

PROCEEDINGS AT GENERAL MEETINGS

Business of meetings. 61. All business shall be deemed special that is transacted at an extraordinary general meeting and also all business that is transacted at an annual general meeting with the exception of:—

- (a) the declaration and sanction of dividends;
- (b) the consideration and adoption of the accounts and balance sheet and the reports of the Directors and other documents required to be annexed to the accounts;
- (c) the election of Directors in place of those retiring (if any);
- (d) the election or re-election of the Auditors of the Company; and
- (e) the fixing of, or the determination of the method of fixing, the remuneration or extra remuneration of the Directors and of the Auditors of the Company.

Quorum. 62. No business save the election of a chairman of the meeting shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Two members present in person or by proxy and holding between them at least fifty-one per centum (51%) in nominal value of the issued shares of the Company for the time being shall be a quorum for all purposes.

Chairman of meetings. 63. 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 on a poll shall elect one of their number to be chairman of the meeting.

64. If, within fifteen minutes from the time appointed for the meeting, a quorum be not present, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day, time and place as the chairman of the meeting may determine. If at such adjourned meeting a quorum be not present within fifteen minutes from the time appointed for the meeting, the members present in person or by proxy shall be a quorum.

Adjournment if quorum not present.

65. The chairman of any general meeting at which a quorum is present may, with the consent of the meeting, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place or *sine die*; but no business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place unless due notice thereof is given or such notice is waived in manner prescribed by these Articles. When a meeting is adjourned for thirty days or more, or *sine die*, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjourned meeting or the business to be transacted thereat. Where a meeting is adjourned *sine die* the time and place for the adjourned meeting shall be fixed by the Directors.

Adjournment.

VOTING

66. (a) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:---

Vote on show of hands.

Demand for poll.

(i) the chairman of the meeting; or

- (ii) at least two members present in person or by proxy and entitled to vote; or
- (iii) any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (iv) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Declaration
of result by
chairman.

- (b) Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry to that effect in the Minute Book shall be conclusive evidence of the fact without proof of the number of the votes recorded for or against such resolution.

Taking of
poll.

67. A demand for a poll may be withdrawn only with the approval of the meeting. If a poll be directed or demanded in the manner above mentioned it shall (subject to the provisions of Article 69 hereof) be taken at such time (being not later than seven days after the date of the demand) and in such manner as the chairman of the meeting may appoint. No notice need be given of a poll not taken immediately. The result of such poll shall be deemed for all purposes to be the resolution of the meeting at which the poll was so directed or demanded.

Casting
vote.

68. In the case of an equality of votes at any general meeting, whether upon a show of hands or on a poll,

the chairman of the meeting shall be entitled to a second or casting vote.

69. A poll demanded upon the election of a chairman or upon a question of adjournment shall be taken forthwith. Any business, other than that upon which a poll has been demanded, may be proceeded with pending the taking of the poll.

70. (a) No objection shall be made to the validity of any vote except at a meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy not disallowed at such meeting or poll shall be deemed valid for all purposes whatsoever of such meeting or poll. Voting disputes.
- (b) In case of any dispute as to voting the chairman shall determine the same, and such determination shall be final and conclusive.

71. Subject to the provisions of the Ordinance, a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorised representative) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. A written notice of confirmation of such resolution in writing sent by or on behalf of a member shall be deemed to be his signature to such resolution in writing for the purposes of this Article. Such resolution in writing may consist of several documents each signed by or on behalf of one or more members. Resolution in writing.

VOTES OF MEMBERS

72. Subject to any special rights or restrictions for the time being attaching to any special class of shares in the capital of the Company, on a show of hands every member personally present shall be entitled to one vote only, and in case of a poll every member present in person or by proxy shall be entitled to one vote for each share held by him. Number of votes.

Submission
of votes.

73. On a poll votes may be given either personally or by proxy and a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

Votes of
members
not sui
juris.

74. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, *curator bonis* or other person in the nature of a committee or *curator bonis* appointed by that court, and any such committee, *curator bonis* or other person may, on a poll, vote by proxy. If any member be a minor, he may vote by his guardian or one of his guardians who may give their votes personally or by proxy.

PROXIES

Content
and effect
of proxy.

75. (a) A proxy need not be a member of the Company.

(b) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may accept, and shall be deemed, save where the contrary appears on the face of the instrument of proxy, to confer authority to demand or concur in demanding a poll and to include power to act generally at the meeting for the person giving the proxy and any adjournment thereof, and to vote on any resolution (or amendment thereto) put to the meeting for which it is given as the proxy thinks fit. No instrument appointing a proxy shall be valid except for the meeting mentioned therein and any adjournment thereof.

Signature
of proxy.

76. The instrument appointing a proxy shall be signed by the appointor, or his duly authorised attorney in writing, or if such appointor be a corporation under its common seal, or signed by some officer, attorney or other person duly authorised in that behalf.

77. The instrument appointing a proxy and the Deposit of power of attorney or other authority (if any) under proxy. which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Office at least forty-eight hours before the time fixed for holding the meeting at which the person named in such instrument proposes to vote; otherwise the person so named shall not be entitled to vote in respect thereof.

78. Any member may by power of attorney appoint any person to be his attorney for the purpose of voting at any meeting, and such power may be a special power limited to any particular meeting, or a general power extending to all meetings at which such member is entitled to vote. Every such power shall be deposited at the Office at least forty-eight hours before being acted upon. Power of attorney for voting.

79. (a) An instrument of proxy may be revoked by forwarding to the Office written notification of such revocation signed by or on behalf of the person who issued the instrument of proxy. Revocation of proxy.

(b) A vote given in accordance with the terms of an instrument of proxy or power of attorney shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or power of attorney, or transfer of the shares in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer shall have been received at the Office twenty-four hours at least before the time fixed for holding the meeting, or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.

DIRECTORS

80. Unless and until otherwise determined by an ordinary resolution of the Company, the Directors shall Number of directors.

not be less than two in number, and there shall be no maximum number of Directors.

First
directors.

81. The first Directors shall be appointed in writing by the subscribers to the Memorandum of Association of the Company or by the Company in general meeting.

Share
qualification.

82. A Director need not hold any shares in the Company. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at general meetings.

DIRECTORS REMUNERATION

Remunera-
tion.

83. (a) The Directors shall be paid out of the funds of the Company remuneration for their services such sum (if any) as the Company may by ordinary resolution from time to time determine.

Reimburse-
ment of
expenses.

(b) The Directors shall also be entitled to be paid their reasonable expenses incurred in consequence of their attendance at meetings of Directors, committee meetings and general meetings and otherwise in or about the business of the Company.

Extra
remunera-
tion.

84. The Directors may award extra remuneration out of the funds of the Company (by way of salary, commission or otherwise as the Directors may determine) to any Director who performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director.

POWERS OF DIRECTORS

Management
of business.

85. The business of the Company shall be managed by the Directors, who shall pay all expenses incurred in the formation and registration of the Company, and may exercise all such powers of the Company as are not by the Ordinance or by these Articles required to be exercised by the Company in general meeting, subject to any provision in these Articles or the Ordinance and to such regulations, not being inconsistent with any such provision, as may be prescribed by the Company in general meeting; but no such regulation

shall invalidate any prior act of the Directors which would have been valid if such regulation 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 Directors by any other Article.

86. The Directors may establish any local boards or agencies for managing any of the affairs of the Company, either in the Colony or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents for the Company, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any local boards, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

Local
boards,
managers
and agents.

87. The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, 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 Directors under these Articles) and for such period and subject to such conditions as they 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 Directors 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.

Appoint-
ment of
attorneys.

88. Subject to and to the extent permitted by the Ordinance, the Company, or the Directors on behalf of the Company, may cause to be kept in any territory a Branch Register of members resident in such territory,

Branch
Register.

and the Directors may make and vary such regulations as they may think fit respecting the keeping of any such Branch Register.

Dealings
with
mercantile
instruments.

89. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, 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 Directors shall from time to time by resolution determine.

Borrowing
and
charging
powers.

90. The Directors 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 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.

APPOINTMENT AND REMOVAL OF DIRECTORS

Appointment
of new
directors.

91. The Company may, from time to time, by ordinary resolution appoint new Directors, and change the number of Directors specified in Article 80.

Removal
of directors.

92. The Company may by extraordinary resolution remove any Director notwithstanding anything in these Articles or in any agreement between him and the Company (but without prejudice to any right to damages for termination of such agreement not in accordance with the terms thereof), and may, if thought fit, by ordinary resolution, appoint another person in his stead.

Appointment
by Board.

93. The Directors shall have power at any time, and from time to time, to appoint any other person as a Director, either to fill a casual vacancy or as an addition to the Board.

Effect of
vacancy in
Board.

94. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as

the number of Directors is reduced below the number fixed by or pursuant to the regulations of the Company as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose. If there shall be no Directors able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors.

ALTERNATE DIRECTORS

95. Each Director may by written notification to the Company nominate any other person to act as alternate Director in his place and at his discretion in similar manner remove such alternate Director. The alternate Director shall (except as regards the power to appoint an alternate) be subject in all respect to the terms and conditions existing with reference to the other Directors of the Company; and each alternate Director, whilst acting as such, shall exercise and discharge all the functions, powers and duties of the Director he represents, but shall look to such Director solely for his remuneration as alternate Director. 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. Any Director of the Company who is appointed an alternate director shall be considered as two Directors for the purpose of making a quorum of Directors, but he shall not be taken into account in determining the number of Directors for any other purposes of these Articles. Any person appointed as an alternate Director shall vacate his office as such alternate Director if and when the Director by whom he has been appointed removes him or vacates office as Director. A Director shall not be liable for the acts or defaults of any alternate Director appointed by him.

Appoint-
ment.

Position of
Alternate.

DISQUALIFICATION OF DIRECTORS

Vacation
of office.

96. The office of a Director shall *ipso facto* be vacated:—

- (a) if he becomes prohibited by law or court order from being a Director;
- (b) if a receiving order or in the case of a company a winding-up order is made against him or he makes any arrangement or composition with his creditors;
- (c) if he becomes of unsound mind;
- (d) if he gives the Company notice in writing that he resigns his office;
- (e) if he is removed by an extraordinary resolution of the Company in accordance with the provisions of these Articles;
- (f) if he is convicted of an indictable offence;
or
- (g) if he be requested in writing by all his co-Directors to resign.

DIRECTORS' INTERESTS

Director
holding
office or
place of
profit

97. A Director may hold any other office or place of profit under the Company (other than the office of Auditor), and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director, for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company, nor shall any contract or arrangement entered into by or on behalf of the Company 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 for any profit, remuneration

or other benefits of such Director holding that office, or of any fiduciary relation thereby established.

98. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest in accordance with the provisions of the Ordinance. A general notice given to the Directors by a Director to the effect that he is a member of a specified company or firm, and is to be regarded as interested in any contract, arrangement or dealing which may, after the date of the notice, be entered into or made with that company or firm, shall, for the purpose of this Article, be deemed to be a sufficient disclosure of interest in relation to any contract, arrangement or dealing so entered into or made. Director interested in contract.

99. A Director may vote as a Director in regard to any contract or arrangement in which he is interested or upon any manner arising thereout, and if he shall so vote his vote shall be counted and he shall be taken into account in determining a quorum when any such contract or arrangement is under consideration. Voting on contracts.

100. A Director may hold office as a director in or manager of any other company in which this Company is a shareholder or is otherwise interested, and (subject to any agreement with the Company to the contrary) shall not be liable to account to the Company for any remuneration or other benefits receivable by him from such other company. The Board may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner in all respects as the Board thinks fit (including the exercise thereof in favour of any resolution appointing the Directors or any of the directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any Director of the Company may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or be about to be, appointed a director of such other company and as such is or may become interested in the exercise of such voting rights in manner aforesaid. Office in associated company.

MANAGING DIRECTORS, JOINT MANAGING DIRECTORS AND OTHER APPOINTMENTS

- Terms of appointment.** 101. The Directors may, from time to time, appoint one or more of their number to be Managing Director or Joint Managing Director of the Company, or to hold such office in the management, administration or conduct of the business of the Company as they may decide, and for such period and upon such terms and for such remuneration as the Directors shall think fit, and the Directors may also, from time to time (subject to the provisions of any agreement between him or them and the Company) remove him or them from office, and appoint another or others in his or their place or places.
- Tenure of office.** 102. A Managing Director or a Joint Managing Director (subject to the provisions of any agreement between him and the Company) shall be subject to the same provisions as to resignation and removal as the other Directors of the Company, and shall *ipso facto* and immediately cease to be Managing Director or Joint Managing Director if he shall cease to hold the office of Director from any cause.
- Delegation of powers by Directors.** 103. The Directors may, from time to time, entrust to and confer upon any Managing Director, Joint Managing Director or Director, holding any other office in the management, administration or conduct of the business of the Company, such of the powers exercisable under these Articles by the Directors as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they may consider expedient, and may confer such powers collaterally with, or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

PROCEEDINGS OF DIRECTORS

- Meetings and quorum.** 104. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate

their meetings as they think fit, and determine the quorum necessary for the transaction of business. Until otherwise determined by the Board, two Directors shall constitute a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman of the meeting shall have a second or casting vote. A Director may, at any time, summon a meeting of the Directors.

Voting.

105. 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 any other address given by him to the Company for this purpose. Directors for the time being out of Hong Kong shall not be entitled to notice of meetings of the Directors, but if any such Director shall have appointed an alternate Director in Hong Kong to act in his place then the alternate Director so appointed in Hong Kong shall also be entitled to notice of such meetings. A director may consent to short notice of and may waive notice of any meeting and any such waiver may be retrospective.

Notice of meetings.

106. The Directors may elect a Chairman of the Board and determine the period for which he is to hold office; but if no such Chairman be elected, or if at any meeting the Chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be chairman of such meeting.

Election of Chairman.

107. A resolution in writing signed by all the Directors shall be as effective for all purposes as a resolution of the Directors passed at a meeting duly convened, held and constituted. A written notification of confirmation of such resolution in writing sent by a Director shall be deemed to be his signature to such resolution in writing for the purposes of this Article. Such resolution in writing may consist of several documents, each signed by one or more Directors.

Resolution in writing.

108. A meeting of the Directors 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 Directors generally.

Powers of meeting.

Committees of Directors. 109. The Directors may, from time to time, appoint committees consisting of such member or members of their body as they think fit, and may delegate any of their powers to any such committee and, from time to time, revoke any such delegation and discharge any such committee wholly or in part. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed upon it by the Directors.

Regulation of committee meetings. 110. The meetings and proceedings of any such committee consisting of two or more members shall be governed *mutatis mutandis* by the provisions of these Articles regulating the meetings and proceedings of the Directors, insofar as the same are not superseded by any regulations made by the Directors under the last preceding Article.

Acts valid despite defective appointment etc. 111. All acts done *bona fide* by any meeting of the Directors or of a committee of Directors, or by any persons acting as Directors, shall, notwithstanding that there was some defect in the appointment of any such Directors or persons 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 continued to be a Director.

MINUTES

Minute Book. 112. The Directors shall cause minutes to be duly entered in books provided for the purpose:—

- (a) of all appointments of officers;
- (b) of all the names of the Directors present at each meeting of the Directors and of any committee of Directors;
- (c) of all orders made by the Directors and committees of Directors, and
- (d) of all resolutions and proceedings of general meetings and of meetings of the Directors and committees.

Any such minutes of any meeting of the Directors, or any committee, or of the Company, if purporting to be signed by the chairman of such meeting, or by the chairman of the next succeeding meeting shall be receivable as *prima facie* evidence of the matters stated in such minutes.

THE SEAL

113. The Directors shall forthwith procure a common seal to be made for the Company, and shall provide for the safe custody thereof. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors or a committee of the Directors and every instrument to which the Seal shall be affixed shall be signed by one Director or some other person nominated by the Directors for the purpose.

Common Seal.

Affixing of Seal.

114. The Company may exercise all the powers of having official seals conferred by the Ordinance and such powers shall be vested in the Directors.

Official Seals.

DIVIDENDS AND RESERVES

115. The Company may by ordinary resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.

Declaration of dividends.

116. 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 on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.

Apportionment of dividends.

117. The Directors may retain any dividend or other monies payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts and liabilities in respect of which the lien exists.

Retention of dividend against debts.

Resolution
declaring
dividend.

118. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares. The provisions of this Article shall *mutatis mutandis* apply to capitalisations to be effected in pursuance of these Articles.

119. No dividend shall be payable except out of the profits of the Company, and no dividend shall bear interest as against the Company.

Interim
dividends.

120. The Directors may, if they think fit, from time to time, pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company. If at any time the share capital of the Company is divided into different classes the Directors may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferred rights as well as in respect of those shares which confer on the holders thereof preferential or special rights in regard to dividend, and provided that the Directors act *bona fide* they shall not incur any responsibility to the holders of shares conferring a preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferred rights. The Directors may also pay at half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment.

Unclaimed
dividends.

121. All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, and all dividends or bonuses unclaimed for two years after having been declared

may be forfeited by the Directors and shall revert to the Company. The payment into a separate account of any monies payable in respect of a share shall not constitute the Company a trustee in respect thereof for any person.

122. Notice of any dividend that may have been declared shall be given to each member in the manner in which notices of general meetings are given to the members. Notice of dividend.

123. Unless otherwise directed any dividend or other monies payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled, or, in the case of joint holders, to the registered address of that one whose name stands first on the Register in respect of the joint holding, or addressed to such person at such address as the holder or joint holders shall direct. Every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission nor for any dividend or other monies lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant. Payment of the cheque or warrant by the banker on whom it is drawn shall be a good discharge to the Company. Payment by cheque or warrant.

124. The Directors may, with the sanction of the Company in general meeting, distribute in specie or in kind among the members in satisfaction in whole or in part of any dividend any of the assets of the Company, and in particular any shares or securities of other companies to which the Company is entitled. Whenever there are sufficient profits, instead of dividing the same in cash the Directors may, with the like sanction, issue to the members shares in the Company, and apply the said profits in paying up the same, or may issue to the members securities of the Company to an amount not exceeding the profits available for distribution, provided always that no distribution shall be made which would amount to a reduction of capital except in the manner appointed by law. Distribution in specie

Reserve
Fund.

125. Before recommending a dividend the Directors may set aside any part of the net profits of the Company to a reserve fund, and may apply the same either by employing it in the business of the Company or by investing it in such manner as they shall think fit and the income arising from such reserve fund shall be treated as part of the gross profits of the Company. Such reserve fund may be applied for the purpose of maintaining the property of the Company, replacing wasting assets, meeting contingencies, forming an insurance fund, equalising dividends, paying special dividends or bonuses, or for any other purpose for which the net profits of the Company may lawfully be used, and until the same shall be so applied it shall be deemed to remain undivided profit. The Directors may also carry forward to the accounts of the succeeding year or years any profit or balance of profit which they shall not think fit to divide or to place to reserve.

CAPITALISATION OF RESERVES ETC.

Capitalisa-
tion and
bonus issues.

126. The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sums be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures or other obligations of the Company to be allotted and distributed credited as fully paid-up to and amongst such members in the proportion aforesaid, or partly in one way and partly in the other, and the Directors shall give effect to such resolution:

Provided that a share premium account and a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of

unissued shares to be issued to members of the Company as fully paid bonus shares.

127. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto.

Directors to effect allotments etc.

128. For the purpose of giving effect to any resolution under Articles 124 and 126 hereof the Directors may settle any difficulty which may raise in regard to the distribution as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any members upon the footing of the value so fixed or that fractions of such value as the Directors may determine may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized fund as may seem expedient to the Directors. The provisions of the Ordinance in relation to the filing of contracts for allotment shall be observed, and the Directors may appoint any person to sign such contract on behalf of the persons entitled to share in the appropriation and distribution, and such appointment shall be effective and binding upon all concerned, and the contract may provide for the acceptance by such persons of the shares or debentures to be allotted and distributed to them respectively in satisfaction of their claims in respect of the sum so capitalised.

Settlement of difficulties.

ACCOUNTS AND AUDITORS

129. The Directors shall cause proper and true books of account to be kept of all sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place; of all sales and purchases of goods by the Company; and of the property, assets, credits and

Books of account.

liabilities of the Company and of all other matters necessary for showing the true state and condition of the Company. Proper books shall not be deemed to be kept if there are not kept such books of accounts as are necessary to give a true and fair view of the state of the affairs of the Company and to explain its transactions.

Presentation
of accounts.

130. The Directors shall from time to time, in accordance with the provisions of the Ordinance, cause to be prepared and to be laid before the Company in general meeting such Profit and Loss Accounts, Balance Sheets, Group Accounts (if any) and Reports as are referred to in the Ordinance.

Circulation
of Balance
Sheet.

131. A copy of every Balance Sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting, together with a copy of the Directors' Report and a copy of the Auditors' Report, shall not less than fourteen days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to all persons other than members or holders of debentures of the Company, being persons entitled to receive notices of general meetings of the Company:

Provided that this regulation shall not require a copy of those documents to be sent to any person of whose address the Company is not aware nor to more than one of the joint holders of any shares or debentures.

Auditors.

132. Auditors shall be appointed and their duties regulated in the manner provided by the Ordinance.

NOTICES

Service of
notices.

133. Any notice or other document may be served by the Company upon any member either personally or by sending it through the post in a prepaid letter, envelope or wrapper addressed to such member at his registered place of address, and in any case where the registered address of a member is outside Hong Kong by prepaid airmail.

134. Each member shall, from time to time, notify in writing to the Company some place which shall be deemed his registered place of address within the meaning of the last preceding Article.

Registered
address of
members.

135. Any notice sent by post shall be deemed to have been served on the day following that on which the letter, envelope or wrapper containing the same is posted in Hong Kong and in proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice was properly addressed and put in the post as a prepaid letter.

Notice by
post.

136. Any person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share shall be bound by every notice in respect of such share which, previously to his name and address being entered in the Register, shall be duly given to the person from whom he derives his title to such share.

New holder
bound by
notices.

137. Any notice or document delivered or sent by post to, or left at the registered address of, any member, in pursuance of these Articles, shall notwithstanding such member be then deceased or bankrupt, and whether or not the Company have notice of his decease or bankruptcy, be deemed to have been duly served in respect of any shares held by such member, whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or document on his executors, administrators or assigns and all persons (if any) jointly interested with him in any such share.

Service on
deceased
Member.

138. Any summons, notice, order or other document required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or sending it through the post in a prepaid letter, envelope or wrapper, addressed to the Company or to such officer at the Office.

Service on
Company.

Signature of notices. 139. The signature to any notice to be given by the Company may be written or printed.

140. Subject to any special provisions contained in these Articles or in the Ordinance, all notices required to be given by advertisement shall be advertised in at least one daily Chinese and one daily English newspaper in Hong Kong.

141. In reckoning the period for any notice given under these Articles, the day on which notice is served, or deemed to be served, and the day for which such notice is given shall be excluded.

WINDING UP

Division of assets on winding-up. 142. If the Company shall be wound up, the surplus assets remaining after payment of all creditors shall be divided among the members in proportion to the capital which at the commencement of the winding up is paid up on the shares held by them respectively, and if such surplus assets shall be insufficient to repay the whole of the paid-up capital, they shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. But this Article is to be subject to the rights of any shares which may be issued on special terms or conditions.

Powers to distribute in specie. 143. If the Company shall be wound up the liquidator (whether voluntary or official) may, with the sanction of an extraordinary resolution, divide among the members in specie any part of the assets of the Company or vest any part of the assets of the Company in trustees upon such trusts for the benefit of the members or any of them as the resolution shall provide. Any such resolution may provide for and sanction a distribution of any specific assets amongst different classes of members otherwise than in accordance with their existing rights, but each member shall in that event have a right of dissent and other ancillary rights in the same manner as if such resolution were a special resolution passed pursuant to section 237 of the Ordinance.

144. In the event of a winding up of the Company every member of the Company who is not for the time being in Hong Kong shall be bound, within fourteen days after the passing of an effective resolution to wind up the Company voluntarily, or within the like period after the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some householder in the Colony upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding up of the Company may be served and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee shall be deemed to be a good personal service on such member for all purposes, and where the liquidator makes any such appointment he shall, with all convenient speed, give notice thereof to such member by advertising in the Hong Kong Government Gazette or by a registered letter sent through the post and addressed to such member at his address as appearing in the Register, and such notice shall be deemed to be served on the day on which the advertisement appears or the letter is posted.

Members
abroad to
give address
for service.

INDEMNITY

145. Subject to the provisions of the Ordinance, every Director or other officer and Auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution of his office or otherwise in relation thereto and in particular and without prejudice to the generality of the foregoing every Director, attorney, manager and other officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay, all costs, losses and expenses which any such Director, attorney, manager, officer or servant may incur or become liable for by reason of any contract entered into, or act or thing done by him or them as such Director, attorney, manager, officer or servant, or in any way in the discharge of their

Indemnity
of officers.

Directors not
responsible
for other
Directors
acts or
omissions.

or his duty, including travelling expenses; and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company, and have priority as between the members over all other claims. No Director, manager or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director, manager or other officer of the Company or for any losses or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgement, omission, default or oversight on their or his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through their or his own dishonesty.

Names, Addresses and Descriptions of Subscribers

(Sd.) CHAU HAU CHEONG
4A, Siu Wo Street,
Ground floor,
Tsuen Wan,
New Territories.
Merchant

(Sd.) CHAU HOW CHEN
4A, Siu Wo Street,
Ground floor,
Tsuen Wan,
New Territories.
Merchant

Dated the 28th day of April, 1980.

WITNESS to the above signatures:

(Sd.) E. H. C. FONG
Solicitor,
HONG KONG.

