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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China Infrastructure Investment Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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中國基建投資有限公司

China Infrastructure Investment Limited

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 600)**

### **GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE OWN SHARES OF THE COMPANY**

### **RE-ELECTION OF DIRECTORS**

### **NOTICE OF ANNUAL GENERAL MEETING AND PROPOSED ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION**

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A notice convening the annual general meeting of China Infrastructure Investment Limited to be held at Room 301, Huijinqilin Building, No. 6 Shengtai Road, Moling Jiedao, Jiangning District, Nanjing City, Jiangsu Province, the PRC on Friday, 21 June 2019 at 4:00 p.m. is set out on pages 81 to 85 of this circular.

Whether or not you intend to attend the annual general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the office of the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting (i.e. not later than 4:00 p.m. on Wednesday, 19 June 2019 (Hong Kong Time)) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting (as the case may be) should you so wish.

Hong Kong, 30 April 2019

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## DEFINITIONS

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

“2019 Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Room 301, Huijinqilin Building, No. 6 Shengtai Road, Moling Jiedao, Jiangning District, Nanjing City, Jiangsu Province, the PRC on Friday, 21 June 2019 at 4:00 p.m.
“Amended and Restated M&A”	the amended and restated memorandum and articles of association of the Company
“AGM Notice”	the notice convening the AGM as set out on pages 81 to 85 of this circular
“Annual Report for the year ended 31 December 2018”	the annual report of the Company dispatched to the Shareholders on or about 30 April 2019
“associates”	has the same meaning as defined in the Listing Rules
“Board”	the board of Directors
“Company”	China Infrastructure Investment Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 00600)
“Director(s)”	the director(s) of the Company
“Existing M&A”	the existing memorandum and articles of association of the Company
“General Mandates”	the Share Issue Mandate and the Repurchase Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	23 April 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum and Articles of Association”	the memorandum and articles of association of the Company as amended, supplemented or otherwise modified from time to time
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted at the AGM to the Directors to exercise all the powers of the Company to repurchase Shares up to a maximum of 10% of the entire issued Shares as at the date of passing of the relevant resolution
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Issue Mandate”	a general and unconditional mandate proposed to be granted at the AGM to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares up to 20% of the entire issued Shares as at the date of passing of the relevant resolution
“Share(s)”	share(s) of HK\$0.05 each in the capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases
“%”	per cent.

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## LETTER FROM THE BOARD

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# 中國基建投資有限公司 China Infrastructure Investment Limited

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 600)**

*Executive Directors:*

Mr. XU Xiao Jun (*Chairman and  
Chief Executive Officer*)

Mr. YE De Chao

Mr. JI Xu Dong

*Registered office in Hong Kong:*

Suite 607, 6/F., Ocean Centre  
5 Canton Road, Tsim Sha Tsui, Kowloon  
Hong Kong

*Independent Non-executive Directors:*

Mr. HE Jin Geng

Mr. YU Hong Gao

Ms. CHEN Yang

*Registered office in the Cayman Islands:*

The R&H Trust Co. Ltd.  
Windward 1  
Regatta Office Park  
Grand Cayman  
Cayman Islands

30 April 2019

Dear Shareholder(s),

### **GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE OWN SHARES OF THE COMPANY**

### **RE-ELECTION OF DIRECTORS**

### **NOTICE OF ANNUAL GENERAL MEETING AND PROPOSED ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION**

#### **INTRODUCTION**

The purpose of this circular is to provide you with information to enable you to make a decision on whether to vote for or against the following resolutions to be proposed at the AGM which will be convened for the purpose of considering and, if thought fit, approving:

- (i) the granting to the Directors of general mandates for (i) the allotment and issue and (ii) the repurchase of Shares up to 20% and 10%, respectively of the aggregate nominal amount of the Company's issued share capital as at the date of the passing of such resolutions;
- (ii) the extension of the general mandate to allot and issue Shares by an amount representing the aggregate nominal amount of Shares repurchased by the Company pursuant to the Repurchase Mandate;

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## LETTER FROM THE BOARD

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- (iii) the re-election of Directors; and
- (iv) the adoption of the amended and restated Memorandum and Articles of Association.

The notice of the AGM is set out on pages 81 to 85 of this circular.

### **GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE ITS OWN SHARES**

The existing general mandate granted to the Directors at the annual general meeting of the Company held on 22 June 2018 will expire upon the conclusion of the AGM. Ordinary resolutions will therefore be proposed at the AGM to seek the approval of the Shareholders for granting the general mandates to the Directors:

- (i) to allot, issue and deal with additional Shares up to a maximum of 20% of the issued Shares of the Company as at the date of passing the resolution (the “Share Issue Mandate”); and
- (ii) to repurchase on the Stock Exchange the Shares up to a maximum of 10% of the issued Shares of the Company as at the date of passing the resolution (the “Repurchase Mandate”).

As at the Latest Practicable Date, the number of Shares in issue was 4,269,910,510 Shares. Accordingly, the exercise of the Share Issue Mandate in full would enable the Company to allot, issue or otherwise deal with additional 853,982,102 new Shares.

An explanatory statement as required under the Listing Rules to provide you with all the information is set out in Appendix I to this circular.

### **EXTENSION OF SHARE ISSUE MANDATE**

Subject to the passing of the proposed resolutions regarding the Share Issue Mandate, the Repurchase Mandate and the Extension of Share Issue Mandate, the Directors will be given a general mandate to add all those number of the Shares which may from time to time be repurchased under the Repurchase Mandate to the Share Issue Mandate. Thus, the limit of the Share Issue Mandate would include, in addition to the 20% limit as aforesaid, the number of Shares that may be repurchased under the Repurchase Mandate.

### **RE-ELECTION OF DIRECTORS**

In accordance with the provisions of the Memorandum and Articles of Association, Mr. He Jin Geng, Mr. Yu Hong Gao and Ms. Chen Yang shall retire from the Board at the AGM and offer themselves for re-election.

Details of the Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### PROPOSED ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

With a view of bringing the Existing M&A in line with the Listing Rules, incorporating certain housekeeping amendments and updating certain provisions, the Board proposes to put forward to the Shareholders for approval at the AGM by way of special resolution to adopt the Amended and Restated M&A.

An explanatory statement explains the reasons for the proposed amendments to the Existing M&A and full text of the Amended and Restated M&A (with marked-up amendments to the Existing M&A) are set out in Appendix III to this circular.

### VOTING AT THE AGM

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

### ANNUAL GENERAL MEETING

The notice convening the 2019 Annual General Meeting is set out on pages 81 to 85 of this circular. A form of proxy for use at the 2019 Annual General Meeting and the Annual Report for the year ended 31 December 2018 are being sent to the Shareholders together with this circular. Whether or not you are able to attend the 2019 Annual General Meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting (i.e. not later than 4:00 p.m. on Wednesday, 19 June 2019 (Hong Kong Time)) or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the 2019 Annual General Meeting if you so wish.

### RECOMMENDATION

The Directors believe that the proposed resolutions to be put before the AGM are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the 2019 Annual General Meeting.

Yours faithfully,  
For and on behalf of the Board  
**China Infrastructure Investment Limited**  
**Ye De Chao**  
*Executive Director*

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## **APPENDIX I                      EXPLANATORY STATEMENT ON PROPOSED SHARE ISSUE MANDATE AND REPURCHASE MANDATE**

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This Appendix serves as an explanatory statement as required by the Listing Rules to provide the requisite information to the Shareholders for their consideration of the proposed Share Issue Mandate and the Repurchase Mandate.

### **SHARE ISSUE MANDATE**

Should the Share Issue Mandate be granted at the 2019 Annual General Meeting and on the assumption that 4,269,910,510 Shares in issue as at 23 April 2019 (being the Latest Practicable Date prior to the printing of this circular) remains unchanged prior to the date of passing the resolution for the Share Issue Mandate, the Directors are empowered to issue a maximum of 853,982,102 new Shares, otherwise than pursuant to (i) a rights issue; or (ii) an exercise of subscription rights under any share option scheme of the Company, during the period up to the conclusion of the next following annual general meeting of the Company unless it is otherwise revoked or varied by a resolution of the Shareholders in a general meeting of the Company. In accordance with the Listing Rules, the Company may not make a new issue of Shares or announce a proposed new issue of Shares for a period of 30 days after any repurchase by it of Shares, whether on the Stock Exchange or otherwise, other than an issue of securities pursuant to the exercise of warrants, share options or similar financial instruments requiring the Company to issue securities which were outstanding prior to that repurchase of its own securities, without the prior approval of the Stock Exchange.

### **REPURCHASE OF SHARES**

#### **(1) Repurchase Mandate**

As at the Latest Practicable Date, the number of the Shares in issue was 4,269,910,510. Subject to the passing of the Repurchase Mandate and on the assumption that no additional Shares will be issued or repurchased prior to the date of passing the Repurchase Mandate, the Company will be allowed under the mandate to repurchase a maximum of 426,991,051 Shares, being approximately 10% of the issued share capital of the Company, during the period up to the conclusion of the next following annual general meeting of the Company, or the expiration of the period within which the next following annual general meeting of the Company is required by law to be held, or the revocation or variation of the approval granted under the Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting, whichever is the earlier.

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases may, depending on market conditions and funding arrangements, enhance the net asset value of the Company and/or earnings per Share. The Directors would only make such repurchases in circumstances which they consider to be in the best interests of the Company.

As compared with the financial position of the Company as at 31 December 2018 (being the date of the Company's latest published audited accounts), the Directors consider that there would not be a material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period. No repurchase would be made in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.



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## **APPENDIX I                      EXPLANATORY STATEMENT ON PROPOSED SHARE ISSUE MANDATE AND REPURCHASE MANDATE**

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### **(2)     Funding of Repurchases**

The Company is empowered by its memorandum and articles of association to repurchase its Shares. In repurchasing Shares, the Company will only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the laws of the Cayman Islands. The laws of the Cayman Islands provide that a redemption or repurchase of shares may be made (to the extent of the par value of such shares) out of profit or the proceeds of a fresh issue of shares made for the purpose of the redemption or repurchase or, out of capital, provided that the Company is able to pay its debts as they fall due in the ordinary course of business and the redemption or repurchase is authorised by its articles of association. Any premium payable on a redemption or repurchase may be made out of profits, the Company's share premium account or out of capital, provided that the Company is able to pay its debts as they fall due in the ordinary course of business and the redemption or repurchase is authorised by its articles of association. Redeemed or repurchased shares shall be treated as cancelled and the amount of the Company's issued share capital shall be diminished by the nominal value of those shares accordingly but redemption or repurchase of shares of the Company is not to be taken as reducing the amount of the Company's authorised share capital.

### **(3)     Trading Restrictions**

The total number of Shares which the Company may repurchase is up to 10% of the total number of the Shares in issue as at the date of passing the resolution for the Repurchase Mandate.

The Company shall not repurchase its Shares on the Stock Exchange:

- a.     if the repurchase price is higher by 5% or more than the average closing market price for the 5 preceding trading days on which its Shares were traded on the Stock Exchange; or
- b.     for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

The Company shall not knowingly repurchase its Shares from a connected person and a connected person shall not knowingly sell Shares to the Company, on the Stock Exchange.

The Company shall procure that any broker appointed by the Company to effect the purchase of its Shares shall disclose to the Stock Exchange such information with respect to purchases made on behalf of the Company as the Stock Exchange may request.

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## **APPENDIX I                      EXPLANATORY STATEMENT ON PROPOSED SHARE ISSUE MANDATE AND REPURCHASE MANDATE**

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The Company shall not repurchase its shares on the Stock Exchange at any time after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information is made publicly available. In particular, during the period of one month immediately preceding the earlier of:

- a. the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- b. the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, the Company may not repurchase its shares on the Stock Exchange, unless the circumstances are exceptional.

The Company shall not repurchase its shares if that repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange, currently, 25% of the total issued share capital of the Company.

### **(4) Procedure and Reporting**

The Company will submit for publication to the Stock Exchange through HKEx-EPS not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following any day on which the Company makes a repurchase of shares (whether on the Stock Exchange or otherwise), the total number of shares repurchased by the Company the previous day, the purchase price per share or the highest and lowest prices paid for such repurchases, where relevant, and shall confirm that those repurchases which were made on the Stock Exchange were made in accordance with the Listing Rules and that there have been no material changes to the particulars contained in this circular. The Company should make arrangements with its brokers to ensure that they provide to the Company in a timely fashion the necessary information to enable the Company to make the report to the Stock Exchange.

In addition, the Company's annual report is required to disclose details regarding repurchases of Shares made during the year, including a monthly analysis of the number of shares repurchased, the purchase price per Share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

### **(5) Undertaking of the Directors**

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and all applicable laws of the Cayman Islands and in accordance with the regulations set out in the memorandum and articles of association of the Company.

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## **APPENDIX I                      EXPLANATORY STATEMENT ON PROPOSED SHARE ISSUE MANDATE AND REPURCHASE MANDATE**

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### **(6) Directors, their associates and connected persons**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates presently intend to sell the Shares to the Company under the Repurchase Mandate in the event that the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons of the Company that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them, to the Company in the event that the Company is authorised to make the repurchase of Shares.

### **(7) Effect of Takeovers Code**

If as a result of a repurchase of the Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory general offer for the Shares under Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date,

- a. the substantial shareholder of the Company was Mr. Ye De Chao, a Director of the Company. Mr. Ye De Chao, a beneficial holder was interested in 1,189,290,512 Shares (of which 1,189,290,512 Shares were held by Legendary Base International Limited, a company which was wholly-owned by Mr. Ye De Chao), representing approximately 27.85% of the issued share capital of the Company;
- b. Mr. Ji Xu Dong, a Director of the Company, was a beneficial holder who was interested in 6,000 Shares, representing approximately 0.00014% of the issued share capital of the Company; and
- c. Expert Ever Limited was reported to hold 383,956,000 Shares, representing approximately 8.99% of the issued share capital of the Company according to disclosure of interest notice filed pursuant to the requirements of the SFO.

On the assumption that the number of Shares in issue remains unchanged from the Latest Practicable Date up to the expiry of the Repurchase Mandate and in the event that the Directors should exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, the interest in Shares held by Mr. Ye De Chao, Mr. Ji Xu Dong and Expert Ever Limited would be increased to approximately 30.95%, 0.00016% and 9.99% of the then issued share capital of the Company respectively. In the opinion of the Directors, such increase in the interest in Shares held by Mr. Ye De Chao himself or by any other directors who are deemed to be parties acting in concert with him (unless otherwise rebutted) and by associates who holds 5% or more of the Shares may give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate to such an extent as would result in takeover obligations.

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<b>APPENDIX I</b>	<b>EXPLANATORY STATEMENT ON PROPOSED SHARE ISSUE MANDATE AND REPURCHASE MANDATE</b>
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**(8) Repurchases of Shares made by the Company**

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

**(9) Market Prices**

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months are as follows:

<b>Month</b>	<b>Traded price per Share</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>Year 2018</b>		
April	0.063	0.050
May	0.063	0.052
June	0.061	0.045
July	0.050	0.041
August	0.059	0.038
September	0.045	0.034
October	0.043	0.028
November	0.056	0.030
December	0.049	0.038
<b>Year 2019</b>		
January	0.050	0.035
February	0.047	0.038
March	0.090	0.043
April (up to the Latest Practicable Date)	0.063	0.053

Stated below are the information of directors who will be proposed for re-election at the AGM in accordance with the Memorandum and Articles of Association.

**INDEPENDENT NON-EXECUTIVE DIRECTORS**

**Mr. HE Jin Geng** (“Mr. He”), aged 49, has been appointed as an independent non-executive Director of the Company on 1 August 2012. Mr. He holds a Doctorate Degree in Politics and Economics from Nanjing University. Mr. He currently serves as the general manager of 南京南醫醫療投資管理有限公司 (Nanjing South Hospital Medical Investment Management Company Limited\*). He previously served as a director and president of 南京醫藥股份有限公司 (Nanjing Pharmaceutical Co., Ltd\*) and as secretary of 浙江省三門縣六敖區團委 (Youth League of Liua District of Sanmen County of Zhejiang Province\*), and also served different posts in 南京新港高科技股份有限公司 (Nanjing Xin Gang High-Tech Co., Ltd\*), including deputy director of the office, secretary of the board of directors and deputy general manager. Mr. He is a fellow member of the Association of Chartered Certified Accountants.

As at the Latest Practicable Date,

- (i) save as disclosed above, Mr. He has not held any other directorships in listed public companies in the last three years and he is not connected with any other directors, senior management or substantial or controlling shareholders of the Company; and
- (ii) Mr. He did not have, and was not taken or deemed to have, any interests or short positions in any shares, underlying shares or equity derivatives or debentures of the Company within the meaning of Part XV of the SFO.

There is currently no director service contract between the Company and Mr. He and there is no specific term in respect of his appointment, but subject to retirement by rotation at least once every three years at the annual general meetings of the Company. Mr. He will be entitled to a director’s fee of HK\$120,000 per annum and will be reviewed annually as determined by the Board with reference to his position, his level of responsibilities, remuneration policy of the Company and prevailing market conditions.

Save as disclosed above, Mr. He has confirmed that there are no other matters that need to be brought to the attention of the shareholders of the Company and there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

**Mr. YU Hong Gao** (“Mr. Yu”), aged 56, has been appointed as an independent non-executive Director of the Company on 1 August 2012. Mr. Yu graduated from Nanjing University of Science and Technology and holds a Doctorate Degree. Mr. Yu previously served as deputy general manager of the Department of Entrusted Assets Management, general manager of Asset Management Department and general manager of Securities Investment Department of 華泰證券股份有限公司 (Huatai Securities Co., Ltd.\*), deputy manager of the Investment Department of 江蘇省財政廳高新技術風險投資公司 (Jiangsu High-Tech Capital Venture Co., Ltd. of the Department of Finance of Jiangsu Province\*), deputy head of 中信銀行南京分行城西支行 (Chengxi Sub-branch of China Citic Bank Nanjing Branch\*), deputy general manager of Securities Investment Head Office and general manager of Assets Management Head Office of 信泰證券股份有限公司 (Xin Tai Securities Co., Ltd.\*).

As at the Latest Practicable Date,

- (i) save as disclosed above, Mr. Yu has not held any other directorships in listed public companies in the last three years and he is not connected with any other directors, senior management or substantial or controlling shareholders of the Company; and
- (ii) Mr. Yu did not have, and was not taken or deemed to have, any interests or short positions in any shares, underlying shares or equity derivatives or debentures of the Company within the meaning of Part XV of the SFO.

There is currently no director service contract between the Company and Mr. Yu and there is no specific term in respect of his appointment, but subject to retirement by rotation at least once every three years at the annual general meetings of the Company. Mr. Yu will be entitled to a director’s fee of HK\$120,000 per annum and will be reviewed annually as determined by the Board with reference to his position, his level of responsibilities, remuneration policy of the Company and prevailing market conditions.

Save as disclosed above, Mr. Yu has confirmed that there are no other matters that need to be brought to the attention of the shareholders of the Company and there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

**Ms. CHEN Yang** (“Ms. Chen”), aged 45, has been appointed as an independent non-executive Director of the Company on 5 September 2014. Ms. Chen graduated from Southeast University and holds a master degree. Ms. Chen currently serves as deputy general manager of Nanjing Yulan Road Branch of Dongguan Securities Co., Ltd.\* (東莞證券有限責任公司南京玉蘭路證券營業部). She previously served as sales director of Nanjing Hongwu South Road Branch of Dongxing Securities Co., Ltd.\* (東興證券股份有限公司南京洪武南路證券營業部), marketing manager of Nanjing Hanzhong Road Branch of Xiangcai Securities Co., Ltd.\* (湘財證券股份有限公司南京漢中路證券營業部) and customer relationship manager of Nanjing Pacific South Road Branch of Guotai Junan Securities Co., Ltd.\* (國泰君安證券股份有限公司南京太平南路證券營業部).

As at the Latest Practicable Date,

- (i) save as disclosed above, Ms. Chen has not held any other directorships in listed public companies in the last three years and she is not connected with any other directors, senior management or substantial or controlling shareholders of the Company; and
- (ii) Ms. Chen did not have, and was not taken or deemed to have, any interests or short positions in any shares, underlying shares or equity derivatives or debentures of the Company within the meaning of Part XV of the SFO.

There is currently no director service contract between the Company and Ms. Chen and there is no specific term in respect of her appointment, but subject to retirement by rotation at least once every three years at the annual general meetings of the Company. Ms. Chen will be entitled to a director’s fee of HK\$120,000 per annum and will be reviewed annually as determined by the Board with reference to her position, her level of responsibilities, remuneration policy of the Company and prevailing market conditions.

Save as disclosed above, Ms. Chen has confirmed that there are no other matters that need to be brought to the attention of the shareholders of the Company and there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

The explanatory statement set out below explains the reasons for the proposed amendments to the Existing M&A.

With a view of bringing the Existing M&A in line with the Listing Rules, incorporating certain housekeeping amendments and updating certain provisions, the Board proposes that the Existing M&A be amended. A special resolution will be proposed at the AGM to adopt the Amended and Restated M&A. It is also proposed that the Company can take this opportunity to update certain other provisions and consolidate all the previous amendments to the Existing M&A.

A summary of the proposed changes to the Existing M&A are set out below:

- (a) to insert the definition of “close associate” and update the provisions in the Existing M&A containing references to “associate” in accordance with the Listing Rules;
- (b) to revise the threshold necessary for Shareholders to convene an extraordinary general meeting of the Company from 25% to 10% of the paid up capital of the Company that carries voting rights of the Shareholders with the right to vote at a general meeting;
- (c) to revise the quorum necessary to convene a class meeting to consider a variation of the rights of any class of shares to be not less than two persons holding or representing by proxy not less than one-third of the issued Shares of the class;
- (d) to allow the Company to hold general meetings using telephone, electronic or other communication facilities that enable the Shareholders who are not at the same place to listen, speak, and vote at the general meeting;
- (e) to insert the definition of “ordinary resolution” and to update the definition of “special resolution”;
- (f) to update the language in the Existing M&A to highlight that a Shareholder being a corporation shall be entitled to appoint a representative to attend a general meeting in accordance with the Listing Rules;
- (g) to set out that any new shares may be issued with a preferential or qualified right to participate in dividends and with a special or without any right of voting;
- (h) to insert the provision in the Existing M&A in relation to the period the register of members may be closed for inspection to comply with the requirements under the Listing Rules;



- (i) to provide that where the capital of the Company includes shares with different voting rights, the share certificate so issued shall relate to only one class of shares and the designation of each class of shares must generally include the words “restricted voting” or “limited voting” to comply with the requirements under the Listing Rules;
- (j) to provide that the Company is not bound to register more than four persons as joint holders of any Shares;
- (k) to provide that any amount paid up in advance of calls on any Share shall not entitle the Shareholder to receive any dividend subsequently declared to comply with the requirements under the Listing Rules;
- (l) to update the provision in the Existing M&A to set out that fully-paid Shares shall generally be free from any restriction on the right of transfer and shall be free from all lien to comply with the requirements under the Listing Rules;
- (m) to update the provisions in the Existing M&A in relation to the conditions under which the Company may exercise its power to sell the Shares of an untraceable Shareholder to comply with the requirements under the Listing Rules;
- (n) to update the provisions in the Existing M&A in relation to the exceptions under which a Director may vote on a board resolution approving any contract or arrangement or proposal which the Director or his close associates has a material interest in accordance with the Listing Rules;
- (o) to update the provision in relation to the appointment and removal of the auditors of the Company;
- (p) to update the provision in relation to any notice given to a Shareholder whose registered address is outside Hong Kong;
- (q) to replace the obsolete terms with the new terms used in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (“**Companies Ordinance**”) to replace the section references to the predecessor of the Companies Ordinance with the corresponding section references to the Companies Ordinance;
- (r) to update the section references to the Companies Law (Revised) of the Cayman Islands; and
- (s) to make other miscellaneous amendments to update, modernise or clarify provisions of the Existing M&A where it is considered desirable.

Other house-keeping amendments to the Existing M&A are also proposed, including consequential amendments in line with the above amendments to the Existing M&A, as well as the updating of certain provisions with reference to the Listing Rules currently in force. New definitions are proposed to be added to improve the clarity and readability of the Amended and Restated M&A generally.

Full text of the Amended and Restated M&A (marked up against the Existing M&A) is set out in this Appendix III. The Chinese translation of the Amended and Restated M&A set out in the Chinese language of the explanatory statement is for your reference only. In the case of any discrepancy or inconsistency between the English language and Chinese language, the English version shall prevail.

The proposed adoption of the Amended and Restated M&A is subject to the approval of the Shareholders of the Company by way of passing the relevant special resolution at the AGM.

This is a marked-up version of the Amended and Restated M&A which shows the differences between the Existing M&A and the Amended and Restated M&A.

**CONSOLIDATED VERSION**

**AMENDED AND RESTATED**

**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**China Infrastructure Investment Limited**

**中國基建投資有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

*(As adopted by special resolution passed on 21 June 2019)*

~~The following is a consolidated version of the Memorandum of Association of China Infrastructure Investment Limited not formally adopted by shareholders at a general meeting. The Chinese translation thereof of this memorandum of association is for reference only and the English version shall always prevail in case of discrepancies or inconsistencies.~~

THE COMPANIES LAW (REVISED)

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EXEMPTED COMPANY LIMITED BY SHARES

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AMENDED AND RESTATED

MEMORANDUM OF ASSOCIATION

OF

China Infrastructure Investment Limited

中國基建投資有限公司

*(As adopted by special resolution passed on 21 June 2019)*

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1. The name of the Company is: China Infrastructure Investment Limited 中國基建投資有限公司.
2. The Registered Office of the Company will be situate at The R&H Trust Co. Ltd., Windward 1, Regatta Office Park, PO Box 897, Grand Cayman, Cayman Islands, British West Indies.
3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 67(4) of the Companies Law (Revised).
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 262(2) of the Companies Law (Revised).
5. Nothing in the preceding sections shall be deemed to permit the Company to carry on the business of a Bank or Trust Company without being licensed in that behalf under the provisions of the Banks and Trust Companies Law, 1989:2018 (as amended), or to carry on Insurance Business from within the Cayman Islands or the business of an Insurance Manager, Agent, Sub-agent or Broker without being licensed in that behalf under the provisions of the Insurance Law, 1979:2010 (as amended), or to carry on the business of Company Management without being licensed in that behalf under the provisions of the Companies Management Law, 1984:2018 (Revised).

6. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of the members is limited.
8. The capital of the Company is HK\$500,000,000 divided into 10,000,000,000 shares with a nominal or par value of HK\$0.05 each provided always that subject to the provisions of the Companies Law (Revised) and the Articles of Association the Company shall have power to redeem or purchase any or all of such shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be Ordinary, Preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

We, the several persons whose names, addresses and description are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names:

<b>NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS</b>	<b>NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER</b>
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Richard E. Douglas PO Box 1787G Grand Cayman Chartered Accountant	(Sd.) Richard E. Douglas 1
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Adrian L. Hammond PO Box 1787G Grand Cayman Certified Accountant	(Sd.) Adrian L. Hammond 1
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Dated this 16<sup>th</sup> day of June, 1992

(Sd.)

Witness to the above signatures:

Address: PO Box 1787G

Grand Cayman

Occupation: Secretary

~~The following is a consolidated version of the Articles of Association of China Infrastructure Investment Limited not formally adopted by shareholders at a general meeting. The Chinese translation thereof of these articles of association is for reference only and the English version shall always prevail in case of discrepancies or inconsistencies.~~

THE COMPANIES LAW (REVISED)

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EXEMPTED COMPANY LIMITED BY SHARES

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AMENDED AND RESTATED

ARTICLES OF ASSOCIATION

OF

China Infrastructure Investment Limited

中國基建投資有限公司

*(As adopted by special resolution passed on 21 June 2019)*

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PRELIMINARY

1. The regulations contained or incorporated in Table “A” in the First Schedule of the Companies Law (Revised) shall not apply to the Company.
2. In these regulations unless there is something in the subject or context inconsistent therewith:—

“the Articles” or “these presents” means the Articles of Association of the Company for the time being in force;

“associate” has the meaning ~~attributed ascribed to it in by the Rules Governing the Listing of Securities on the Stock Exchange~~ Listing Rules;

“auditors” means the persons appointed by the Company from time to time to perform the duties of auditors of the Company;

“capital” means the share capital from time to time of the Company;

“clearing house” means a clearing house recognized by the laws of the jurisdiction in which the shares of the Company are listed or quoted with the permission of the Company on a stock exchange in such jurisdiction;

“close associate” has the meaning ascribed to it by the Listing Rules;

“dividend” means dividends, distributions in specie or in kind, capital distributions and capitalization issues;

“holding company” has the meaning ascribed to it by section 13 of the Companies Ordinance;

“the Company” or “this Company” means China Infrastructure Investment Limited 中國基建投資有限公司;

“the Companies Ordinance” means the Companies Ordinance (Chapter 32622 of the Laws of Hong Kong) as amended from time to time;

“the Directors” means the Board of Directors of the Company or the Directors present at a meeting of Directors at which a quorum is present, and references in the Articles to Directors shall be to both executive and non-executive Directors unless otherwise indicated;

“dollars” or “HK\$” means Hong Kong Dollars;

“the Law” means the Companies Law (Revised) of the Cayman Islands as modified from time to time;

“member” means a person who is entered on the register as the holder of shares in the capital of the Company;

“Memorandum of Association” means the Memorandum of Association of the Company for the time being in force;

“Listing Rules” shall mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);

“month” means calendar month;

“office” means the registered office for the time being of the Company;

“ordinary resolution” means a resolution as described in Article 3(F) of these Articles;

“paid up” or “paid” includes credited as paid up or paid;

“published in the newspaper” means published as a paid advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper, being in each case a newspaper published daily and circulating generally in Hong Kong and ~~specified in the list of newspapers issued and published in the Hong Kong Government Gazette for the purposes of section 71A of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) or not excluded for this purpose by the Stock Exchange;~~

“the register” means the register of members of the Company and shall include any branch register;

“secretary” includes any person appointed to perform the duties of secretary temporarily and any duly appointed assistant secretary;

“seal” means the common seal of the Company or where appropriate an official seal or any one or more facsimile seals of the Company (including a securities seal) for use in the Cayman Islands or in any particular place, state, country or territory outside the Cayman Islands;

“share(s)” means share(s) in the capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied;

“shareholders” or “members” mean the duly registered holders of shares;

“special resolution” means a resolution as described in Article 3(E) of these Articles~~a resolution passed by not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, where proxies are allowed, by proxy, at a general meeting of the Company;~~

“Stock Exchange” means The Stock Exchange of Hong Kong Limited;

“subsidiary” ~~and “holding company” have~~ has the meaning ascribed to it by section 15 of the Companies Ordinances~~attributed to them in section 2 of the Companies Ordinance;~~

“relevant period” means the period commencing from the date on which these Articles are adopted by the members to and including the date immediately before the day on which none of such securities are so listed (and so that if at any time listing of any such securities is suspended for any reason whatsoever and for any length of time, they shall nevertheless be treated, for the purpose of this definition, as listed);

“in writing” or “written” includes printing, lithography and other means of representing or reproducing words or figures in a visible form, including representation which takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the member’s election comply with the Law and all applicable, statutes, rules and regulations;

“year” means calendar year.



3. (A) The singular includes the plural and vice versa. Words importing any gender include the other genders.
- (B) Save as aforesaid any words or expressions defined in the Law shall if not inconsistent with the subject or context bear the same meaning in these presents.
- (C) The headings shall not affect the construction of these presents.
- (D) References to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.
- (E) At all times during the Relevant Period, a resolution shall be a special resolution when it has been passed by a majority of not less than  $\frac{3}{4}$  of the votes cast by such members as, being entitled so to do, vote in person or by proxy or, in the cases of members which are corporations, by their duly authorized representatives at a general meeting held in accordance with these Articles and of which notice specifying the intention to propose the resolution as a special resolution has been duly given.
- (F) A resolution shall be an ordinary resolution when it has been passed by a simple majority of the votes cast by such members as, being entitled so to do, vote in person or, by proxy or, in the cases of members which are corporations, by their respective duly authorized representatives at a general meeting held in accordance with these Articles and of which not less than 14 days' notice has been duly given.
- (G) A resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of all members for the time being entitled to receive notice of and to attend and vote at general meetings of the Company shall, for the purpose of these Articles, be treated as an ordinary resolution duly passed at a general meeting of the Company duly convened and held and, where relevant as a special resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last person to sign, and where the resolution states a date as being the date of his signature thereof by any member the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, and signed by one or more relevant members.
- (H) A special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles.

**CAPITAL AND SHARES**

4. (A) The authorised share capital of the company is HK\$500,000,000 divided into 10,000,000,000 shares of HK\$0.05 each.
- (B) Subject to the provisions of the Law and of the Articles relating to new shares and subject further to compliance with the rules and regulations of the Stock Exchange and any other relevant regulatory authority, all unissued shares in the Company including any new shares created upon an increase in capital shall be under the control of the Directors who may offer, allot, grant options over or otherwise dispose of them to such persons, on such terms and conditions and at such times as the Directors shall in their sole and absolute discretion think fit, but so that no shares shall be issued at a discount, except in accordance with the provisions of the Law.
5. (A) The Company may at any time pay a commission or brokerage to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company but so that the conditions and requirements of the Law shall be observed and complied with and in each case the commission or brokerage shall not exceed 10 per cent of the price at which the shares are issued.
- (B) The Directors may issue warrants to subscribe for any class of shares or securities of the Company on such terms as they may from time to time determine. Where share warrants are issued to bearer, no new warrant shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed and have received an indemnity in satisfactory form with regard to the issue of any new warrant.
6. (A) Subject to the provisions, if any, in that behalf of the Memorandum of Association and without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of share capital or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination or so far as the same shall not make specific provision, as the Directors may determine) and any preference share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company is liable, to be redeemed on such terms and in such manner as the Company may by such special resolution determine.
- (B) The Company may by ordinary resolution, before the issue of any new shares, make any provisions as to the issue and allotment of such shares including, but without prejudice to the generality of the foregoing, a provision that the new shares or any of them shall be offered in the first instance to all the holders for the time being of shares of any class in proportion to the number of the shares held by them respectively but in default of any such determination such shares may be dealt with as if they formed part of the capital existing prior to the issue of the same.

7. (A) If at any time the capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To any such separate general meeting all the provisions of the Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be ~~one or more~~ not less than two persons holding (or, in the case of a member being a corporation, by its duly authorised representative) or representing by proxy ~~or authorised representative~~ not less than one-third of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, that any holder of shares of the class present in person (or, in the case of a member being a corporation, by its duly authorised representative) ~~by or by proxy or authorised representative~~ may demand a poll and that at any adjourned meeting of such holders ~~one holder~~ two holders present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy ~~or authorised representative~~ (whatever the number of shares held by him) shall be a quorum.
- (B) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
- (C) Any new shares shall be issued upon such terms and conditions and with such rights, privileges or restrictions attached thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, subject to the provisions of the Law and of these Articles, as the Board shall determine; and in particular, such shares may be issued with a preferential or qualified right to participate in dividends and in the distribution of assets of the Company and with a special right or without any right of voting.
8. Except as otherwise expressly provided by the Articles or required by law or ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by the Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
9. Except as allowed by the Law and subject further to compliance with the rules and regulations of the Stock Exchange and any other relevant regulatory authority, the Company shall not give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.

10. Subject to the provisions of the Law and the Memorandum of Association and subject further to compliance with the rules and regulations of the Stock Exchange and any other relevant regulatory authority, the Company may purchase its own shares and/or warrants (whether out of profits of the Company, the proceeds of a fresh issue of shares, capital of the Company or otherwise) and the Directors may exercise the power of the Company to purchase or otherwise acquire its own shares and/or warrants upon such terms and subject to such conditions as the Directors may deem fit. Where the Directors exercise the power of the Company to purchase a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price and if purchases are made by tender, the tenders shall be available to all members alike.

**REGISTER OF MEMBERS AND SHARE CERTIFICATES**

11. (A) The Directors shall cause to be kept at such place as they shall deem fit a register of the members and there shall be entered therein the particulars of members and the class of shares issued to each of them in accordance with the Law.
- (B) The Company may establish and maintain a branch register of members in accordance with Article 160.
- (C) Except where the register is closed, the register and any branch register shall during business hours be opened to the inspection of any member without charge.
- (D) For the purpose of Article 11(C), the reference to business hours is subject to such reasonable restrictions as the Company in general meeting may impose to the extent possible permitted under the Law and the Listing Rules, but so that not less than 2 hours in each day are to be allowed for inspection.
- (E) Any member may require a copy of the register, or of any part thereof, on payment of HK\$0.25, or such lesser sum as the Company may prescribe, for every 100 words or fractional part thereof required to be copied. The Company shall cause any copy so required by any person to be sent to that person within a period of 10 days commencing on the date next after the date on which the request is received by the Company.
- (F) Subject to the Listing Rules, the register may be closed at such time or for such period not exceeding in the whole 30 days in each year as the Directors may determine.

12. (A) Every person whose name is entered as a member in the register shall be entitled without payment to receive within 2 months after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or, if he shall so request, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming a stock exchange board lot, upon payment, in the case of a transfer, of HK\$2.50 (or such higher amount as shall for the time being be approved by the Stock Exchange) for every certificate after the first, such number of certificates for shares in stock exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders.
- (B) Every certificate for shares, ~~warrants~~ or ~~debentures~~ or any other form of securities of the Company shall be issued under the seal which shall only be affixed with the authority of the Directors in accordance with Article 137 below.
- (C) Every share certificate hereafter issued shall specify the number and class of shares in respect of which it is issued and may otherwise be in such form as the Directors may from time to time prescribe. A share certificate shall relate to only one class of shares, and where the capital of the Company includes shares with different voting rights, the designation of each class of shares, other than those which carry the general right to vote at general meetings, must include the words “restricted voting” or “limited voting” or “non-voting” or some other appropriate designation which is commensurate with the rights attaching to the relevant class of shares.
13. If a share certificate is defaced, worn out, lost or destroyed, it may be replaced on payment of such fee, if any, not exceeding HK\$2.50 (or such higher amount as shall for the time being be approved by the Stock Exchange) and on such terms, if any, as to publication of notices, evidence and indemnity and to payment of any exceptional costs and the reasonable out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Directors may think fit and, where it is defaced or worn out, after delivery of the defaced or worn out certificate to the Company.
14. The Company shall not be bound to register more than four persons as joint holders of any shares. If any share shall stand registered in the names of 2 or more persons, the person first named on the register shall be deemed the sole holder thereof as regards service of notices and, subject to the provisions of the Articles, all or any other matters connected with the Company, except the transfer of the share.

**LIEN**

15. The Company shall have a first and paramount lien on every share (not being a fully paid up share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share; and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid up shares) standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company and whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member and whether the period for the payment or discharge of the same shall have actually arrived or not and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not; but the Directors may at any time declare any share to be for some specified period wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends, bonuses and distributions payable in respect thereof.
16. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien but no sale shall be made unless some sum in respect of which the lien exists is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged and until the expiration of 14 days after a notice in writing, stating and demanding payment of such sum presently payable or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the share, or the person entitled thereto by reason of the death, mental disorder or bankruptcy of the registered holder.
17. The net proceeds of such sale after the payment of the costs thereof shall be received by the Company and applied in or towards payment, fulfilment or discharge of the debt or liability or engagement in respect whereof the lien exists, so far as the same is presently payable or due to be fulfilled or discharged, and any residue shall (subject to a like lien for debts or liabilities or engagements not presently payable or due to be fulfilled or discharged as existed upon the shares prior to the sale and upon surrender, if required by the Company, for cancellation of the certificate for the shares sold) be paid to the person who was the holder of such shares immediately before the sale of such shares. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.



**CALLS ON SHARES**

18. The Directors may from time to time make such calls as they may think fit upon the members in respect of all or any part of the moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares and/or by way of premiums) and not by the conditions of issue or allotment thereof made payable at a date fixed by or in accordance with such terms of issue or allotment; and each member shall (subject to receiving at least 14 days' notice specifying the time and place of payment and to whom such call shall be paid) pay to the Company at the time and place and to the person so specified the amount called on his shares. A call shall be deemed to have been made when the resolution of the Directors authorising such call is passed and may be made payable in one sum or by instalments. A call may be revoked or postponed as the Directors may determine. A person upon whom a call is made shall remain liable on such call notwithstanding any subsequent transfer of the shares in respect of which the call was made.
19. A copy of the notice referred to in Article 18 shall be sent to the members in the manner in which notices may be sent to members by the Company as herein provided.
20. In addition to the giving of notice in accordance with Article 18, notice of the person appointed to receive payment of every call and of the time and place appointed for payment may be given to the members affected by notice to be inserted once in the Hong Kong Government Gazette and published in the newspaper.
21. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect of such share or other moneys due in respect thereof.
22. The Directors may from time to time at their discretion extend the time fixed for any call and may extend such time as regards all or any of the members whom, by reason of residence outside Hong Kong or other cause, the Directors may deem entitled to any such extension but no member shall be entitled to any such extension except as a matter of grace and favour.
23. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at such rate not exceeding 20 per cent per annum as the Directors shall fix from the day appointed for the payment thereof to the time of the actual payment but the Directors shall be at liberty to waive payment of that interest wholly or in part.
24. No member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another member who is entitled) at any general meeting, either personally or by proxy or authorised representative or be reckoned in a quorum or to exercise any other privilege as a member until all calls and instalments due from him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.

25. Any sum (whether on account of the nominal value of the share and/or by way of premium) which by the terms of issue or allotment of a share becomes payable upon allotment or at any date fixed by or in accordance with such terms of issue or allotment shall for all the purposes of the Articles be deemed to be a call duly made, notified and payable on the date on which by the terms of issue or allotment the same becomes payable. In case of non-payment all the relevant provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
26. The Directors may make arrangements on the issue of shares for differences in the amount of calls to be paid and in the times of payment between one allottee or holder and another.
27. The Directors may, if they think fit, receive from any member willing to advance the same and either in money or money's worth all or any part of the moneys uncalled and unpaid or instalments not yet payable upon any shares held by him; and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding, without the sanction of the Company in general meeting, 6 per cent per annum) as may be agreed upon between the member paying the sum in advance and the Directors but a payment in advance of a call shall not entitle the member to receive any dividend subsequently declared or to exercise any other rights or privileges as a member in respect of the share or the due portion of the shares upon which payment has been advanced by such member before it is called up. The Directors may at any time repay the amount so advanced or any part thereof upon giving to such member not less than one month's notice in writing of their intention to do so, unless before the expiration of such notice the amount proposed to be repaid shall have been called up on the shares in respect of which it was advanced in which event the same shall be applied in or towards satisfaction of the call under the applicable provisions of the Articles.

#### **FORFEITURE OF SHARES**

28. If a member fails to pay in full any call or instalment of a call on the day appointed for the payment thereof, the Directors may at any time thereafter during such time as any part of the call or instalment remains unpaid, without prejudice to the provisions of Article 24, serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and which may still accrue up to the date of actual payment.
29. The notice shall name a further day (not earlier than 14 days after the date of service of the notice) on or before which and the place where the payment required by the notice is to be made and shall state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which the call was made will be liable to be forfeited.



30. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares but not paid before the forfeiture. The Directors may accept surrender of any share liable to be forfeited hereunder and in such case, references in these presents to forfeiture shall include surrender.
31. Unless cancelled in accordance with the requirements of the Law, any share so forfeited shall be deemed to be the property of the Company and may be sold, reallocated or otherwise disposed of either to the person who was, before the forfeiture, the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Directors think fit and at any time before a sale or disposition thereof the forfeiture may be cancelled on such terms as the Directors think fit.
32. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, nevertheless, remain liable to pay to the Company all calls already made and moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares and without any deduction or allowance for the value of the shares at the date of forfeiture (together with interest thereon at such rate not exceeding 20 per cent per annum as the Directors may prescribe from the date of forfeiture if the Directors think fit to enforce payment of such interest) but his liability shall cease if and when the Company shall receive payment in full of all such calls, moneys and interest in respect of the shares. For the purposes of this Article, any sum which by the terms of issue of a share is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share and/or by way of premium, shall, notwithstanding that such time has not yet arrived be deemed to be payable at the date of forfeiture and the same shall become due and payable immediately upon the forfeiture but interest thereon shall only be payable in respect of any period between the said fixed time and, if later, the date of actual payment.
33. A certificate in writing signed by a Director or the secretary of the Company that a share in the Company has been duly forfeited or surrendered on a date stated in the certificate shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale, reallocation or disposition thereof and may, subject to the restrictions contained in the Articles, execute a transfer of the share in favour of the person to whom the share is sold, reallocated or disposed of and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, reallocation or disposal of the share.
34. When any share shall have been forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register.

35. Notwithstanding any such forfeiture as aforesaid, the Directors may at any time, before any shares so forfeited shall have been sold, reallocated or otherwise disposed of, permit the shares forfeited to be redeemed upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the shares and upon such further terms (if any) as they think fit.
36. (A) The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.
- (B) The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### **STOCK**

37. The Company may by ordinary resolution convert any paid up shares into stock and may from time to time by like resolution reconvert any stock into paid up shares of any denomination.
38. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might prior to conversion have been transferred or as near thereto as circumstances permit Provided that the Directors may from time to time, if they think fit, fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose. No warrants to bearer shall be issued in respect of any stock.
39. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding-up, voting at meetings and other matters as if they held the shares from which the stock arose but no such privilege or advantage (except participation in the dividends and profits of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.
40. Such of the provisions of the Articles as are applicable to paid up shares shall apply to stock and the words “share” and “member” herein shall include “stock” and “stockholder”.

**TRANSFER OF SHARES**

41. (A) All transfers of shares may be effected in writing in any usual or common form or in a form prescribed by the Stock Exchange or in any other form acceptable to the Directors and may be under hand or by facsimile or mechanically imprinted signatures.
- (B) The instrument of transfer shall be executed by or on behalf of both the transferor and the transferee.
- (C) The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the register in respect thereof.
42. Nothing in the Articles shall preclude the Directors from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person. Fully paid shares shall be free from any restriction with respect to the right of the holder thereof to transfer such shares (except when permitted by the Stock Exchange) and shall also be free from all lien. The Directors in their sole and absolute discretion and without assigning any reason therefor may decline to register any transfer of shares which are not fully paid up to a person of whom they do not approve and they may also refuse to register any transfer of a share (not being a fully paid up share) on which the Company has a lien. The Directors shall not register a transfer to a person who is known to them to be an infant or a person of unsound mind or under any other legal disability but the Directors shall not be bound to enquire into the age or soundness of mind or legal capacity of any transferee.
43. Every instrument of transfer shall be left at the office or at such other place as the Directors may appoint for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Directors may reasonably require to prove the title of the transferor or his right to transfer the shares. If the Directors refuse to register a transfer they shall within 2 months after the date on which the transfer was lodged with the Company send to each of the transferor and the transferee notice of the refusal. All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same together with the share certificate and such other evidence as aforesaid within 2 months after the date on which the transfer was lodged with the Company.

44. The Directors may also decline to recognise any instrument of transfer unless:—
- (i) ~~a fee of HK\$2 (or such higher amount as shall for the time being be approved by the Stock Exchange)~~ a fee of such maximum as the Stock Exchange may from time to time determine to be payable (or such lesser sum as the Directors may from time to time require) has been is paid to the Company for registering any transfer or other document relating to or affecting the title to the shares involved or for otherwise making an entry in the register relating to such shares;
  - (ii) the instrument of transfer is in respect of only one class of shares;
  - (iii) the instrument of transfer is properly stamped; and
  - (iv) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed 4.
45. Upon every transfer of shares the certificate relating to the shares to be transferred held by the transferor shall be given up to be cancelled and shall forthwith be cancelled accordingly and a new certificate shall be issued without charge to the transferee in respect of the shares transferred to him and if any of the shares included in the certificate so given up shall be retained by the transferor a new certificate in respect thereof shall be issued to him without charge.
46. The registration of transfers may be suspended and the register closed at such times and for such periods as the Directors may from time to time determine provided always that such registration shall not be suspended or the register closed for more than 30 days in any year ~~or, if the Company in general meeting approves, 60 days in any year.~~

#### **UNTRACED SHAREHOLDERS**

47. (A) Without prejudice to the rights of the Company under Article 47(B), the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

- (B) The Company shall have the power to ~~may~~ sell, in such manner as the Directors think fit, any shares in the Company of a member who is untraceable, but no such sale shall be made unlessif:—
- (i) ~~(i)~~—during the period of 12 years prior to the date of the advertisements referred to in sub-paragraph (ii) below (or, if published more than once, the first thereof) at least three dividends or other distributions in respect of the shares in question have become payable or been made and no dividend or other distribution in respect of the shares during that period has been claimed; all cheques or warrants, being not less than 3 in total number, for any sum payable in cash to the holder of such shares in respect of them sent in the manner authorised by the Articles of the Company have remained uncashed for a period of 12 years;
- (ii) upon expiry of the 12-year period, the Company has caused an advertisement to be published in the newspaper giving notice of its intention to sell such shares and a period of 3 months has elapsed since the date of such advertisement (or, if published more than once, the first thereof);
- (iii) ~~(ii)~~—the Company has not at any time during the 12-year period and after the expiry of three months' period after the date of the advertisements referred to in sub-paragraph (ii) above (or, if published more than once, the first thereof) received any indication of the existence of the member or of any person who is entitled to such shares by death, bankruptcy or operation of law; and
- (iv) the Company has notified the Stock Exchange of such intention.
- ~~(iii) —upon expiry of the 12-year period, the Company has caused an advertisement to be published in the newspaper giving notice of its intention to sell such shares and a period of 3 months has elapsed since the date of such advertisement (or, if published more than once, the first thereof) and the Company has notified the Stock Exchange of such intention.~~

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

**TRANSMISSION OF SHARES**

48. In the case of the death of a member, the survivor or survivors where the deceased was a joint holder or the legal personal representatives of the deceased where he was a sole holder shall be the only persons recognised by the Company as having any title to his interest in the share; but nothing herein contained shall release the estate of the deceased (whether sole or joint holder) from any liability in respect of any share which had been held by him jointly with other persons or solely.
49. Any person to whom the right to any share has been transmitted by death, bankruptcy or operation of law may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the shares, whether in whole or part, or to have some person nominated by him registered as the transferee thereof, whether in whole or part, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the shares by the original member before the event giving rise to the transmission. The merger of any 2 or more corporations under the laws of one or more foreign countries or states shall constitute a transmission by operation of law for the purposes of this Article.
50. If the person so becoming entitled shall elect to be registered himself, whether in whole or part in respect of the shares involved, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered in respect of the shares the right to which has been so transmitted, he shall testify his election by executing in favour of that person a transfer of the relevant shares. All the limitations, restrictions and provisions of the Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the transmission had not occurred and the notice or transfer were a transfer signed by the original registered holder.
51. Any person to whom the right to any share has been transmitted by operation of law shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within 90 days the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with but, subject to the requirements of Article 75 being met, such person may vote at meetings of the Company.

**ALTERATION OF CAPITAL**

52. The Company in general meeting may, from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.
53. Except so far as otherwise provided by the conditions of issue or by the Articles, any new shares issued as a consequence of an alteration of capital shall be subject to the same provisions with reference to the payments of calls and instalments, liens, transfer, transmission, forfeiture, cancellation, surrender, voting and otherwise as the shares in the original capital.
54. The Company may from time to time by ordinary resolution:—
- (i) consolidate and divide all or any of its capital into shares of larger amount than its existing shares; on any consolidation of fully paid shares into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of the shares to be consolidated determine which particular shares are to be consolidated into each consolidated share and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;
  - (ii) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provisions of the Law; and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares; and
  - (iii) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its capital by the amount of the shares so cancelled.



55. The Company may by special resolution reduce its capital and any capital redemption reserve in any manner prescribed by the Law.

#### **GENERAL MEETINGS**

56. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it and not more than 15 months (or such longer period as the Stock Exchange may authorize) shall elapse between the date of one annual general meeting of the Company and that of the next. Provided that so long as the Company holds its first annual general meeting within 18 months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place as the Directors shall appoint. All general meetings other than annual general meetings shall be called extraordinary general meetings. A meeting of the members of any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meetings.
57. The Directors may, whenever they think fit, convene an extraordinary general meeting. An extraordinary general meeting shall also be convened on the written requisition of any 2 or more members holding at the date of the deposit of the requisition in aggregate not less than ~~25~~ 10 per cent of such of the paid up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company. Such requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the office. If the Directors do not within 21 days from the date of the deposit of such requisition proceed duly to convene an extraordinary general meeting, the requisitionists themselves may convene the extraordinary general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene such a meeting shall be reimbursed to them by the Company.

#### **NOTICE OF GENERAL MEETINGS**

58. An annual general meeting and a meeting called for the passing of a special resolution shall be called by at least 21 days' notice in writing ~~at the least~~ and a meeting of the Company, other than an annual general meeting or a meeting for the passing of a special resolution, shall be called by at least 14 days' notice in writing ~~at the least~~. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day, ~~and the hour~~ and the agenda of the meeting and particulars of the resolutions to be considered at that meeting and; in case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such and the notice convening a meeting to pass a special resolution shall specify the intention to propose the relevant resolution as a special resolution.



59. Subject to the foregoing Article, the notice of every general meeting shall be given in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting to such persons as are under the Articles entitled to receive such notices from the Company Provided that subject to the provisions of the Law a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed:—
- (i) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
  - (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.
60. The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate any resolution passed or any proceedings at any meeting.
61. In cases where instruments of proxy are or are to be sent out with notices, the accidental omission to send such instruments of proxy to or the non-receipt of such instruments of proxy by any person entitled to receive notice shall not invalidate any resolution passed or any proceedings at any such meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

62. All business shall be deemed special that is transacted at an extraordinary general meeting and at an annual general meeting, with the exception of the declaration and sanctioning of a dividend, making a call in accordance with the provisions of the Articles, the reading, consideration and adoption of the accounts, balance sheet and the reports of the Directors and other documents required to be annexed to the balance sheet, the election of Directors in the place of those retiring at the meeting whether by rotation or otherwise, the appointment of the auditors (where special notice of the intention for such appointment is not required by the Law) and the fixing, or the determination of the method fixing, of the remuneration of the Directors and of the auditors.
63. For all purposes the quorum for a general meeting shall be 2 members entitled to vote present in person (or, in the case of a member being a corporation, by its duly authorised representative) ~~or by separate proxy or representative~~. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business provided that the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting.

64. If within 30 minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Directors and if at the adjourned meeting a quorum is not present within 5 minutes from the time appointed for the meeting, any member present (or, in the case of a member being a corporation by its duly authorised representative) or by proxy and entitled to vote shall be a quorum and may transact the business for which the meeting was called.
65. Each Director shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the Company.
66. The chairman, if any, of the Directors or, in his absence, the deputy chairman, if any, shall preside as chairman at every general meeting of the Company.
67. If there is no such chairman or deputy chairman or if at any meeting neither of such chairman or deputy chairman is present within 30 minutes after the time appointed for holding the meeting or is willing to act as chairman, the Directors present shall choose one of their number as chairman and if only one Director shall be present he shall, if willing to act, preside as chairman. If no Director shall be present or if all the Directors present decline to take the chair or if the chairman chosen shall retire from the chair, then the members present shall choose one of the members to be the chairman.
68. The chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for 14 days or more, at least 7 clear days' written notice specifying the place, the day and the hour of the adjourned meeting shall be given as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

69. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by:
- (i) the chairman;
  - (ii) at least 3 members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy ~~or representative~~ for the time being entitled to vote at the meeting;
  - (iii) any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy ~~or representative~~ and representing not less than one-tenth of the total voting rights of all the members having the right to attend and vote at the meeting; or
  - (iv) any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy ~~or representative~~ and holding shares in the Company conferring a right to attend and vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll 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 or carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

70. If a poll is duly demanded it shall (subject as provided in Article 73) be taken in such manner (including the use of ballot or voting papers or tickets or scrutineers) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded, as the chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. No notice need be given of a poll not taken immediately. The demand for a poll may be withdrawn with the consent of the chairman at any time before the close of the meeting or the taking of the poll, whichever is the earlier.
71. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by the Articles or by the Law. In the event of an equality of votes whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.
72. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

73. A poll duly demanded on the election of a chairman of a meeting or on a question of adjournment shall be taken forthwith at the meeting and without adjournment. A poll demanded on any other question shall be taken at such time (being not later than 30 days after the date of the demand) and place as the chairman of the meeting directs.

#### **VOTES OF MEMBERS**

74. (A) Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy ~~or by authorised representative~~ shall have one vote, and on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy ~~or by authorised representative~~ shall have one vote for each share of which he is the holder and which is fully paid up or credited as fully paid up and shall have for every partly paid share of which he is the holder the fraction of one vote equal to the proportion which the nominal amount due and paid up or credited as paid up thereon bears to the nominal value of the share (but so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purpose of this Article as paid up on the share). A person entitled to cast more than one vote upon a poll need not use all his votes or cast all the votes he uses in the same way.
- (B) Where the Company has knowledge that any member is, under the rules of the Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.
75. Any person entitled under Article 49 to be registered as a shareholder may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that at least 48 hours before the time of the holding of the meeting or adjourned meeting (as the case may be) at which he proposes to vote, he shall satisfy the Directors of his right to be registered as the holder of such shares or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
76. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy or by representative, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand on the register. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.
77. 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, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by that court and any such committee, receiver, curator bonis or other person may on a poll vote by proxy.

78. If (a) any objection shall be raised to the qualification of any voter or (b) any votes have been counted which ought not to have been counted or which might have been rejected or (c) any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.
79. Any member of the Company entitled to attend and vote at a meeting of the Company or a meeting of the holders of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company. On a poll, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy (which term shall for the purposes of this Article and Articles 80 to 85 include a representative appointed under Article 86). A member may appoint more than one proxy to attend on the same occasion provided that if more than one proxy is so appointed, the appointment shall specify the number and the class of shares in respect of which each such proxy is so appointed. A proxy shall be entitled to exercise the same powers on behalf of a Member who is an individual and for whom he acts as proxy as such Member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a Member which is a corporation and for which he acts as proxy as such Member could exercise if it were an individual Member.
80. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorized.
81. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office or at the place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting or in any notice of any adjourned meeting or, in either case, in any document sent therewith or in the instrument of proxy issued by the Company not less than 48 hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person (or in the case of a member being a corporation, its duly authorised representative) at the meeting or poll concerned.
82. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution unless it states that it is valid for all meetings whatsoever until revoked with the exception that any instrument may be used at any adjournment of the meeting for which it was originally intended and on a poll demanded at a meeting or adjourned meeting provided that in all these cases the meeting was originally held within 12 months from such date.

83. The instrument appointing a proxy to vote at a general meeting shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit.
84. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or power of attorney or other authority under which the proxy was executed or transfer of the share in respect of which the proxy is given provided that no intimation in writing of the death, insanity, revocation or transfer has been received at the office or such other place as was specified for the deposit of instrument of proxy or by the chairman of the meeting at least 2 hours before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used.
85. An instrument appointing a proxy whether for a specified meeting or otherwise may be in any usual or common form or in any other form which the Directors may approve provided that no provision contained herein shall prohibit, and the Directors shall not prohibit, the use of a two-way proxy form and the Directors may, if they think fit, send out with the notice of any meeting forms of instruments of proxy for use at the meeting.
86. (A) Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by power of attorney, authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company. References in these Articles to a member present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a member represented at the meeting by such duly authorized representative.
- (B) Where the members of the Company is a recognized clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) or its nominee(s), it may authorize such person or persons as it thinks fit to act as its representative(s) ~~or~~ (or proxies) at any members' meeting and creditors' meeting provided that, if more than one person is so authorized, the authorization or proxy form must specify the number and class of ~~warrants~~ shares in respect of which each such person is so authorized. The person so authorized will be entitled to exercise the same power on behalf of the recognized clearing house as that clearing house or its nominee(s) could exercise as if such person were an individual member of the Company.
- (C) Authorised representative(s) and proxy(ies) shall be entitled to vote in respect of a resolution whether such resolution is to be passed by a show of hands or by poll.

**OFFICE**

87. The office shall be at such place in the Cayman Islands as the Directors shall from time to time appoint.

**DIRECTORS**

88. The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed pursuant to this Article 88 shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of any addition to the Board) and shall then be eligible for re-election at that meeting.
89. No person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless notice in writing by ~~some~~ a member (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company provided that the minimum length of the period, during which such notices may be given, shall be at least 7 days and that the period for lodgment of such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting.
90. The Company may by ordinary resolution remove any Director before the expiration of his period of office (notwithstanding anything in the Articles or in any agreement between the Company and such Director but without prejudice to any claim which such Director may have against the Company for damages under any such agreement) and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office for such time only as the Director in whose place he is elected would have held the same if he had not been removed.
91. Without prejudice to the power of the Company in pursuance of the provisions of the Articles to appoint any person to be a Director and subject to the provisions of the Law, the Directors may appoint any person to be a Director as an additional Director or to fill a casual vacancy provided that any person so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.
92. A Director shall not be required to hold any qualification shares.



93. (A) The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the Directors may agree or, failing such agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office.
- (B) The Directors shall obtain the approval of the Company in general meeting before making any payment to any Director or past Director by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled).
94. Any Director who, by request of the Directors or the Company, goes or resides outside the jurisdiction in which he normally resides for any purpose of the Company or holds any executive office or who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director may be paid such extra remuneration by way of salary, commission, participation in profits or otherwise as the Directors may determine.
95. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses reasonably incurred by them respectively in or about the performance of their duties as Directors including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on, in or about the business of the Company.
96. The Directors may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds or death or disability benefits for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or service of the Company or of any company which is a subsidiary of the Company or is allied or associated with the Company or with any such subsidiary company or who are or were at any time Directors or officers of the Company or any such other company as aforesaid and holding or who have held any salaried employment or office in the Company or such other company and the wives, widows, families and dependants of any such persons. The Directors may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid and may make payments for or towards the insurance of any such persons as aforesaid and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. The Directors may do all or any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.



97. Without prejudice to the provisions for retirement by rotation herein contained, the office of a Director shall be vacated if the Director:—
- (i) becomes bankrupt or has a receiving order made against him or suspends payment or makes any arrangement or composition with his creditors generally;
  - (ii) becomes a lunatic or of unsound mind or a patient for any purpose of any statute relating to mental health and the Directors resolve that his office be vacated;
  - (iii) (not being a Director appointed to an office in the management or business of the Company under Article 108 whose contract precludes resignation) resigns his office by notice in writing to the Company;
  - (iv) is convicted of an indictable offence;
  - (v) has his office vacated or becomes prohibited from being a Director under any of the provisions of the Law or any order made under the Law;
  - (vi) absents himself from the meetings of the Directors during a continuous period of 6 months, without special leave of absence from the Directors and his alternate Director (if any) shall not during such period have attended in his stead and the Directors pass a resolution that his office be vacated by reason of such absence; or
  - (vii) shall be removed from office by notice in writing served upon him signed by all his co-Directors provided that such co-Directors shall not be less than 3 in number; or
  - (viii) shall be removed from office by an ordinary resolution of the Company under Article 90.
98. No Director shall be required to vacate office or be ineligible for re-election or re-appointment as a Director and no person shall be ineligible for appointment as a Director by reason only of his having attained any particular age.

#### **ROTATION OF DIRECTORS**

99. Notwithstanding any other provisions in the Articles, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation such that each Director (including those appointed for a specific term) will be subject to retirement by rotation at least once every three years at the annual general meetings provided that any Director appointed pursuant to Article 88 shall not be taken into account in determining the Directors who are to retire at such meeting.

100. The Company at any general meeting at which any Directors retire in manner aforesaid may fill the vacated office by electing a like number of persons to be Directors.
101. If at any general meeting at which an election of Directors ought to take place, the places of the retiring Directors are not filled, the retiring Directors or such of them as have not had their places filled shall be deemed to have been re-elected and shall, if willing, continue in office until the next annual general meeting and so on from year to year until their places are filled, unless:—
- (i) it shall be determined at such meeting to reduce the number of Directors;
  - (ii) it is expressly resolved at such meeting not to fill up such vacated offices; or
  - (iii) in any such case the resolution for re-election of a Director is put to the meeting and lost.
102. The Company may from time to time in general meeting by ordinary resolution fix, increase or reduce the maximum and minimum number of Directors but so that the number of Directors shall never be less than 2.
103. The Company shall keep at its office a register in which there shall be entered the full names and addresses and such other particulars in respect of the Directors and officers as the Directors deem fit.

#### **POWERS AND DUTIES OF DIRECTORS**

104. (A) The business of the Company shall be managed by the Directors who, without limiting the generality of the foregoing, may pay all expenses incurred in setting up and registering the Company and may exercise all such powers of the Company as are not required, by the Articles or by the Law, to be exercised by the Company in general meeting subject, nevertheless, to such regulations as may be prescribed by the Company in general meeting being not inconsistent with any of the Articles or the provisions of the Law; but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that 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.

- (B) Without prejudice to the general powers conferred by the Articles, it is hereby expressly declared that the Directors shall have the following powers:—
- (i) To give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed; and
  - (ii) To give to any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration.
105. (A) The Company shall not, directly or indirectly:—
- (i) make a loan to a Director of the Company or of any holding company of the Company or any of their respective close associates;
  - (ii) enter into any guarantee or provide any security in connection with a loan made by any person to such a Director or any of their respective close associates;
  - (iii) if any one or more of the Directors of the Company hold (jointly or severally or directly or indirectly) beneficially a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.
- (B) Subject to paragraphs (C), (D), (E), (F) and (G) of this Article, each of the following transactions shall be excepted from the prohibitions in paragraph (A) of this Article:—
- (i) a loan by the Company to another company which is a member of the same group of companies as the Company or the Company's entering into a guarantee or providing any security in connection with a loan made by any person to that other company;
  - (ii) the Company's doing anything to provide any of its Directors with funds to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him properly to perform his duties as an officer of the Company;

- (iii) a loan by the Company to a Director of the Company:—
    - (a) for the purpose of facilitating the purchase, for use as that Director's only or main residence, of the whole or part of any residential premises together with any land to be occupied and enjoyed therewith;
    - (b) for the purpose of improving any residential premises so used or any land occupied and enjoyed therewith; or
    - (c) in substitution for any loan made by any person and falling within (a) or (b) above;
  - (iv) where the ordinary business of the Company includes the lending of money or the giving of guarantees in connection with loans made by other persons, a loan by the Company to any person or the Company's entering into a guarantee in connection with a loan by one person to another.
- (C) Subject to paragraph (F) of this Article, the exception specified in sub-paragraph (ii) of paragraph (B) of this Article shall operate only if either of the following conditions is satisfied:—
- (i) the thing in question is done with the prior approval of the Company given at a general meeting at which the purpose of any expenditure and the amount of any loan to be made by the Company or the extent of the Company's liability under any guarantee to be given by the Company or, as the case may be, in respect of any security to be provided by the Company are disclosed; or
  - (ii) that thing is done on condition that, if the approval of the Company is not so given at or before the next following annual general meeting, the loan shall be repaid or that liability discharged within 6 months from the conclusion of that meeting.
- (D) Subject to paragraph (F) of this Article, the exception specified in sub-paragraph (iii) of paragraph (B) of this Article shall operate in respect of a loan referred to therein only if the following conditions are satisfied:—
- (i) the Company ordinarily makes loans of that description to its employees on terms no less favourable than those on which the loan itself is made; and

- (ii) the loan does not exceed 80 per cent of the value of the residential premises, or the part thereof, in question and any land to be occupied and enjoyed therewith as stated in a valuation report which complies with the following requirements:—
    - (a) the valuation report shall be made by a professionally qualified valuation surveyor who is subject to the discipline of a professional body; and
    - (b) the valuation report shall be made and signed by the valuation surveyor not earlier than 3 months prior to the date on which the loan is made; and
  - (iii) the loan is secured by a legal mortgage on the land comprising the residential premises, or the part thereof, in question and any land to be occupied and enjoyed therewith.
- (E) Subject to paragraphs (F) and (G) of this Article, the exception specified in sub-paragraph (iv) of paragraph (B) of this Article shall operate only if the following conditions are satisfied:—
  - (i) the loan in question is made by the Company or it enters into the guarantee in question in the ordinary course of the Company's business; and
  - (ii) the amount of the loan or the amount guaranteed is not greater, and the terms of the loan or guarantee are not more favourable, in the case of the person to whom the loan is made or in respect of whom the guarantee is entered into than that or those which it is reasonable to expect the Company to have offered to or in respect of a person of the same financial standing as that person but unconnected with the Company.
- (F) The exception specified in sub-paragraph (ii), (iii) or (iv) of paragraph (B) of this Article shall not authorize the Company to enter into a transaction if at the time that the transaction is entered into the aggregate of the following amounts:—
  - (i) the amount outstanding at that time on all loans made by the Company to any of its Directors otherwise than under sub-paragraph (i) of paragraph (B) of this Article;
  - (ii) the amount representing the maximum liability of the Company at that time under all guarantees entered into, and in respect of any security provided, by the Company in connection with loans made by any person to any of its Directors; and

(iii) if the transaction in question is:—

- (a) a loan, the amount of such loan;
- (b) a guarantee, the amount representing the maximum liability of the Company under such guarantee; or
- (c) the provision of a security, the amount representing the maximum liability of the Company in respect of such security,

exceeds 5 per cent of the amount of the Company's net assets (as such term is defined in paragraph (J) of this Article) as shown in the latest balance sheet laid before the Company in general meeting.

(G) The exception specified in sub-paragraph (iv) of paragraph (B) of this Article shall not authorize the Company to make a loan to any Director of the Company or of its holding company or, where any one or more of the Directors of the Company hold (jointly or severally or directly or indirectly) a controlling interest in another company, to that other company, or to enter into a guarantee in connection with a loan made by any person to any such Director or other company, if at the time that the loan is made or, as the case may be, that guarantee is given the aggregate of the following amounts exceeds HK\$500,000:—

- (i) the principal of the loan to be made or guaranteed by the Company or, if the case so requires, so much of that principal as is so guaranteed;
- (ii) any amount outstanding at that time by way of principal on any other loan made by the Company by virtue of that exception to such Director or other company; and
- (iii) where at that time the Company is or may be made liable in pursuance of any guarantee entered into by virtue of that exception, the amount for which the Company is or may be so made liable in respect of the principal of any other loan to such Director or other company.

- (H) References in this Article, except in sub-paragraph (ii) or (iii) of paragraph (B) of this Article, to a Director shall include references to:—
- (i) the spouse or any child, or a member of family or step-child of such Director or a person in a cohabitation relationship with such Director;
  - (ii) a person acting in his capacity as the trustee (other than as trustee under an employees' share scheme or a pension scheme) of any trust the beneficiaries of which include the Director, his spouse or any of his children or step-children who is under the age of 18 years or the terms of which confer a power on the trustees that may be exercised for the benefit of the Director, his spouse or any of his children who is under the age of 18 years or step-children; and
  - (iii) a person acting in his capacity as partner of that Director or of his spouse, child who is under the age of 18 years or step-child, or of any trustee, referred to in sub-paragraph (ii) above;
  - (iv) a child who is under the age of 18 of a person in a cohabitation relationship with such Director and who lives with the Director; and
  - (iv)(v) a body corporate with which the Director is associated.
- (I) References in paragraph (H) of this Article to the child ~~or step-child~~ of any person shall include a reference to any step-child, illegitimate child and adopted child of that person, ~~but shall not include a reference to any person who has attained the age of 18 years.~~ References in paragraph (H) of this Article to a member of family of such Director shall include a reference to the spouse, any child and any parent of such Director.
- (J) For the purposes of paragraph (F) of this Article, “net assets”, in relation to the Company, means the aggregate of the Company’s assets less the aggregate of its liabilities, and for the purposes of this definition “liabilities” shall take into account the generally accepted accounting principles of Hong Kong, the International Accounting Standards, or such other standards as may be permitted by the Stock Exchange. ~~includes any provision within the meaning of the Tenth Schedule of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) except to the extent that that provision is taken into account in calculating the value of any asset of the Company.~~
106. 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 the 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.

107. The Directors may establish any local committees, boards or agencies for managing any of the affairs of the Company, either in the Cayman Islands, Hong Kong or elsewhere, and may appoint any persons to be members of such committees, boards or agencies and may appoint any managers or agents (and in particular, but without limitation, may appoint any company, firm or person to be the Company's investment manager) and may in each case fix their remuneration and may delegate to any local committee, board or agency any of the powers, authorities and discretions vested in the Directors (other than their powers to make calls and forfeit shares) with power to sub-delegate and may authorise the members of any local committee, board or agency or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be upon such terms and subject to such conditions as the 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.
108. The Directors may from time to time appoint one or more of their number to the office of Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director, General Manager, Joint General Manager and/or such other office in the management or business of the Company on such terms and for such period as they may determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment.
109. A Director appointed to an office under Article 108 shall be subject to the same provisions as to removal as the other Directors of the Company and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.
110. The Directors may from time to time entrust to and confer upon a Managing Director, Joint Managing Director, Deputy Managing Director, Executive Director, General Manager or Joint General Manager or a Director appointed to any other office in the management or business of the Company any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers but no person dealing in good faith and without notice of such revocation, withdrawal, alteration or variation shall be affected thereby.
111. Notwithstanding Articles 93, 94, 95 and 96, the remuneration of a Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director or a Director appointed to any other office in the management of the business of the Company shall from time to time be fixed by the Directors and may be by way of salary, commission, participation in profits or otherwise or by all or any of those modes and with such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to his remuneration as a Director.



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

- (i) of all appointments of officers made by the Directors;
- (ii) of the names of the Directors present at each meeting of the Directors and of any committee of Directors;
- (iii) of all declarations made or notices given by any Director (either generally or specially) of his interest in any contract or proposed contract or of his holding of any office or property whereby any conflict of duty or interest may arise; and
- (iv) of all resolutions and proceedings of general meetings of the Company and of meetings of the Directors and any committee of Directors;

and any such minutes of any general meeting of the Company or any meeting of the Directors or of any committee of Directors shall be signed by the chairman of such meeting or by the chairman of the next succeeding meeting and if so signed shall be receivable as conclusive evidence of the matters stated therein.

#### **DIRECTORS' INTERESTS**

113. (A) Subject to the provisions of the Law, a Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as vendor, shareholder or otherwise and, subject to the Law, no such Director shall be accountable to the Company for any remuneration or benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs. The Directors may exercise the voting powers conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them as directors or other officers of such company) and any Director may vote in favour of the exercise of such voting rights in the manner aforesaid notwithstanding that he may be, or be about to be, appointed a director or other officer of such a company and that as such he is or may become interested in the exercise of such voting rights in the manner aforesaid.

- (B) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms as to remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such office or place of profit or as vendor, purchaser or otherwise nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested (whether or not such contract or arrangement is with any person, company or partnership of or in which any Director shall be a member) be liable to be avoided on that account nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall forthwith disclose the nature of his interest in any contract or arrangement in which he is interested at the earliest meeting of the Directors at which it is practicable for him so to do notwithstanding that the question of entering into such contract or arrangement is not taken into consideration at that meeting. A Director may vote in respect of any resolution concerning his own appointment as the holder of any office or place of profit with the Company (including the arrangement or variation of the terms thereof or the termination thereof).
- (C) A general notice to the Directors by a Director that he is to be regarded as interested in any contract or arrangement which may be made with a specified person, firm or corporation after the date of such notice shall be a sufficient declaration of interest in relation to any contract or arrangement so made, provided that no such notice shall be of effect unless either it is given at a meeting of the Directors or the Director takes reasonable steps to ensure that it is brought up and read at the next meeting of the Directors after it is given.
- (D) Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that a Director or his firm shall not act as auditors to the Company.

- (E) A Director shall not vote (nor be counted in the quorum) on any resolution of the Directors approving any contract or arrangement or any other proposal in which he or any of his close associate(s) is materially interested, but this prohibition shall not apply to any of the following matters namely:
- (i) any contract, ~~or arrangement or proposal~~ for the giving of any security or indemnity either to such Director or his close associate(s) ~~any security or indemnity~~ in respect of money lent by him or any of his close associate(s) or obligations incurred or undertaken by him or any of his close associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;
  - (ii) any contract, ~~or arrangement or proposal~~ for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (iii) any contract ~~or~~ arrangement or proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
  - (iv) any contract ~~or~~ arrangement or proposal in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
  - (v) any contract ~~or~~ arrangement or proposal concerning any other company in which the Director or his close associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director and any of his close associate(s) are not in aggregate beneficially interested in 5 per cent or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his close associate(s) is derived); or

- (vi) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including: the adoption, modification or operation of any employee's share scheme or any share incentive or a share option scheme under which the Director or his close associate(s) may benefit; or the adoption, modification, or operation of, a pension fund or retirement, death or disability benefits scheme ~~or other arrangement~~ which relates both to the Directors, his close associate(s) and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally accorded to the class of persons to which such scheme or fund relates.
- (F) A company shall be deemed to be a company in which a Director and/or his close associate(s) owns 5 per cent or more if and so long as (but only if and so long as) he and/or his close associate(s), (either directly or indirectly) are the holders of or beneficially interested in 5 per cent or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his close associate(s) is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his close associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his close associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his close associate(s) is/are interested only as a unit holder.
- (G) Where a company in which a Director and/or his close associate(s) holds 5 per cent or more is materially interested in a transaction, then that Director and/or his close associate(s) shall also be deemed materially interested in such transaction.

- (H) If any question shall arise at any meeting of the Directors as to the materiality of the interest of a Director (other than the chairman of the meeting) or any of his close associate(s) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Directors shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned or his close associate(s) as known to such Director has not been fairly disclosed to the Directors. If any question as aforesaid shall arise in respect of the chairman of the meeting, such question shall be decided by a resolution of the Directors (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman or his close associate(s) as known to such chairman has not been fairly disclosed to the Directors.

### **PROCEEDINGS OF DIRECTORS**

114. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes and in the case of an equality of votes the chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Notice thereof shall be given to each Director and alternate Director either in writing or by telephone or by telex or telegram at the address from time to time notified to the Company by such Director or alternate Director or in such other manner as the Directors may from time to time determine provided that notice need not be given to any Director or alternate Director for the time being absent from Hong Kong. A Director may waive notice of any meeting either prospectively or retrospectively. The Directors or any committee of the Directors may participate in a meeting of the Directors or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.
115. A resolution in writing signed by all the Directors present in Hong Kong except such as are temporarily unable to act through ill health or disability and all the alternate Directors present in Hong Kong whose appointors are absent from Hong Kong or temporarily unable to act as aforesaid and in either case who are entitled to receive notice of a meeting of the Directors shall (so long as they constitute a quorum as provided in Article 117 for the time being) be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. Any such resolution may consist of several documents in like form each signed by one or more of the Directors or alternate Directors.
116. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles for the time being vested in or exercisable by the Directors generally.

117. Unless otherwise determined by the Directors, the quorum of a Directors' Meeting shall be 2. Any Director who ceases to be a Director at a Directors' meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Directors' meeting if no other Director objects and if otherwise a quorum of Directors would not be present. For the purpose of this Article an alternate Director shall be counted in a quorum but, notwithstanding that an alternate Director is an alternate for more than one Director, he shall for quorum purposes be counted only as one Director.
118. The continuing Directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the number fixed by or pursuant to the Articles 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.
119. The Directors may from time to time elect or otherwise appoint a Director to be Chairman or Deputy Chairman and determine the period for which each of them is to hold office. The Chairman or, in his absence, the Deputy Chairman shall preside at meetings of the Directors; but if no such Chairman or Deputy Chairman is elected or appointed or if at any meeting the Chairman or Deputy Chairman is not present within 5 minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be chairman of the meeting.
120. The Directors may delegate, and impose regulations in respect of such delegation of, any of their powers, authorities and discretions to committees consisting of such member or members of their body and such other persons as they think fit provided that the majority of the members of any such committee are Directors of the Company and that no meeting of any such committee shall be qualified as a quorum for the purpose of exercising any of such powers, authorities or discretions unless a majority of those present are Directors of the Company. The Directors may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part and either as to persons or purposes, and every committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Directors.
121. All acts done by any such committee in conformity with such regulations and in fulfilment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as if done by the Directors and the Directors shall have power, with the consent of the Company in general meeting, to remunerate the members of any special committee and charge such remuneration to the current expenses of the Company.
122. The meetings and proceedings of any such committee consisting of 2 or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors including Article 115 so far as the same are applicable thereto and are not replaced by any regulations imposed by the Directors pursuant to Article 120.

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

#### **ALTERNATE DIRECTORS**

124. (A) A Director may at any time by notice in writing delivered to the office or at a meeting of the Directors appoint any person (including another Director) to be an alternate Director in his place. Such appointment, unless previously approved by the Directors, shall have effect only upon and subject to being so approved. Any person so appointed shall (except when absent from Hong Kong) be entitled to receive notices of and to attend and vote at meetings of the Directors and be counted towards a quorum and generally at such meetings to perform all the functions of his appointor as a Director and shall automatically vacate his office on the expiration of the term for or the happening of the event until which he is by the terms of his appointment to hold office or which, were he a Director, would cause him to vacate such office or if the appointor in writing revokes the appointment or himself ceases for any reason to hold office as a Director provided that, if at any meeting any Director retires by rotation or otherwise but is re-elected at the same meeting, any appointment made by him pursuant to this Article which was in force immediately before his retirement shall remain in force as though he had not retired. An appointment of an alternate Director under this Article shall not prejudice the right of the appointor to receive notices of and to attend and vote at meetings of the Directors and the powers of the alternate Director shall automatically be suspended during such time as the Director appointing him is himself present in person at a meeting of the Directors.
- (B) For the purposes of the proceedings at Directors' meetings the provisions of the Articles shall apply as if an alternate Director (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative. If his appointor is for the time being absent from Hong Kong or otherwise not available or unable to act, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committee of the Directors, the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of any such committee of which his appointor is a member. An alternate Director shall not, save as aforesaid, have power to act as a Director nor shall he be deemed to be a Director for the purposes of the Articles.
- (C) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.



**MANAGERS**

125. The Directors may from time to time appoint a manager or managers of the business of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits of the Company or by a combination of 2 or more of these modes and pay the working expenses of any of the staff of the manager or managers who may be employed by him or them in the business of the Company.
126. The appointment of such manager or managers may be for such period as the Directors may decide and the Directors may confer upon him or them all or any of the powers of the Directors and such title or titles as they may think fit.
127. The Directors may enter into such agreement or agreements with any such manager or managers upon such terms and conditions in all respects as the Directors may in their absolute discretion think fit, including a power for such manager or managers to appoint an assistant manager or managers or other employees whatsoever under them for the purpose of carrying on the business of the Company.

**SECRETARY**

128. The secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them. Anything under any provision of the Law or the Articles required or authorised to be done by or to the secretary, if the office is vacant or there is for any other reason no secretary capable of acting, may be done by or to any assistant or deputy secretary or if there is no assistant or deputy secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors.
129. Any provision of the Law or the Articles requiring or authorising a thing to be done by or to a Director and the secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the secretary.

**BORROWING POWERS**

130. The Directors may exercise all the powers of the Company to borrow money, give guarantees and mortgage or charge its undertaking, property and uncalled capital, or any part thereof, 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.
131. Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled, by notice to the members or otherwise, to obtain priority over such prior charge.



132. Debentures, debenture stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
133. Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise, but so that no shares shall be issued at a discount, except in accordance with the provisions of the Law.
134. The Directors shall cause a proper register to be kept, in accordance with the provisions of the Law, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Law in regard to the registration of mortgages and charges therein specified and otherwise.
135. If the Company issues a series of debentures or debenture stock not transferable by delivery, the Directors shall cause a proper register to be kept of the holders of such debentures or debenture stock in accordance with the provisions of the Law.

#### **CHEQUES**

136. 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. The Company's banking accounts shall be kept with such bankers as the Directors shall from time to time determine.

#### **THE SEAL**

137. (A) The Directors shall provide for safe custody of the seal which shall only be used with the authority of the Directors or of a committee authorised by the Directors in that behalf; and every instrument to which the seal shall be affixed shall be signed by two Directors or by one Director and the Secretary or some other person appointed by the Directors for the purpose provided that the Directors may either generally or in any particular case resolve (subject to such restrictions as to the manner in which the seal may be affixed as the Directors may determine) that such signature may be affixed to certificates for shares or debentures or representing any other form of security by some mechanical means other than autographic to be specified in such resolution. Every instrument executed in the manner provided by this Article shall be deemed to be sealed and executed with the authority of the Directors previously given.

- (B) Subject to the provisions of the Law, the Company may have an official seal for use in such state, country or territory outside the Cayman Islands as the Directors shall determine and the Company may in writing under the seal appoint any agent or committee outside the Cayman Islands to be the duly authorised agent of the Company for the purpose of affixing and using such official seal and the agent may impose such restrictions on the use thereof as may be thought fit. The Company may also have, for the purpose of sealing securities issued by the Company, and for the purpose of sealing documents representing or evidencing the securities so issued, an official seal which is a facsimile of the seal with the addition on its face of the words "Securities Seal". Wherever in the Articles reference is made to the seal, the reference shall, so far as may be applicable, be deemed to include such official seals as aforesaid.

### **DIVIDENDS AND RESERVES**

138. Subject to the Law and as hereinafter set out, the Company in general meeting or the Directors may declare dividends, in any currency, to be paid to the members according to their rights and privileges out of the profits available for distribution and/or from the share premium account and/or any account(s) or reserves (or any part(s) thereof) which is/are not prohibited from being distributed to the members under the Law (including, without limitation, any reserves arising from any reorganization, scheme or arrangement (whether of or relating to merger, takeover, reconstruction, acquisition, purchase or otherwise) made by or between or otherwise involving the Company and/or its subsidiary(ies) and/or any body corporate(s) wherever incorporated or otherwise established and/or any person(s)) but no dividend shall exceed the amount recommended by the Directors.
139. (A) The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the position of the Company and, in particular (but without prejudice to the generality of the foregoing), if at any time the 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-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend but no interim dividend shall be paid on shares carrying deferred or non-preferential rights if, at the time of payment, any preferential dividend is in arrears provided that if the Directors act bona fide the Directors shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the lawful payment of an interim dividend on any shares having deferred or non-preferential rights.
- (B) The Directors may also pay half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if the Directors are of the opinion that the position of the Company justifies the payment.

140. Dividends may be paid out of profits and/or the share premium account and/or any account(s) or reserves (or any part(s) thereof) which is/are not prohibited from being distributed to the members under the Law (including, without limitation, any reserves arising from any reorganization, scheme or arrangement (whether of or relating to merger, takeover, reconstruction, acquisition, purchase or otherwise) made by or between or otherwise involving the Company and/or its subsidiary(ies) and/or any body corporate(s) wherever incorporated or otherwise established and/or any person(s)). No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.
141. Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared, the Directors may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe to securities of the Company or other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, disregard fractional entitlements or round the same up or down and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective.
142. (A) Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared, the Directors may further resolve:—
- either (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid provided that the members entitled thereto will be
- entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply:—
- (a) the basis of any such allotment shall be determined by the Directors;
- (b) the Directors, after determining the basis of allotment, shall give not less than 2 weeks' notice in writing to the members of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

- (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded;
  - (d) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised (“the non-elected shares”) and in lieu and in satisfaction thereof shares shall be allotted credited as fully paid to the members who have not duly exercised the said cash election on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of any part of the profits of the Company available for distribution or any part of any of the Company’s reserve accounts (including any special account, share premium account and capital redemption reserve) as the Directors may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the allottees of the non-elected shares on such basis;
- or (ii) that the members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid in lieu of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:—
  - (a) the basis of any such allotment shall be determined by the Directors;
  - (b) the Directors, after determining the basis of allotment, shall give not less than 2 weeks’ notice in writing to the members of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
  - (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded;

- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised (“the elected shares”) and in lieu and in satisfaction thereof shares shall be allotted credited as fully paid to the members who have duly exercised the said share election on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of any part of the profits of the Company available for distribution or any part of any of the Company’s reserve accounts (including any special account, share premium account and capital redemption reserve) as the Directors may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the allottees of the elected shares on such basis.
  - (B) The shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank *pari passu* in all respects with the shares then in issue save only as regards participation:—
    - (i) in the relevant dividend (or the right to receive or to elect to receive an allotment of shares in lieu and in satisfaction thereof as aforesaid); or
    - (ii) in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend
- unless, contemporaneously with the announcement by the Directors of their proposal to apply the provisions of sub-paragraph (i) or (ii) of paragraph (A) of this Article in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Directors shall specify that the shares to be allotted pursuant to the provisions of paragraph (A) of this Article shall rank for participation in such dividend, distribution, bonus or rights.
- (C) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Article with full power to the Directors to make such provisions as they think fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter into, on behalf of all members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.

- (D) The Company may, upon the recommendation of the Directors, by special resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (A) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.
- (E) The Directors may on any occasion determine that rights of election and the allotment of shares under paragraph (A) of this Article shall not be made available or made to any members with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of such rights of election or the allotment of shares would or might be unlawful and in such event the provisions aforesaid shall be read and construed subject to such determination.
143. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. The Directors may deduct from any dividend, bonus or distribution payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise in relation to the shares of the Company.
144. The Directors may retain any dividends or other moneys payable on or in respect of a share upon which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
145. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be lawfully applied and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares or warrants of the Company) as the Directors may from time to time think fit and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to distribute by way of dividend.
146. Any general meeting sanctioning a dividend may make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call shall be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the member, be set off against the call.



147. A transfer of shares shall not pass the right to any dividend or bonus declared thereon before the registration of the transfer.
148. Notwithstanding anything herein contained, if a or more persons are registered as joint holders of any share, any one of them may give an effectual receipt for any dividends, interim dividends or bonuses or other moneys payable on or in respect of such shares.
149. Unless otherwise directed by the Directors, any dividend, interest, bonus or other sum payable in cash to the members may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto or to such person at such address as the member or person entitled (as the case may be) may direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to the order of such other person as the member or person entitled (as the case may be) may direct and shall be sent at his own risk and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend, interest, bonus or other sum represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged.
150. 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 the Company shall not be constituted a trustee in respect thereof or any profit or benefit derived therefrom. All dividends or bonuses unclaimed for 6 years after having been declared shall be forfeited by the Directors and shall revert to the Company.
151. (A) The Directors may, with the sanction of an ordinary resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve) or any sum standing to the credit of any profit and loss account or otherwise available for distribution (and not required for the payment or provision of the dividend on any shares with a preferential right to dividend) by appropriating such sum to the holders of shares in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and applying such sum on their behalf in or towards paying up any amounts for the time being unpaid on any shares held by them respectively or in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares), debentures or other obligations of the Company for allotment and distribution credited as fully paid up to and amongst them in the proportion aforesaid, or partly in the one way and partly in the other: Provided that a share premium account and a capital redemption reserve and any reserve or fund representing unrealised profits may, for the purposes of this Article, only be applied in paying up unissued shares to be allotted to members as fully paid bonus shares.

- (B) 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 up shares or debentures, if any, and generally shall do all acts and things considered necessary or expedient to give effect to any such capitalisation. In particular where any difficulty arises in regard to any distribution under paragraph (A) of this Article the Directors may settle the same as they think expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether and may determine that cash payments shall be made to any members in order to adjust the rights of all parties, as may seem expedient to the Directors. The Directors may authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for any such capitalisation and matters incidental thereto including the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation or, as the case may require, the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares and any agreement made under such authority shall be effective and binding on all concerned.
152. (A) If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions of the conditions of the warrants, would reduce the subscription price to below the par value of a share then the following provisions shall apply:—
- (i) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Article) maintain in accordance with the provisions of this Article a reserve (the “Subscription Right Reserve”) the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub-paragraph (iii) of this paragraph (A) on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Right Reserve in paying up such additional shares in full as and when the same are allotted;
  - (ii) the Subscription Right Reserve will not be used for any purpose other than that specified above until all other reserves of the Company (other than share premium account and capital redemption reserve) have been used and will then only be used to make good losses of the Company if and so far as is required by law;



- (iii) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrant holder, credited as fully paid, such additional nominal amount of shares as is equal to the difference between:—
  - (a) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and
  - (b) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par

and immediately upon such exercise so much of the sum standing to the credit of the Subscription Right Reserve as is required to pay up in full such additional nominal amount of shares shall be capitalised and applied in paying up in full such additional nominal amount of shares which shall forthwith be allotted credited as fully paid to the exercising warrant holder;

- (iv) if upon the exercise of the subscription rights represented by any warrant the amount standing to the credit of the Subscription Right Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such difference as aforesaid to which the exercising warrant holder is entitled, the Directors shall apply any profits or reserves then or thereafter becoming available (including to the extent permitted by law, share premium account and capital redemption reserve) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until such time no dividend or other distribution shall be paid or made on the shares. Pending such payment up and allotment the exercising warrant holder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Directors may think fit and adequate particulars thereof shall be made known to each relevant exercising warrant holder upon the issue of such certificate.

- (B) Shares allotted pursuant to the provisions of this Article shall rank *pari passu* in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned.
- (C) Notwithstanding anything contained in paragraph (A) of this Article no fraction of a share shall be allotted on exercise of the subscription rights.
- (D) The provisions of this Article as to the establishment and maintenance of the Subscription Right Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating, the provisions for the benefit of any warrant holder or class of warrant holders under this Article without the sanction of an extraordinary resolution of such warrant holders or class of warrant holders. For the aforesaid purposes, extraordinary resolution means a resolution passed by not less than three-fourths of the votes cast by such warrant holders or class of warrant holders as, being entitled so to do, vote in person, or where proxies are allowed, by proxy, at a general meeting of such warrant holders or class of warrant holders of the Company and the procedures applicable to the passing of an extraordinary resolution by shareholders of the Company as set out in these presents shall be applicable to the passing of an extraordinary resolution by such warrant holders or class of warrant holders *mutatis mutandis*.
- (E) A certificate or report by the auditors for the time being of the Company as to whether or not the Subscription Right Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Right Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to an exercising warrant holder credited as fully paid and as to any other matter concerning the Subscription Right Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders.

#### **RECORD DATES**

153. Notwithstanding any other provision of these presents the Company or the Directors may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

#### **ANNUAL RETURNS**

154. The Directors shall make the requisite annual returns in accordance with the Law.

**ACCOUNTS**

155. The Directors shall cause proper books of account to be kept with respect to:—

- (i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure took place;
- (ii) all sales and purchases of goods by the Company; and
- (iii) the properties, assets, credits and liabilities of the Company and of all other matters required by the Law.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

156. The books of account shall be kept at the Company's principal place of business in Hong Kong or at such other place as the Directors think fit and shall always be open to inspection by the Directors.

157. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the account and books of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Directors or by the Company in general meeting.

158. The Directors shall from time to time cause to be prepared and audited by the auditors for the time being of the Company such profit and loss accounts, balance sheets and group accounts (if any) as may be required by the Law and the Listing Rules. Such profit and loss accounts, balance sheets and group accounts (if any) as shall have been audited by the auditors for the time being of the Company and such other reports shall be laid before the Company at the annual general meeting which must be held in accordance with the provisions of Article 56. The accounts of the Company shall be prepared and audited based on the generally accepted accounting principles of Hong Kong, the International Accounting Standards, or such other standards as may be permitted by the Stock Exchange.

159. (A) Subject to Article 159(B), a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the auditors' report, shall be ~~sent~~ delivered or sent by post to every member and to each person entitled thereto at least 21 days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the Company at the annual general meeting held in accordance with Article 56 provided that this Article shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.
- (B) To the extent permitted by and subject to due compliance with the Law and all applicable statutes, rules and regulations, including, without limitation, the rules of the Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 159(A) shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Law and the statutes, a summary financial statement derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company's annual financial statement and the directors' report thereon.
- (C) The requirement to send to a person referred to in Article 159(A) the documents referred to in that provision or a summary financial report in accordance with Article 159(B) shall be deemed satisfied where, in accordance with the Law and all applicable statutes, rules and regulations,
- including, without limitation, the rules of the Stock Exchange, the Company publishes copies of the documents referred to in Article 159(A) and, if applicable, a summary financial report complying with Article 159(B), on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

**BRANCH REGISTERS**

160. Subject to the provisions of the Law, if the Directors consider it necessary or appropriate, the Company may establish and maintain a branch register of members at such location within or outside the Cayman Islands as the Directors think fit. The Directors may, subject to the Law, make or vary from time to time such provisions as they think fit in respect of the keeping of any such branch register and the transfer of shares to, on or from any such branch register and may comply with the requirements of any local law. The Directors shall record all entries and dealings in respect of the branch register in the register of members maintained at the registered office of the Company.

**AUDIT**

161. Auditors shall be appointed and their duties regulated in accordance with the Articles and the provisions of the Law. The Company shall at each annual general meeting appoint one or more firms of auditors to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board, but if an appointment is not made, the auditors in office shall continue in office until a successor is appointed. A Director, officer or employee of any such Director, officer or employee shall not be appointed auditors of the Company. The Board may appoint one or more firms of auditors to fill any casual vacancy in the office of auditors, but while any such vacancy continues the surviving or continuing auditors (if any) may act. The members may, at any general meeting convened and held in accordance with these Articles, remove the auditors by special resolution at any time before the expiration of the term of office and shall, by ordinary resolution, at that meeting appoint new auditors in its place for the remainder of the term.
162. The remuneration of the auditors shall be fixed by the Company in general meeting provided always that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors.
163. Every statement of account audited by the Company's auditors and presented by the Directors at a general meeting shall after approval at such meeting be conclusive as to the contents thereof except as regards any error discovered therein within 3 months of the approval thereof. Whenever any such error is discovered within that period, it shall forthwith be corrected and the statement of account amended in respect of the error shall be conclusive as aforesaid.

## NOTICES

164. Any notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules governing the listing of securities on the Stock Exchange), whether or not, to be given or issued under these Articles from the Company to a member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such notice and document may be served or delivered by the Company on or to any member either personally or by sending it through the post in a prepaid envelope addressed to such member at his registered address as appearing in the register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the notice being duly received by the member or may also be served by advertisement in the appointed newspapers in accordance with the requirements of the Stock Exchange or, to the extent permitted by the applicable laws and the Listing Rules, by placing it on the Company’s website or the website of the Stock Exchange and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the member by any of the means set out above. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. Where the registered address of the member is outside Hong Kong, notice, if given through the post, shall be sent by prepaid airmail letter where available.
165. Any notice or other document:
- (i) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the secretary or other officer of the Company or other person appointed by the Directors that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
  - (ii) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company’s website or the website of the Stock Exchange is deemed given by the Company to a member on the day following that on which a notice of availability is deemed served on the member;

- (iii) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the secretary or other officer of the Company or other person appointed by the Directors as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and
  - (iv) may be given to a member in the English language and upon the written request of such member, the Chinese language, subject to due compliance with the Law and all applicable rules and regulations.
166. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share and notice so given shall be sufficient notice to all the joint holders.
167. A notice may be given by the Company to the persons entitled to a share in consequence of the death, mental disorder or bankruptcy of a member by sending it through the post in a prepaid envelope or wrapper addressed to them by name or by the title of representatives of the deceased or trustee of the bankrupt or committee, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by the court or by any like description at the address, if any, within the Cayman Islands or Hong Kong supplied for the purpose by the persons claiming to be so entitled or, until such an address has been so supplied, by giving the notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.
168. Any person who, by operation of law, transfer or other means whatsoever, becomes entitled to any share shall be bound by every notice in respect of such share which, prior to his name and address being entered in the register, shall have been duly given under the Articles to the person from whom he derived his title to such share.
169. Notice of every general meeting shall be given in any manner hereinbefore authorized to (a) every member, (b) every person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member who, but for his death, mental disorder or bankruptcy, would be entitled to receive notice of the meeting, and (c) the auditors for the time being of the Company. No other persons shall be entitled to receive notices of general meetings.
170. Any notice or document delivered or sent by post or left at the registered address or the address supplied by him for the sending of notices or documents to him of any member in pursuance of the Articles shall, notwithstanding that such member be then deceased or bankrupt or that any other event has occurred and whether or not the Company has notice of his death, bankruptcy or such other event, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of the Articles be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.



171. The signature to any notice to be given by the Company may be written or printed.

#### **INFORMATION**

172. No member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the members of the Company to communicate to the public.

#### **DESTRUCTION OF DOCUMENTS**

173. The Company may destroy:—

- (i) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- (ii) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of 2 years from the date such mandate, variation, cancellation or notification was recorded by the Company;
- (iii) any instrument of transfer of shares which has been registered at any time after the expiry of 6 years from the date of registration; and
- (iv) any other document on the basis of which any entry in the register is made at any time after the expiry of 6 years from the date an entry in the register was first made in respect of it;

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

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

**WINDING-UP**

174. If the Company is wound up and the assets available for distribution among the members as such are insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up on the shares held by them respectively. If in a winding-up the assets available for distribution among the members are more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up paid up by them respectively. This Article shall not add to or detract from the rights of the holders of shares issued upon special terms and conditions.
175. No fee or commission shall be paid by the Company to any Director or liquidator upon any sale or realisation of the Company's undertaking or assets or any part thereof except with the sanction of a general meeting convened by notice specifying the fee or commission proposed to be paid.
176. If the Company shall be wound up (whether voluntarily or under supervision of or by the court), the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Law, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees, upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
177. 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 14 days after the passing of an effective resolution to wind up the Company voluntarily or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong and stating that person's full name, address and occupation upon whom all summonses, notices, process, order and judgments in relation to or under the winding-up of the Company may be served and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person and service upon any such appointee, whether appointed by the member or the liquidator, shall be deemed to be good personal service on such member for all purposes and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such member by advertisement to be published in the newspaper or by a registered letter sent through the post and addressed to such member at his address as mentioned in the register and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

**INDEMNITY**

178. (A) Subject to the provisions of and so far as may be permitted by the Law, every Director, auditor, secretary or other officer of the Company and every agent or employee of the Company shall be entitled to be indemnified by the Company out of the assets of the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur in or about the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceeding, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any law for relief from liability in respect of any such act or omission in which relief is granted to him by any court of competent jurisdiction.
- (B) Subject to the provisions of the Law if any Director and/or other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director and/or person so becoming liable as aforesaid from any loss in respect of such liability.
179. The financial year-end of the Company shall be prescribed by the Directors and may, from time to time, be changed by them.
180. Subject to the provisions of the Law, the Company may at any time and from time to time by special resolution alter or amend the Memorandum of Association or the Articles in whole or in part.

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## NOTICE OF ANNUAL GENERAL MEETING

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# 中國基建投資有限公司 China Infrastructure Investment Limited

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 600)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (“Meeting”) of China Infrastructure Investment Limited (the “Company”) will be held at Room 301, Huijinqilin Building, No. 6 Shengtai Road, Moling Jiedao, Jiangning District, Nanjing City, Jiangsu Province, the PRC on Friday, 21 June 2019 at 4:00 p.m. for the following purposes:

### **Ordinary Resolutions**

#### **As ordinary business:**

1. To receive, consider and adopt the audited financial statements and the reports of the directors and auditors of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2018.
2.
  - (a) To re-elect Mr. He Jin Geng as an independent non-executive Director of the Company.
  - (b) To re-elect Mr. Yu Hong Gao as an independent non-executive Director of the Company.
  - (c) To re-elect Ms. Chen Yang as an independent non-executive Director of the Company.
3. To authorise the board of Directors of the Company to fix the Directors’ remuneration.
4. To re-appoint the retiring auditors Centurion ZD CPA Limited and to authorise the board of Directors of the Company to fix the remuneration of the Company’s auditors.

#### **As special business:**

5. To consider and, if thought fit, to pass the following resolutions with or without amendments as ordinary resolution:
  - (A) “**THAT:**
    - (1) a general mandate be and is hereby unconditionally granted to the Board of Directors of the Company during the Relevant Period to allot, issue or otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power, subject to the following conditions:

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## NOTICE OF ANNUAL GENERAL MEETING

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- (a) such mandate shall not extend beyond the Relevant Period save that the Board of Directors of the Company may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such powers at any time during or after the end of the Relevant Period; and
  - (b) the aggregate nominal amount of shares in the capital of the Company which may be allotted, issued or otherwise dealt with by the Board of Directors of the Company pursuant to such mandate, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of rights of subscription or conversion under the terms of any warrants or other securities issued by the Company carrying a right to subscribe for or purchase shares of the Company; or (iii) the exercise of any option under any share option scheme of the Company adopted by its shareholders for the grant or issue to employees of the Company and/or any of its subsidiaries of options to subscribe for or rights to acquire shares of the Company; or (iv) any scrip dividend or other similar scheme implemented in accordance with the Memorandum and Articles of Association of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution; and
- (2) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within the next annual general meeting of the Company is required by its Memorandum and Articles of Association or any applicable laws of the Cayman Islands to be held; and
- (c) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Board of Directors of the Company to holders of shares on its Register of Members on a fixed record date in proportion to their holdings of shares (subject to such exclusions or other arrangement as the Board of Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong applicable to the Company).”

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## NOTICE OF ANNUAL GENERAL MEETING

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(B) “THAT:

(1) a general mandate be and is hereby unconditionally granted to the Board of Directors of the Company during the Relevant Period to exercise all powers of the Company to repurchase shares in the capital of the Company subject to the following conditions:

(a) the exercise of all powers pursuant to such mandate shall be subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other applicable stock exchange; and

(b) the aggregate nominal amount of shares in the share capital of the Company which may be repurchased pursuant to such mandate shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution; and

(2) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

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

(b) the expiration of the period within which the next annual general meeting of the Company as required by its Memorandum and Articles of Association or any applicable laws of the Cayman Islands to be held; and

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

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## NOTICE OF ANNUAL GENERAL MEETING

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- (C) “**THAT** the general mandate granted to the Board of Directors of the Company pursuant to the authority given in the resolution set out in item 5(A) in the notice convening this Meeting to allot, issue or otherwise deal with additional shares of the Company during the Relevant Period (as defined in that Resolution) be and is hereby extended by the addition to the aggregate nominal amount of shares in the capital of the Company which may be allotted, issued or otherwise dealt with pursuant to such general mandate of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Board of Directors of the Company pursuant to their exercise of the powers of the Company to repurchase such shares, provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution.”

### Special Resolution

6. To consider and, if thought fit, to pass with or without modification the following resolution as special resolution:

“**THAT** the amended and restated memorandum and articles of association in the form produced to the meeting and marked “A”, and initialled by the Chairman of the meeting for the purpose of identification, (“**Amended and Restated M&A**”), be and are hereby approved and adopted as the memorandum and articles of association of the Company in substitution for and to the exclusion of the memorandum and articles of association of the Company in force immediately before the passing of this special resolution with immediate effect; and **THAT** any director, or the company secretary, of the Company be and is hereby authorised to do all such acts and execute all such documents (including the affixation of the common seal) as may be necessary or expedient to give full effect to the adoption of the Amended and Restated M&A.”

By order of the Board  
**China Infrastructure Investment Limited**  
**Ye De Chao**  
*Executive Director*

Hong Kong, 30 April 2019



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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- (1) A member entitled to attend and vote at the Meeting (if a member who is the holder of two or more shares) is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) To be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited at the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, not less than 48 hours before the time appointed for holding the Meeting (i.e. not later than 4:00 p.m. on Wednesday, 19 June 2019 (Hong Kong Time)) or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Meeting if you so desire.
- (3) For determining the entitlement to attend and vote at the Meeting, the register of members of the Company will be closed from Friday, 14 June 2019 to Friday, 21 June 2019, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the attendance and voting at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong for registration no later than 4:30 p.m. on Thursday, 13 June 2019.
- (4) In relation to agenda item No. 6 in this notice, it is recommended to adopt the amended and restated memorandum and articles of association of the Company to bring the Existing M&A in line with the Listing Rules.