Hong Kong at any time between 9:00am and 5:00pm, on which banks are open for the transaction of general banking business in Hong Kong; and
- (b) a Saturday, Sunday or a public holiday, on which banks are open for the transaction of general banking business in Hong Kong;

**Chairman** means the chair of the Board for the time being and from time to time;

**Control** means possession, directly or indirectly, of the power to direct or cause the direction of the majority of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise, and **Controlled** and **Controls** have a corresponding meaning. Without limiting the foregoing a person who owns directly

or indirectly more than 50% of the voting securities of another person is to be considered as possessing the power to Control such other person;

***distribution recipient*** means, in relation to a share in respect of which a dividend or other sum is payable—

- (a) the holder of the share;
- (b) if the share has 2 or more joint holders, whichever of them is named first in the register of members; or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy or otherwise by operation of law, the transmittee;

***fully paid***, in relation to a share, means the price at which the share was issued has been fully paid to the company;

***holder***, in relation to a share, means the person whose name is entered in the register of members as the holder of the share;

***Holding Company*** has the meaning given in paragraph 1(2);

***Independent Director*** means a director nominated for appointment by a member as an independent director under article 22 and includes that director's alternate director;

***Interest*** includes:

- (a) in relation to any member, any direct or indirect financial or commercial interest of that member or its Related Parties arising from any existing or proposed agreement, contract, arrangement, litigation or other proceedings between the company and any member (or its Related Parties); and
- (b) in relation to any Representative Director, any Interest of the member which nominated him/her for appointment as a director;

***mental incapacity*** has the meaning given by section 2(1) of the Mental Health Ordinance (Cap. 136);

***mentally incapacitated person*** means a person who is found under the Mental Health Ordinance (Cap. 136) to be incapable, by reason of mental incapacity, of managing and administering his or her property and affairs;

***Ordinance*** means the Companies Ordinance (Cap. 622);

***paid*** means paid or credited as paid;

***proxy notice*** —see article 49(1);

***register of members*** means the register of members of the company;

***Related Party*** of a person means:

- (a) an Affiliate of that person;
- (b) if the person is Controlled by an entity that is not a body corporate, each of the persons who have Control over the entity in Control;
- (c) a director or secretary of that person or its Affiliates;

- (d) a spouse or de facto spouse of a director of that person or its Affiliate;
- (e) a parent and child (under the age of 18, and including adopted child) of:
  - (i) a director;
  - (ii) a spouse or de facto spouse of a director; or
  - (iii) a person referred to in paragraph (b); or
- (f) an entity Controlled by any one of the persons referred to in paragraphs (b) to (e);

**Representative Director** means, in respect of any member, a director who that member nominated for appointment as a director under article 22 who is not an Independent Director and includes that director's alternate director;

**Share** means a share (of any class) in the capital of the company;

**Subsidiary** has the meaning given in paragraph 1(2);

**transmittee** means a person entitled to a share by reason of the death or bankruptcy of a member or otherwise by operation of law;

- (2) A company is a **Subsidiary** of another company, its **Holding Company** if that other company Controls it, or if it is a Subsidiary of a company which is itself a Subsidiary of that other company.
- (3) Other words or expressions used in these articles have the same meaning as in the Ordinance as in force on the date these articles become binding on the company.
- (4) For the purposes of these articles, a document is authenticated if it is authenticated in any way in which section 828(5) or 829(3) of the Ordinance provides for documents or information to be authenticated for the purposes of the Ordinance.

The model articles for private companies limited by shares prescribed in Schedule 2 of the Companies (Model Articles) Notice (Cap 622H of the Laws of Hong Kong) does not apply to the Company.

## Part 2

### Private Company

#### 2. Company is private company

- (1) The company is a private company and accordingly—
  - (a) a member's right to transfer shares is restricted in the manner specified in this article;
  - (b) the number of members is limited to 50; and
  - (c) any invitation to the public to subscribe for any shares or debentures of the company is prohibited.
- (2) The directors may in their discretion refuse to register the transfer of a share.
- (3) In paragraph (1)(b)—



**member** (成員) excludes—

- (a) a member who is an employee of the company; and
  - (b) a person who was a member while being an employee of the company and who continues to be a member after ceasing to be such an employee.
- (4) For the purposes of this article, 2 or more persons who hold shares in the company jointly are to be regarded as 1 member.

## **Part 3**

### **Directors and Company Secretary**

#### **Division 1—Directors' Powers and Responsibilities**

##### **3. Directors' general authority**

- (1) Subject to the Ordinance and these articles, the business and affairs of the company are managed by the directors, who may exercise all the powers of the company.
- (2) An alteration of these articles does not invalidate any prior act of the directors that would have been valid if the alteration had not been made.
- (3) The powers given by this article are not limited by any other power given to the directors by these articles.
- (4) A directors' meeting at which a quorum is present may exercise all powers exercisable by the directors.

##### **4. Members' reserve power**

- (1) The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- (2) The special resolution does not invalidate anything that the directors have done before the passing of the resolution.

##### **5. Directors may delegate**

- (1) Subject to these articles, the directors may, if they think fit, delegate any of the powers that are conferred on them under these articles—
  - (a) to any person or committee;
  - (b) by any means (including by power of attorney);
  - (c) to any extent and without territorial limit;
  - (d) in relation to any matter; and
  - (e) on any terms and conditions.
- (2) If the directors so specify, the delegation may authorize further delegation of the directors' powers by any person to whom they are delegated.
- (3) The directors may—
  - (a) revoke the delegation wholly or in part; or

- (b) revoke or alter its terms and conditions.

#### **6. Committees**

- (1) The directors may make rules providing for the conduct of business of the committees to which they have delegated any of their powers.
- (2) The committees must comply with any rules made pursuant to paragraph (1) above.
- (3) Any such committee is properly constituted even if it consists of 1 person.

### **Division 2 —Decision-taking by Directors**

#### **7. Directors to take decision collectively**

- (1) A decision of the directors may only be taken—
  - (a) by a majority of the directors present and who (being entitled to do so) have voted in a quorum at a meeting of the Board in accordance with article 11; or
  - (b) in the form of a director's written resolution in accordance with article 8.
- (2) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at a meeting of the Board.
- (3) A reference in this article to eligible directors is a reference to directors who would have been entitled to vote on the matter if it had been proposed as a resolution at a meeting of the Board.

#### **8. Resolution in writing of the Board**

- (1) A resolution in writing signed by a majority of the directors of the Company, or their respective alternate directors, for the time being entitled to receive notice of a meeting of the Board shall be as valid and effectual for all purposes as a resolution passed at a meeting of the Board.
- (2) A resolution in writing may consist of several documents, each signed by one or more directors of the Company or their alternate directors. A resolution which is signed and sent by a director of the Company or his alternate director by cable, facsimile, message, telex message, or other electronic means shall be treated as being signed by him for the purpose of this article.

#### **9. Calling directors' meetings**

- (1) Any director may call a directors' meeting by giving at least 15 Business Days' prior written notice of the meeting to the directors or by authorizing the company secretary to give such notice.
- (2) Notice of a directors' meeting must provide reasonable details of the matters to be considered at the meeting and the business to be put to the vote of the board of directors and must—
  - (a) include an agenda;
  - (b) indicate its proposed date (which must be at least 15 Business Days after the date of the notice) and time; and
  - (c) indicate where it is to take place.

- (3) Notice of a directors' meeting must be given to each director. Notice of a meeting of directors shall be deemed to be duly given to a director if it is given to him personally, in writing or by word of mouth, or sent to him at his last known address or, if sent by any electronic means, the email address, or any other address given by him to the company for communication purpose.
- (4) A director may consent to short notice of and may waive notice of any meeting and any such waiver may be retrospective.

#### **10. Participation in directors' meetings**

- (1) Subject to these articles, directors participate in a directors' meeting, or part of a directors' meeting, when—
  - (a) the meeting has been called and takes place in accordance with these articles; and
  - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where a director is and whether they are communicating with each other by internet or by conference telephone or by any other form of communications equipment (whether or not in use when the Company was incorporated) or by a combination of those method.
- (3) If all the directors participating in a directors' meeting are not in the same place, they may regard the meeting as taking place wherever any one of them is.

#### **11. Quorum for directors' meetings**

- (1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) The quorum for directors' meetings shall be a majority of the directors of the then current Board, who shall be present throughout the meeting, and which shall include at least two independent non-executive directors, one executive director and the Chairman.
- (3) If a quorum is not present at a meeting of directors in accordance with paragraph 11(2) within 30 minutes from the time stated in the notice of meeting, the meeting must be adjourned to the same time and place on the next Business Day, or such other day, time and place as may be agreed by the directors. Each director must be notified of the adjourned meeting.

#### **12. Chairing of directors' meetings**

- (1) The Chairman of the Board shall chair each directors' meeting.
- (2) The Chairman shall be a non-executive director, or an independent non-executive director appointed by ordinary resolution or by a resolution in writing of the Board in accordance with Article 8 and who has received the written consent of the Hong Kong Monetary Authority, responsible for the leadership and effective running of the Board and ensuring that decisions of the Board are taken on a sound and well-informed basis and in the best interest of the company.
- (3) The appointment of the Chairman may be terminated by ordinary resolution or by a resolution of the Board.

**13. Chairperson's casting vote at directors' meetings**

- (1) If the numbers of votes for and against a proposal are equal, the chairperson of the directors' meeting has a casting vote.
- (2) Paragraph (1) does not apply if, in accordance with these articles, the chairperson is not to be counted as participating in the decision-making process for quorum or voting purposes.

**14. Alternates voting at directors' meetings**

A director who is also an alternate director has an additional vote on behalf of each appointor who—

- (a) is not participating in a directors' meeting; and
- (b) would have been entitled to vote if he or she were participating in it.

**15. Conflicts of interest**

- (1) This article applies if—
  - (a) a director is in any way (directly or indirectly) interested in a transaction, arrangement or contract with the company that is significant in relation to the company's business; and
  - (b) the director's interest is material.
- (2) The director must declare the nature and extent of the director's interest to the other directors in accordance with section 536 of the Ordinance.
- (3) The director and the director's alternate must neither-
  - (a) vote in respect of the transaction, arrangement or contract in which the director is so interested; nor
  - (b) be counted for quorum purposes in respect of the transaction, arrangement or contract.
- (4) Paragraph (3) does not preclude the alternate from:-
  - (a) voting in respect of the transaction, arrangement or contract on behalf of another appointor who does not have such an interest; and
  - (b) being counted for quorum purposes in respect of the transaction, arrangement or contract on behalf of another appointor who does not have such an interest.
- (5) If the director or the director's alternate contravenes paragraph (3)(a), the vote must not be counted.
- (6) Paragraph (3) does not apply to—
  - (a) an arrangement for giving a director any security or indemnity in respect of money lent by the director to or obligations undertaken by the director for the benefit of the company;
  - (b) an arrangement for the company to give any security to a third party in respect of a debt or obligation of the company for which the director has assumed responsibility wholly or in part under a guarantee or indemnity or by the deposit of a security;

- (c) an arrangement under which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries, which do not provide special benefits for directors or former directors; or
  - (d) an arrangement to subscribe for or underwrite shares.
- (7) A reference in this article (except in paragraphs (6)(d) and (8)) to a transaction, arrangement or contract includes a proposed transaction, arrangement or contract.
- (8) **In this article—**
- arrangement to subscribe for or underwrite shares means—**
- (a) a subscription or proposed subscription for shares or other securities of the company;
  - (b) an agreement or proposed agreement to subscribe for shares or other securities of the company; or
  - (c) an agreement or proposed agreement to underwrite any of the shares or securities referred to in paragraphs (a) and (b) above.

**16. Supplementary provisions as to conflicts of interest**

- (1) A director may hold any other office or position of profit under the company (other than the office of auditor and if the company has only 1 director, the office of company secretary) in conjunction with the office of director for a period and on terms (as to remuneration or otherwise) that the directors determine.
- (2) A director or intending director is not disqualified by the office of director from contracting with the company—
  - (a) with regard to the tenure of the other office or position of profit mentioned in paragraph (1); or
  - (b) as vendor, purchaser or otherwise.
- (3) The contract mentioned in paragraph (2) or any transaction, arrangement or contract entered into by or on behalf of the company in which any director is in any way interested is not liable to be avoided.
- (4) A director who has entered into a contract mentioned in paragraph (2) or is interested in a transaction, arrangement or contract mentioned in paragraph (3) is not liable to account to the company for any profit realized by the transaction, arrangement or contract by reason of—
  - (a) the director holding the office; or
  - (b) the fiduciary relation established by the office.
- (5) Paragraph (1), (2), (3) or (4) only applies if the director has declared the nature and extent of the director's interest under the paragraph to the other directors in accordance with section 536 of the Ordinance.
- (6) A director of the company may be a director or other officer of, or be otherwise interested in—
  - (a) any company promoted by the company; or

- (b) any company in which the company may be interested as shareholder or otherwise.
- (7) Subject to the Ordinance, the director is not accountable to the company for any remuneration or other benefits received by the director as a director or officer of, or from the director's interest in, the other company unless the company otherwise directs.

**17. Validity of acts of meeting of directors**

The acts of any meeting of directors or of a committee of directors or the acts of any person acting as a director are as valid as if the directors or the person had been duly appointed as a director and was qualified to be a director, even if it is afterwards discovered that—

- (a) there was a defect in the appointment of any of the directors or of the person acting as a director;
- (b) any one or more of them were not qualified to be a director or were disqualified from being a director;
- (c) any one or more of them had ceased to hold office as a director; or
- (d) any one or more of them were not entitled to vote on the matter in question.

**18. Record of decisions to be kept**

The directors must ensure that the company keeps a written record of every decision taken by the directors under article 7(1) and article 8 for at least 10 years from the date of the decision.

**19. Duties of directors**

The directors must act in good faith and in the best interests of the company as a whole. Subject to this duty and to applicable law, a Representative Director nominated for appointment by a member may, in performing any of his or her duties or exercising any power, right or discretion as a director:

- (a) have regard to and represent the interests of the member who nominated the appointment of the director; and
- (b) act on the wishes of the member who appointed the director.

**20. Written record of decision of sole director**

- (1) This article applies if the company has only 1 director and the director takes any decision that—
  - (a) may be taken in a directors' meeting; and
  - (b) has effect as if agreed in a directors' meeting.
- (2) The director must provide the company with a written record of the decision within 7 days after the decision is made.
- (3) The director is not required to comply with paragraph (2) if the decision is taken by way of a resolution in writing.
- (4) If the decision is taken by way of a resolution in writing, the company must keep the resolution for at least 10 years from the date of the decision.

- (5) The company must also keep a written record provided to it in accordance with paragraph (2) for at least 10 years from the date of the decision.

**21. Directors' discretion to make further rules**

Subject to these articles, the directors may make any rule that they think fit about—

- (a) how they take decisions; and
- (b) how the rules are to be recorded or communicated to directors.

### **Division 3—Appointment and Retirement of Directors**

**22. Appointment and retirement of directors**

- (1) A person who is willing to act as a director, and who is permitted by law to do so, may be appointed to be a director by ordinary resolution or by a resolution in writing of the Board..
- (2) Unless otherwise specified in the appointment, and subject to removal in accordance with these articles, a director appointed under paragraph (1) holds office for an unlimited period of time.
- (3) The appointment of a director takes effect on the later of:
  - (a) the time relevant notice is given to the company, or such later time specified in the notice (if applicable);
  - (b) receipt by the company of a proper consent to act from the relevant proposed director; and
  - (c) the passing of the ordinary resolution appointing such director.

**23. Composite resolution**

- (1) This article applies if proposals are under consideration concerning the appointment of 2 or more directors to offices or employments with the company or any other body corporate.
- (2) The proposals may be divided and considered in relation to each director separately.
- (3) Each of the directors concerned is entitled to vote (if the director is not for another reason precluded from voting) and be counted in the quorum in respect of each resolution except that concerning the director's own appointment.

**24. Termination of director's appointment**

A person ceases to be a director if—

- (a) the member who nominated such director's appointment gives the company a notice to effect the removal of such director;
- (b) the person ceases to be a director under the Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) or is prohibited from being a director by law;
- (c) the person becomes bankrupt or makes any arrangement or composition with the person's creditors generally;
- (d) the person becomes a mentally incapacitated person;

- (e) the person resigns the office of director by notice in writing of the resignation in accordance with section 464(5) of the Ordinance;
- (f) the person for more than 6 months has been absent without the directors' permission from directors' meetings held during that period;
- (g) the person is removed from the office of director by an ordinary resolution of the company; or
- (h) the person is convicted of an arrestable offence.

**25. Directors' remuneration**

- (1) Directors' remuneration must be determined by the company at a general meeting.
- (2) A director's remuneration may—
  - (a) take any form; and
  - (b) include any arrangements in connection with the payment of a retirement benefit to or in respect of that director.
- (3) Directors' remuneration accrues from day to day.

**26. Directors' expenses**

The company may pay and each director is entitled to be reimbursed out of the funds of the company for reasonable travelling, accommodation and other expenses which the director incurs when travelling to or from meetings of the board of the company or a committee of the board of the company or when otherwise engaged on the business of the company, subject to and in accordance with any policy adopted by the board of the company from time to time relating to such expenses, and if such expenses exceed HK\$200,000, with the prior approval of the board of the company. The company may request a statement of account or other evidence in respect of those expenses and may defer payment of some or all of the claimed expenses pending receipt of the account or other evidence.

## **Division 4—Alternate Directors**

**27. Appointment and removal of alternates**

- (1) A director (appointor) may appoint any other person as an alternate.
- (2) An alternate may exercise the powers and carry out the responsibilities of the alternate's appointor, in relation to the taking of decisions by the directors in the absence of the alternate's appointor.
- (3) An appointment or removal of an alternate by the alternate's appointor must be effected—
  - (a) by notice to the company; or
  - (b) in any other manner approved by the directors.
- (4) The notice must be authenticated by the appointor.
- (5) The notice must—



- (a) identify the proposed alternate; and
- (b) if it is a notice of appointment, contain a statement authenticated by the proposed alternate indicating the proposed alternate's willingness to act as the alternate of the appointor.

**28. Rights and responsibilities of alternate directors**

- (1) An alternate director has the same rights as the alternate's appointor in relation to any decision taken by the directors under article 7(1).
- (2) Unless these articles specify otherwise, alternate directors—
  - (a) are deemed for all purposes to be directors;
  - (b) are liable for their own acts and omissions;
  - (c) are subject to the same restrictions as their appointors; and
  - (d) are deemed to be agents of or for their appointors.
- (3) Subject to article 16(3), a person who is an alternate director but not a director—
  - (a) may be counted as participating for determining whether a quorum is participating (but only if that person's appointor is not participating); and
  - (b) may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).
- (4) An alternate director is not entitled to receive any remuneration from the company for serving as an alternate director.
- (5) But the alternate's appointor may, by notice in writing made to the company, direct that any part of the appointor's remuneration be paid to the alternate.

**29. Termination of alternate directorship**

- (1) An alternate director's appointment as an alternate terminates—
  - (a) on the date on which the appointor notifies company the appointment should be revoked;
  - (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
  - (c) on the date specified as the cessation date for the appointment in the notice referred to in article 27(3) (if any);
  - (d) on the death of the alternate's appointor; or
  - (e) when the alternate's appointor's appointment as a director terminates.

**Division 5—Directors' Indemnity and Insurance**

**30. Indemnity**

- (1) A director or former director of the company may be indemnified out of the company's assets against any liability incurred by the director to a person other than the company or an associated company of the company in connection with any

negligence, default, breach of duty or breach of trust in relation to the company or associated company (as the case may be).

- (2) Paragraph (1) only applies if the indemnity does not cover—
  - (a) any liability of the director to pay—
    - (i) a fine imposed in criminal proceedings; or
    - (ii) a sum payable by way of a penalty in respect of non-compliance with any requirement of a regulatory nature; or
  - (b) any liability incurred by the director—
    - (i) in defending criminal proceedings in which the director is convicted;
    - (ii) in defending civil proceedings brought by the company, or an associated company of the company, in which judgment is given against the director;
    - (iii) in defending civil proceedings brought on behalf of the company by a member of the company or of an associated company of the company, in which judgment is given against the director;
    - (iv) in defending civil proceedings brought on behalf of an associated company of the company by a member of the associated company or by a member of an associated company of the associated company, in which judgment is given against the director; or
    - (v) in connection with an application for relief under section 903 or 904 of the Ordinance in which the Court refuses to grant the director relief.
- (3) A reference in paragraph (2)(b) to a conviction, judgment or refusal of relief is a reference to the final decision in the proceedings.
- (4) For the purposes of paragraph (3), a conviction, judgment or refusal of relief—
  - (a) if not appealed against, becomes final at the end of the period for bringing an appeal; or
  - (b) if appealed against, becomes final when the appeal, or any further appeal, is disposed of.
- (5) For the purposes of paragraph (4)(b), an appeal is disposed of if—
  - (a) it is determined, and the period for bringing any further appeal has ended; or
  - (b) it is abandoned or otherwise ceases to have effect.

### **31. Insurance**

The directors may decide to purchase and maintain insurance, at the expense of the company, for a director of the company, or a director of an associated company of the company, against—

- (a) any liability to any person attaching to the director in connection with any negligence, default, breach of duty or breach of trust (except for fraud) in relation to the company or associated company (as the case may be); or
- (b) any liability incurred by the director in defending any proceedings (whether civil or criminal) taken against the director for any negligence, default, breach

of duty or breach of trust (including fraud) in relation to the company or associated company (as the case may be).

## **Division 6—Company Secretary**

### **32. Appointment and removal of company secretary**

- (1) The directors may appoint a company secretary for a term, at a remuneration and on conditions they think fit.
- (2) The directors may remove a company secretary appointed by them.

## **Part 4**

## **Decision-taking by Members**

### **Division 1—Organization of General Meetings**

#### **33. General meetings**

- (1) Subject to sections 611, 612 and 613 of the Ordinance, the company must, in respect of each financial year of the company, hold a general meeting as its annual general meeting in accordance with section 610 of the Ordinance.
- (2) The directors may, if they think fit, call a general meeting.
- (3) If the directors are required to call a general meeting under section 566 of the Ordinance, they must call it in accordance with section 567 of the Ordinance.
- (4) If the directors do not call a general meeting in accordance with section 567 of the Ordinance, the members who requested the meeting, or any of them representing more than one half of the total voting rights of all of them, may themselves call a general meeting in accordance with section 568 of the Ordinance.

#### **34. Notice of general meetings**

- (1) An annual general meeting must be called by notice of at least 21 clear days in writing.
- (2) A general meeting other than an annual general meeting must be called by notice of at least 21 clear days in writing.
- (3) The notice is exclusive of—
  - (a) the day on which it is served or deemed to be served; and
  - (b) the day for which it is given.
- (4) The notice must—
  - (a) specify the date and time of the meeting;
  - (b) specify the place of the meeting (and if the meeting is to be held in 2 or more places, the principal place of the meeting and the other place or places of the meeting);
  - (c) contain an agenda;

- (d) for a notice calling an annual general meeting, state that the meeting is an annual general meeting;
  - (e) if a resolution (whether or not a special resolution) is intended to be moved at the meeting—
    - (i) include notice of the resolution; and
    - (ii) include or be accompanied by a statement containing any information or explanation that is reasonably necessary to indicate the purpose of the resolution;
  - (f) if a special resolution is intended to be moved at the meeting, specify the intention and include the text of the special resolution; and
  - (g) contain a statement specifying a member's right to appoint a proxy under section 596(1) and (3) of the Ordinance.
- (5) Paragraph (4)(e) does not apply in relation to a resolution of which—
- (a) notice has been included in the notice of the meeting under section 567(3) or 568(2) of the Ordinance; or
  - (b) notice has been given under section 615 of the Ordinance.
- (6) Despite the fact that a general meeting is called by shorter notice than that specified in this article, it is regarded as having been duly called if it is so agreed by all the members entitled to attend and vote at the meeting.
- (7) Unless all members otherwise agree or as set out in article 54, a general meeting may only resolve matters specifically described in the agenda and the resolutions proposed in the notice given under paragraph 34(4).

### **35. Persons entitled to receive notice of general meetings**

- (1) Notice of a general meeting must be given to—
  - (a) every member; and
  - (b) every director.
- (2) In paragraph (1), the reference to a member includes a transmittee, if the company has been notified of the transmittee's entitlement to a share.
- (3) If notice of a general meeting or any other document relating to the meeting is required to be given to a member, the company must give a copy of it to its auditor (if more than one auditor, to everyone of them) at the same time as the notice or the other document is given to the member.

### **36. Accidental omission to give notice of general meetings**

Any accidental omission to give notice of a general meeting to, or any non-receipt of notice of a general meeting by, any person entitled to receive notice does not invalidate the proceedings at the meeting.

### **37. Attendance and speaking at general meetings**

- (1) A person is able to exercise the right to speak at a general meeting when the person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions that the person has on the business of the meeting.

- (2) A person is able to exercise the right to vote at a general meeting when—
  - (a) the person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
  - (b) the person's vote can be taken into account in determining whether or not those resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- (3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (4) In determining attendance at a general meeting, it is immaterial whether any 2 or more members attending it are in the same place as each other. A meeting of the members may consist of a conference by internet or by telephone conference or by any other form of communications equipment (whether or not in use when the Company was incorporated) or by a combination of those methods. Participation in a meeting by means set out in this paragraph shall constitute presence in person at such meeting.
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have rights to speak and vote at the meeting, they are able to exercise them.

### **38. Quorum for general meetings**

- (1) Subject to article 41(3), the quorum for a general meeting is the presence of all of the members.
- (2) No business other than the appointment of the chairperson of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

### **39. Chairing general meetings**

- (1) If the chairperson (if any) or, in the chairperson's absence, a deputy chairperson (if any), of the board of directors is present at a general meeting and is willing to preside as chairperson at the meeting, the meeting is to be presided over by him or her.
- (2) The directors present at a general meeting must elect one of themselves to be the chairperson if—
  - (a) there is no chairperson of the board of directors;
  - (b) the chairperson is not present within 30 minutes after the time appointed for holding the meeting;
  - (c) the chairperson is unwilling to act; or
  - (d) the chairperson has given notice to the company of the intention not to attend the meeting.
- (3) The members present at a general meeting must elect one of themselves to be the chairperson if—
  - (a) no director is willing to act as chairperson; or
  - (b) no director is present within 30 minutes after the time appointed for holding the meeting.

- (4) A proxy may be elected to be the chairperson of a general meeting by a resolution of the company passed at the meeting.

#### **40. Attendance and speaking by non-members**

- (1) Directors may attend and speak at general meetings, whether or not they are members of the company.
- (2) The chairperson of a general meeting may permit other persons to attend and speak at a general meeting even though they are not—
  - (a) members of the company; or
  - (b) otherwise entitled to exercise the rights of members in relation to general meetings.

#### **41. Adjournment**

- (1) If a quorum is not present within half an hour from the time appointed for holding a general meeting, the meeting must be adjourned to a day that is five Business Days after the meeting, at the same time and place, or to another day and at another time and place that all of the members may agree.
- (2) If at the adjourned meeting, a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting must be adjourned to a day that is five Business Days after the meeting, at the same time and place, or to another day and at another time and place that all of the members may agree.
- (3) If at the further adjourned meeting, a quorum is not present within half an hour from the time appointed for holding the meeting, the member or members present in person or by proxy constitute a quorum.
- (4) The chairperson may adjourn a general meeting at which a quorum is present if—
  - (a) the meeting consents to an adjournment; or
  - (b) it appears to the chairperson that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (5) The chairperson must adjourn a general meeting if directed to do so by the meeting.
- (6) When adjourning a general meeting, the chairperson must specify the date, time and place to which it is adjourned.
- (7) Only the business left unfinished at the general meeting may be transacted at the adjourned meeting.
- (8) If a general meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as for an original meeting.
- (9) If a general meeting is adjourned for less than 30 days, it is not necessary to give any notice of the adjourned meeting.

#### **42. Circulating resolutions of members**

A written resolution signed by all of the members is taken to be a resolution of members without the need for a meeting. A copy of a written resolution passed in accordance with this paragraph must be provided to each of the directors and the members as soon as practicable after it has been passed.

## **Division 2—Voting at General Meetings**

### **43. General rules on voting**

- (1) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these articles.
- (2) If there is an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands takes place or at which the poll is demanded, is entitled to a second or casting vote.
- (3) On a vote on a resolution on a show of hands at a general meeting, a declaration by the chairperson that the resolution—
  - (a) has or has not been passed; or
  - (b) has passed by a particular majority,is conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- (4) An entry in respect of the declaration in the minutes of the meeting is also conclusive evidence of that fact without the proof.

### **44. Errors and disputes**

- (1) Any objection to the qualification of any person voting at a general meeting may only be raised at the meeting or adjourned meeting at which the vote objected to is tendered, and a vote not disallowed at the meeting is valid.
- (2) Any objection must be referred to the chairperson of the meeting whose decision is final.

### **45. Demanding a poll**

- (1) A poll on a resolution may be demanded—
  - (a) in advance of the general meeting where it is to be put to the vote; or
  - (b) at a general meeting, either before or on the declaration of the result of a show of hands on that resolution.
- (2) A poll on a resolution may be demanded by—
  - (a) the chairperson of the meeting;
  - (b) at least 2 members present in person or by proxy; or
  - (c) any member or members present in person or by proxy and representing at least 5% of the total voting rights of all the members having the right to vote at the meeting.
- (3) The instrument appointing a proxy is regarded as conferring authority to demand or join in demanding a poll on a resolution.
- (4) A demand for a poll on a resolution may be withdrawn.

**46. Number of votes a member has**

- (1) On a vote on a resolution on a show of hands at a general meeting—
  - (a) every member present in person has 1 vote; and
  - (b) every proxy present who has been duly appointed by a member entitled to vote on the resolution has 1 vote.
- (2) If a member appoints more than one proxy, the proxies so appointed are not entitled to vote on the resolution on a show of hands.
- (3) On a vote on a resolution on a poll taken at a general meeting—
  - (a) every member present in person has 1 vote for each share held by him or her; and
  - (b) every proxy present who has been duly appointed by a member has 1 vote for each share in respect of which the proxy is appointed.
- (4) This article has effect subject to any rights or restrictions attached to any shares or class of shares.

**47. Votes of joint holders of shares**

- (1) For joint holders of shares, only the vote of the most senior holder who votes (and any proxies duly authorized by the holder) may be counted.
- (2) For the purposes of this article, the seniority of a holder of a share is determined by the order in which the names of the joint holders appear in the register of members.

**48. Votes of mentally incapacitated members**

- (1) A member who is a mentally incapacitated person may vote, whether on a show of hands or on a poll, by the member's committee, receiver, guardian or other person in the nature of a committee, receiver or guardian appointed by the Court.
- (2) The committee, receiver, guardian or other person may vote by proxy on a show of hands or on a poll.

**49. Content of proxy notices**

- (1) A proxy may only validly be appointed by a notice in writing (proxy notice) that—
  - (a) states the name and address of the member appointing the proxy;
  - (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
  - (c) is authenticated, or is signed on behalf of the member appointing the proxy; and
  - (d) is delivered to the company in accordance with these articles and any instructions contained in the notice of the general meeting in relation to which the proxy is appointed.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.



- (3) If the company requires or allows a proxy notice to be delivered to it in electronic form, it may require the delivery to be properly protected by a security arrangement it specifies.
- (4) A proxy notice may specify how the proxy appointed under it is to vote (or that the proxy is to abstain from voting) on one or more resolutions dealing with any business to be transacted at a general meeting.
- (5) Unless a proxy notice indicates otherwise, it must be regarded as—
  - (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the general meeting; and
  - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

**50. Execution of appointment of proxy on behalf of member appointing the proxy**

If a proxy notice is not authenticated, it must be accompanied by written evidence of the authority of the person who executed the appointment to execute it on behalf of the member appointing the proxy.

**51. Delivery of proxy notice or other authority and notice revoking appointment of proxy**

- (1) A proxy notice and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, does not take effect unless it is received by the company—
  - (a) for a general meeting or adjourned general meeting, at least 48 hours before the time appointed for holding the meeting or adjourned meeting; 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.
- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking the appointment only takes effect if it is received by the company—
  - (a) for a general meeting or adjourned general meeting, at least 48 hours before the time appointed for holding the meeting or adjourned meeting; 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.

**52. Effect of member's voting in person on proxy's authority**

- (1) A proxy's authority in relation to a resolution is to be regarded as revoked if the member who has appointed the proxy—
  - (a) attends in person the general meeting at which the resolution is to be decided; and
  - (b) exercises, in relation to the resolution, the voting right attached to the shares in respect of which the proxy is appointed.
- (2) A member who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of the meeting or any

adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of the member.

**53. Effect of proxy votes in case of death, mental incapacity, etc. of member appointing the proxy**

- (1) A vote given in accordance with the terms of a proxy notice is valid despite—
  - (a) the previous death or mental incapacity of the member appointing the proxy;
  - (b) the revocation of the appointment of the proxy or of the authority under which the appointment of the proxy is executed; or
  - (c) the transfer of the share in respect of which the proxy is appointed.
- (2) Paragraph (1) does not apply if notice in writing of the death, mental incapacity, revocation or transfer is received by the company—
  - (a) for a general meeting or adjourned general meeting, at least 48 hours before the time appointed for holding the meeting or adjourned meeting; 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.

**54. Amendments to proposed resolutions**

- (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
  - (a) notice of the proposed amendment is given to the company secretary in writing; and
  - (b) the proposed amendment does not, in the reasonable opinion of the chairperson of the meeting, materially alter the scope of the resolution.
- (2) The notice must be given by a person entitled to vote at the general meeting at which it is to be proposed at least 48 hours before the meeting is to take place (or a later time the chairperson of the meeting determines).
- (3) A special resolution to be proposed at a general meeting may be amended by ordinary resolution if—
  - (a) the chairperson of the meeting proposes the amendment at the meeting at which the special resolution is to be proposed; and
  - (b) the amendment merely corrects a grammatical or other non-substantive error in the special resolution.
- (4) If the chairperson of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the vote on that resolution remains valid unless the Court orders otherwise.

### **Division 3—Application of Rules to Class Meetings**

**55. Class meetings**

The provisions of these articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of shares.

## **Part 5**

### **Shares and Distributions**

#### **Division 1—Issue of Shares**

**56. Powers to issue different classes of shares**

- (1) Without affecting any special rights previously conferred on the holders of any existing shares or class of shares, the company may issue shares with—
  - (a) preferred, deferred or other special rights; or
  - (b) any restrictions, whether in regard to dividend, voting, return of capital or otherwise, that the company may from time to time by resolution of directors determine.
- (2) Subject to Division 4 of Part 5 of the Ordinance, the company may issue shares on the terms that they are to be redeemed, or liable to be redeemed, at the option of the company or the holders of the shares.
- (3) The directors may determine the terms, conditions and manner of redemption of the shares.

#### **Division 2—Interests in Shares**

**57. Company only bound by absolute interests**

- (1) Except as required by law, no person is to be recognized by the company as holding any share on any trust.
- (2) Except as otherwise required by law or these articles, the company is not in any way to be bound by or recognize any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.
- (3) Paragraph (2) applies even though the company has notice of the interest.

#### **Division 3—Share Certificates**

**58. Certificates to be issued except in certain cases**

- (1) The company must issue each member, free of charge, with one or more certificates in respect of the shares that the member holds, within—
  - (a) 2 months after allotment or lodgment of a proper instrument of transfer; or
  - (b) any other period that the conditions of issue provide.
- (2) No certificate may be issued in respect of shares of more than one class.
- (3) If more than one person holds a share, only 1 certificate may be issued in respect of it.

**59. Contents and execution of share certificates**

- (1) A certificate must specify—
  - (a) in respect of how many shares and of what class the certificate is issued;

- (b) the fact that the shares are fully paid or partly paid; and
- (c) any distinguishing numbers assigned to them.
- (2) A certificate must—
  - (a) have affixed to it the company's common seal or the company's official seal under section 126 of the Ordinance; or
  - (b) be otherwise executed in accordance with the Ordinance.

**60. Consolidated share certificates**

- (1) A member may request the company, in writing, to replace—
  - (a) the member's separate certificates with a consolidated certificate; or
  - (b) the member's consolidated certificate with 2 or more separate certificates representing the proportion of the shares that the member specifies.
- (2) A consolidated certificate must not be issued unless any certificates that it is to replace have first been returned to the company for cancellation.
- (3) Separate certificates must not be issued unless the consolidated certificate that they are to replace has first been returned to the company for cancellation.

**61. Replacement share certificates**

- (1) If a certificate issued in respect of a member's shares is defaced, damaged, lost or destroyed, the member is entitled to be issued with a replacement certificate in respect of the same shares.
- (2) A member exercising the right to be issued with a replacement certificate—
  - (a) may at the same time exercise the right to be issued with a single certificate, separate certificates or a consolidated certificate;
  - (b) must return the certificate that is to be replaced to the company if it is defaced or damaged; and
  - (c) must comply with the conditions as to evidence, indemnity and the payment of a reasonable fee that the directors decide.

## **Division 4—Transfer and Transmission of Shares**

**62. Transfer of shares**

- (1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of both the transferor and the transferee.
- (2) No fee may be charged by the company for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The company may retain any instrument of transfer that is registered.
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

**63. Power of directors to refuse transfer of shares**

- (1) Without limiting article 2(2), the directors may refuse to register the transfer of a share if—
  - (a) the instrument of transfer is not lodged at the company's registered office or another place that the directors have appointed;
  - (b) the instrument of transfer is not accompanied by the certificate for the share to which it relates, or other evidence the directors reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf; or
  - (c) the transfer is in respect of more than one class of shares.
- (2) If the directors refuse to register the transfer of a share under paragraph (1) or article 2(2)—
  - (a) the transferor or transferee may request a statement of the reasons for the refusal; and
  - (b) the instrument of transfer must be returned to the transferor or transferee who lodged it unless the directors suspect that the proposed transfer may be fraudulent.
- (3) The instrument of transfer must be returned in accordance with paragraph (2)(b) together with a notice of refusal within 2 months after the date on which the instrument of transfer was lodged with the company.
- (4) If a request is made under paragraph (2)(a), the directors must, within 28 days after receiving the request—
  - (a) send the transferor or transferee who made the request a statement of the reasons for the refusal; or
  - (b) register the transfer.

**64. Transmission of shares**

- (1) If a member dies, the company may only recognize the following person or persons as having any title to a share of the deceased member—
  - (a) if the deceased member was a joint holder of the share, the surviving holder or holders of the share; and
  - (b) if the deceased member was a sole holder of the share, the legal personal representative of the deceased member.
- (2) Nothing contained in these articles releases the estate of a deceased joint holder from any liability in respect of any share which was jointly held by him with other persons.

**65. Transmittees' rights**

- (1) If a transmittee produces evidence of entitlement to the share as the directors properly require, the transmittee may, subject to these articles, choose to become the holder of the share or to have the share transferred to another person.
- (2) The directors have the same right to refuse or suspend the registration as they would have had if the holder had transferred the share before the transmission.

- (3) A transmittee is entitled to the same dividends and other advantages to which the transmittee would be entitled if the transmittee were the holder of the share, except that the transmittee is not, before being registered as a member in respect of the share, entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.
- (4) The directors may at any time give notice requiring a transmittee to choose to become the holder of the share or to have the share transferred to another person.
- (5) If the notice is not complied with within 90 days of the notice being given, the directors may withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

#### **66. Exercise of transmittees' rights**

- (1) If a transmittee chooses to become the holder of a share, the transmittee must notify the company in writing of the choice.
- (2) If the transmittee elects to have another person registered as the holder of a share, the transmittee will execute a transfer of the share in favour of that person. All the limitations, restrictions and provisions of these articles relating to the right to transfer and the registration of transfers of shares will be applicable to any such notice or transfer as if the death of the member had not occurred and the notice or transfer was a transfer signed by the member.
- (3) Within 2 months after receiving the notice, the directors must—
  - (a) register the transmittee as the holder of the share; or
  - (b) send the transmittee a notice of refusal of registration.
- (4) If the directors refuse registration, the transmittee may request a statement of the reasons for the refusal.
- (5) If a request is made under paragraph (4), the directors must, within 28 days after receiving the request—
  - (a) send the transmittee a statement of the reasons for the refusal; or
  - (b) register the transmittee as the holder of the share.
- (6) If the transmittee chooses to have the share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- (7) All the limitations, restrictions and other provisions of these articles relating to the right to transfer and the registration of transfer of shares apply to the notice under paragraph (1) or the transfer under paragraph (5), as if the transmission had not occurred and the transfer were a transfer made by the holder of the share before the transmission.

#### **67. Transmittees bound by prior notices**

If a notice is given to a member in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the member before the transmittee's name has been entered in the register of members.

## **Division 5—Alteration and Reduction of Share Capital, Share Buy-backs and Allotment of Shares**

### **68. Alteration of share capital**

The company may alter its share capital in any one or more of the ways set out in section 170(2)(a), (b), (c), (d), (e) and (f)(i) of the Ordinance, and section 170(3), (4), (5), (6), (7) and (8) of the Ordinance applies accordingly.

### **69. Reduction of share capital**

The company may by special resolution reduce its share capital in accordance with Division 3 of Part 5 of the Ordinance.

### **70. Share buy-backs**

The company may buy back its own shares (including any redeemable shares) in accordance with Division 4 of Part 5 of the Ordinance.

### **71. Allotment of shares**

The directors must not exercise any power conferred on them to allot shares in the company without the prior approval of the company by resolution if the approval is required by section 140 of the Ordinance.

## **Division 6—Distributions**

### **72. Procedure for declaring dividends**

- (1) The directors of the company may declare dividends.
- (2) The directors may from time to time pay the members interim dividends that appear to the directors to be justified by the profits of the company.
- (3) A dividend may only be paid out of the profits in accordance with Part 6 of the Ordinance.
- (4) Unless the directors' decision to declare and pay a dividend, or the terms on which shares are issued specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.
- (5) Before declaring any dividend, the directors may set aside out of the profits of the company any sums they think fit as reserves.
- (6) The directors may—
  - (a) apply the reserves for any purpose to which the profits of the company may be properly applied; and
  - (b) pending such an application, employ the reserves in the business of the company or invest them in any investments (other than shares of the company) that they think fit.
- (7) The directors may also without placing the sums to reserve carry forward any profits that they think prudent not to divide.

### **73. Payment of dividends and other distributions**

- (1) If a dividend or other sum that is a distribution is payable in respect of a share, it must be paid by one or more of the following means—
  - (a) transfer to a bank account specified by the distribution recipient either in writing or as the directors decide;
  - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors decide;
  - (c) sending a cheque made payable to the specified person by post to the specified person at the address the distribution recipient has specified either in writing or as the directors decide;
  - (d) any other means of payment as the directors agree with the distribution recipient either in writing or as the directors decide.
- (2) In this article—

**specified person** (指明人士) means a person specified by the distribution recipient either in writing or as the directors decide.

### **74. No interest on distributions**

The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

- (a) the terms on which the share was issued; or
- (b) the provisions of another agreement between the holder of the share and the company.

### **75. Unclaimed distributions**

- (1) If dividends or other sums are payable in respect of shares and they are not claimed after having been declared or become payable, they may be invested or made use of by the directors for the benefit of the company until claimed.
- (2) The payment of the dividends or other sums into a separate account does not make the company a trustee in respect of it.
- (3) A distribution recipient is no longer entitled to a dividend or other sum and it ceases to remain owing by the company, if—
  - (a) 12 years have passed from the date on which the dividend or other sum became due for payment; and
  - (b) the distribution recipient has not claimed it.

### **76. Non-cash distributions**

- (1) Subject to the terms of issue of the share in question, the company may, by a resolution of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).



- (2) For paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, if any difficulty arises regarding the distribution—
  - (a) fixing the value of any assets;
  - (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
  - (c) vesting any assets in trustees.

**77. Waiver of distributions**

- (1) Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by executing to the company a deed to that effect.
- (2) But if the share has more than one holder or more than one person is entitled to the share (whether by reason of the death or bankruptcy of one or more joint holders, or otherwise), the deed is not effective unless it is expressed to be executed by all the holders or other persons entitled to the share.

## **Division 7—Capitalization of Profits**

**78. Capitalization of profits**

- (1) The company may by resolution of the directors capitalize profits.
- (2) If the capitalization is to be accompanied by the issue of shares or debentures, the directors may apply the sum capitalized in the proportions in which the members would be entitled if the sum was distributed by way of dividend.
- (3) To the extent necessary to adjust the rights of the members among themselves if shares or debentures become issuable in fractions, the directors may make any arrangements they think fit, including the issuing of fractional certificates or the making of cash payments or adopting a rounding policy.

## **Division 8—Calls on Shares**

**79. Calls on unpaid shares**

- (1) Subject to the terms of the issue of the shares, the directors may from time to time make calls to the members in respect of any or all moneys unpaid on their shares and any such call may be made payable by instalments.
- (2) Each member will, subject to receiving at least 14 days' notice specifying the time or times and place for payment, pay to the company the amount called on his shares and at the time or times and place so specified. The non-receipt of a notice of any call by, or the accidental omission to give notice of a call to, any of the members will not invalidate the call.

**80. Time of call**

A call will be deemed to have been made at the time when the resolution of the directors authorising such call was passed. A call may be revoked, varied or postponed as the directors may determine.

**81. Interest payable on calls not paid**

- (1) If any part of a sum called in respect of any shares or any instalment of a call is not paid before or on the day appointed for payment, the person from whom the sum is due will be liable to pay interest on the outstanding part—
  - (a) at a rate determined by the directors; and
  - (b) from the day appointed for the payment of such call or instalment to the time of discharge thereof in full.
- (2) The directors may, if they think fit, waive the payment of such interest or any part of it.

**82. Terms of issue**

- (1) If, by the terms of the issue of any shares or otherwise, any amount is made payable upon allotment or at any fixed time, every such amount will be payable as if it was a call duly made and payable on the date on which by the terms of the issue the same becomes payable.
- (2) All the provisions with respect to the payment of calls and interest payable, or to the forfeiture of shares for non-payment of calls, will apply to every such amount and the shares in respect of which it is payable in the case of non-payment.

**83. Advance payments on unpaid shares**

The directors may, if they think fit, receive from any member willing to advance all or any part of the moneys uncalled and unpaid upon any shares held by him. Upon payment of such moneys in advance, the directors may pay interest at such rate as may be agreed upon between that member and the directors until the same would, but for such payment in advance, become presently payable. The directors may also at any time repay the amount so advanced upon giving to such member 1 month's notice in writing.

**84. Evidence of debt**

- (1) On the trial or hearing of any action for the recovery of any money due for any call, proof of all of the following will be conclusive evidence of the debt:
  - (a) the name of the member sued is entered in the register of members as the holder, or one of the holders, of the shares in respect of which such debt accrued;
  - (b) the resolution making the call is duly recorded in the minute book; and
  - (c) the notice of such call was duly given to the member sued in pursuance of these articles.
- (2) It will not be necessary to prove the appointment of the directors who made such call nor any other matters whatsoever.

**85. Entitlement to dividend**

No member will, unless the directors otherwise determine, be entitled to receive any dividend, or, subject to the Ordinance, to receive notice of or to be present or vote at any general meeting, either personally or (save as proxy for another member) by proxy, or to exercise any privileges as a member, or be reckoned in a quorum, until he has paid all calls or other sums for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).

## **Division 9— Forfeiture**

### **86. Notice to pay**

If any member fails to pay in full any call or instalment of a call on the day appointed for payment, the directors may serve a notice on that member requiring that member to pay so much of the call or instalment as is unpaid together with interest accrued and any expenses incurred by reason of such non-payment.

### **87. Contents of notice**

The notice is required to contain:

- (1) the further day (not being less than fourteen days from the date of the notice) on or before which such call or instalment or part thereof and all interest accrued and expenses incurred by reason of such non-payment are to be paid;
- (2) the place where payment is to be made, such place being either the company's registered office, or some other place at which calls of the company are usually made payable; and
- (3) the consequences of failure to comply with the notice, being in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call or instalment is payable will be liable to be forfeited.

### **88. Directors' resolution to forfeit shares**

If the member fails to comply with the requirements of the notice in this Division, any shares in respect of which such notice has been given may, at any time before the payment required by the notice had been made, be forfeited by a resolution of the directors to that effect and any such forfeiture will extend to all dividends declared in respect of the shares so forfeited but not actually paid before such forfeiture. The directors may accept the surrender of any shares liable to be forfeited under this Division and in such case references in these articles to forfeiture will include surrender.

### **89. Disposal of forfeited shares**

For the purposes of this article, any shares forfeited pursuant to this Division will be deemed to be the property of the company and may be sold, re-allotted or otherwise disposed of either subject to or discharged from all calls made or instalments due prior to the forfeiture, to any person and on the terms, manner and times as decided by the directors. For the purpose of giving effect to any such sale or other disposition, the directors may authorise some person to transfer the shares so sold or otherwise disposed of to the purchaser or any other person becoming entitled to such shares.

### **90. Annulment of forfeiture**

The directors may, at any time before any forfeited shares have been sold, re-allotted or otherwise disposed of under this Division, annul the forfeiture on conditions as they think fit.

### **91. Continuing liability of member**

Any person whose shares have been forfeited will cease to be the holder of any such shares but will remain liable to pay to the company all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate as the directors think fit and without any deduction or allowance for the value of the shares at the time of forfeiture. The directors may enforce the

payment of such moneys or any part of such moneys and may waive payment of such interest wholly or in part.

#### **92. Record of forfeited shares**

When any shares have been forfeited, an entry will be made in the register of members recording the forfeiture and the date of forfeiture. When the forfeited shares have been sold or otherwise disposed of, an entry will also be made of the manner and date of its sale or disposal.

### **Division 10— Lien**

#### **93. Company to have first and paramount lien**

- (1) The company will have a first and paramount lien on:
  - (a) every share for all moneys outstanding in respect of such share, whether presently payable or not; and
  - (b) every share standing registered in the name of a member, whether singly or jointly with any other person or persons, for all the debts and liabilities of such member or his estate to the company, whether the same have been incurred before or after notice to the company of any interest of any person other than such member and whether the same have fallen due for payment or not, and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member or not.
- (2) The directors 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.

#### **94. Sale of shares**

- (1) Subject to paragraph (2), the company may sell in such manner as the directors think fit any share on which the company has a lien, but no sale can be made unless:
  - (a) some sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable.
- (2) Before a sale under paragraph (1) can be made, the company must provide to the holder of the share or the person entitled to the share by reason of the holder's death, bankruptcy or winding-up or otherwise by operation of law or court order, a notice of intention to sell in default.

#### **95. Proceeds of sale**

The net proceeds of such sale after payment of the costs of such sale will be applied in or towards payment or satisfaction of the debts or liabilities in respect of the lien to the extent they are presently payable. Any residue will (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. To give effect to any such sale, the directors may authorise some person to transfer the shares so sold to the purchaser.

#### **96. Statutory declaration as conclusive evidence**

A statutory declaration in writing that the declarant is a director or the secretary of the company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the company

on a date stated in the declaration will be conclusive evidence of the facts stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the company for the consideration (if any) given for the share on the sale, re-allotment or disposal of the share together with the share certificate delivered to a purchaser or allottee will (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of will be registered as the holder of the share and will not be bound to see to the application of the purchase money (if any) nor will his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, reallocation or disposal of the share.

## **Part 6**

### **Miscellaneous Provisions**

#### **Division 1—Communications to and by Company**

##### **97. Means of communication to be used**

- (1) Subject to these articles, anything sent or supplied by or to the company under these articles may be sent or supplied in any way in which Part 18 of the Ordinance provides for documents or information to be sent or supplied by or to the company for the purposes of the Ordinance.
- (2) Subject to these articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such a notice or document for the time being.
- (3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

#### **Division 2—Administrative Arrangements**

##### **98. Company seals**

- (1) A common seal may only be used by the authority of the directors.
- (2) A common seal must be a metallic seal having the company's name engraved on it in legible form.
- (3) Subject to paragraph (2), the directors may decide by what means and in what form a common seal or official seal (whether for use outside Hong Kong or for sealing securities) is to be used.
- (4) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least 1 director of the company or 1 authorized person.
- (5) For the purposes of this article, an authorized person is—
  - (a) any director of the company;
  - (b) the company secretary; or
  - (c) any person authorized by the directors for signing documents to which the common seal is applied.

- (6) If the company has an official seal for use outside Hong Kong, it may only be affixed to a document if its use on the document, or documents of a class to which it belongs, has been authorized by a decision of the directors.
- (7) If the company has an official seal for sealing securities, it may only be affixed to securities by the company secretary or a person authorized to apply it to securities by the company secretary.

#### **99. No right to inspect accounts and other records**

A person is not entitled to inspect any of the company's accounting or other records or documents merely because of being a member, unless the person is authorized to do so by—

- (a) an enactment;
- (b) an order under section 740 of the Ordinance;
- (c) the directors;
- (d) an ordinary resolution of the company; or
- (e) any agreement between the company and the member.

#### **100. Auditor's insurance**

- (1) The directors may decide to purchase and maintain insurance, at the expense of the company, for an auditor of the company, or an auditor of an associated company of the company, against—
  - (a) any liability to any person attaching to the auditor in connection with any negligence, default, breach of duty or breach of trust (except for fraud) occurring in the course of performance of the duties of auditor in relation to the company or associated company (as the case may be); or
  - (b) any liability incurred by the auditor in defending any proceedings (whether civil or criminal) taken against the auditor for any negligence, default, breach of duty or breach of trust (including fraud) occurring in the course of performance of the duties of auditor in relation to the company or associated company (as the case may be).
- (2) In this article, a reference to performance of the duties of auditor includes the performance of the duties specified in section 415(6)(a) and (b) of the Ordinance.

#### **101. Winding up**

- (1) If the company is wound up and a surplus remains after the payment of debts proved in the winding up, the liquidator—
  - (a) may, with the required sanction, divide amongst the members in specie or kind the whole or any part of the assets of the company (whether they consist of property of the same kind or not) and may, for this purpose, set a value the liquidator thinks fair on any property to be so divided; and
  - (b) may determine how the division is to be carried out between the members or different classes of members.
- (2) The liquidator may, with the required sanction, vest the whole or part of those assets in trustees on trust for the benefit of the contributories that the liquidator, with the required sanction, thinks fit, but a member must not be compelled to accept any shares or other securities on which there is any liability.

(3) In this article—

***required sanction*** means the sanction of a special resolution of the company and any other sanction required by the Ordinance.