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If you have sold or transferred all your shares in West China Cement Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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西部水泥

WEST CHINA CEMENT LIMITED

中國西部水泥有限公司

(Incorporated in Jersey with limited liability, with registered number 94796)

(Stock Code: 2233)

**PROPOSED DECLARATION OF
FINAL DIVIDEND,
RENEWAL OF GENERAL MANDATE TO ISSUE SHARES AND
TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
PROPOSED AMENDMENTS TO
THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting to be held at 3/F, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong on 25 May 2023 at 11:00 a.m. is set out on pages 79 to 83 of this circular. Whether or not you intend to be present and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting. The completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked.

24 April 2023

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DEFINITIONS

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

“2022 Annual Report”	the annual report of the Company for the financial year ended 31 December 2022
“Annual General Meeting”	the annual general meeting of the Company to be held at 3/F, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong on 25 May 2023 at 11:00 a.m., for the purpose of considering and if thought fit, approving the resolutions proposed in this circular
“Articles of Association”	the existing articles of association of the Company
“Board”	the board of Directors
“close associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Company”	West China Cement Limited (中國西部水泥有限公司), a company incorporated in Jersey with limited liability, with registered number 94796, and the Shares of which are listed on the Stock Exchange
“core connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuance Mandate”	a general and unconditional mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares not exceeding 20% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution at the Annual General Meeting
“Latest Practicable Date”	17 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“New Articles”	the amended and restated articles of association of the Company incorporating and consolidating all the Proposed Amendments, proposed to be adopted by the Company at the Annual General Meeting
“Proposed Amendments”	proposed amendments to the Articles of Association as set out in Appendix III to this circular
“Repurchase Mandate”	a general and unconditional mandate to be granted to the Directors to exercise the power of the Company to repurchase Shares in the capital of the Company up to a maximum of 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution at the Annual General Meeting
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with a nominal value of £0.002 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent.
“£”	pound sterling, the legal currency of the United Kingdom

LETTER FROM THE BOARD



西部水泥

WEST CHINA CEMENT LIMITED

中國西部水泥有限公司

(Incorporated in Jersey with limited liability, with registered number 94796)

(Stock Code: 2233)

Executive Directors:

Mr. Zhang Jimin (*Chairman*)
Mr. Cao Jianshun
Mr. Wang Fayin
Mr. Chu Yufeng

Non-executive Directors:

Mr. Ma Zhaoyang
Mr. Wang Jingqian
Mr. Fan Changhong

Independent Non-executive Directors:

Mr. Lee Kong Wai Conway
Mr. Zhu Dong
Mr. Tam King Ching Kenny
Mr. Feng Tao

Registered Office:

13 Castle Street
St Helier
Jersey JE1 1ES

Principal Place of Business

in Hong Kong:

Unit 3705, 37/F
Tower 6
The Gateway
Harbour City, 9 Canton Road
Tsim Sha Tsui
Hong Kong

24 April 2023

To: the Shareholders of the Company

Dear Sir or Madam

**PROPOSED DECLARATION OF
FINAL DIVIDEND,
RENEWAL OF GENERAL MANDATE TO ISSUE SHARES AND
TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
PROPOSED AMENDMENTS TO
THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to give you notice of the Annual General Meeting and to provide you with information regarding resolutions to be proposed at the Annual General Meeting relating to enable you to make an informed decision on whether to vote for or against those resolutions.

At the Annual General Meeting, resolutions, amongst others, will be proposed for the Shareholders to approve (i) proposed declaration of final dividend; (ii) the renewal of the Issuance Mandate and the Repurchase Mandate; (iii) the extension of the Issuance Mandate to include Shares repurchased pursuant to the Repurchase Mandate; (iv) the re-election of Directors; and (v) the amendments to the Articles of Association.

DECLARATION OF FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

According to the announcement of the annual results of the Company for the year ended 31 December 2022 dated 27 March 2023 and the supplemental announcement dated 28 March 2023, the Board recommended the payment of final dividend for the year ended 31 December 2022 of RMB0.067 per Share which is subject to the approval of Shareholders at the Annual General Meeting. The final dividend, if approved by the Shareholders at the Annual General Meeting, will be paid on or around 31 July 2023 to Shareholders whose names appear on the register of members of the Company at the close of business on 2 June 2023.

The register of members of the Company will be closed from 1 June 2023 to 2 June 2023, both dates inclusive. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 31 May 2023.

RENEWAL OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 27 May 2022, a resolution was passed granting general mandates to the Directors to (i) repurchase shares in the capital of the Company up to 10% of the total number of issued shares of the Company as at the date of passing of the relevant resolution; and (ii) allot, issue or deal with additional Shares not exceeding 20% of the total number of issued shares of the Company as at the date of passing of the relevant resolution. Such general mandates will expire at the conclusion of the forthcoming Annual General Meeting.

At the Annual General Meeting, separate ordinary resolutions will be proposed:

- (a) to approve the grant of the Issuance Mandate to the Directors to exercise the powers of the Company to allot, issue or deal with additional Shares not exceeding 20% of the total number of issued Shares of the Company as at the date of passing of the proposed resolution at the Annual General Meeting. The Issuance Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Articles of

LETTER FROM THE BOARD

Association or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company. Based on 5,438,882,820 Shares in issue as at the Latest Practicable Date and subject to the passing of the proposed resolution granting the Issuance Mandate to the Directors and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Directors will be authorised to issue up to 1,087,776,564 Shares under the Issuance Mandate;

- (b) to approve the grant of the Repurchase Mandate to the Directors to exercise all powers of the Company to repurchase issued Shares subject to the criteria set out in this circular. Under such Repurchase Mandate, the maximum number of Shares that the Company may repurchase shall not exceed 10% of the total number of issued Shares of the Company as at the date of passing of the proposed resolution at the Annual General Meeting. As at the Latest Practicable Date, the number of Shares in issue is 5,438,882,820 Shares. Subject to the passing of the proposed resolution approving the granting of the Repurchase Mandate and if no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 543,888,282 Shares. The Repurchase Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company; and
- (c) subject to the passing of the aforesaid ordinary resolutions of the Issuance Mandate and the Repurchase Mandate, to extend the number of Shares to be issued and allotted under the Issuance Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

In accordance with the Listing Rules, an explanatory statement is set out in Appendix I to this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution to renew the grant of the Repurchase Mandate at the Annual General Meeting.

RE-ELECTION OF DIRECTORS

Mr. Cao Jianshun, Mr. Wang Fayin and Mr. Chu Yufeng were appointed as executive Directors with effect from 2 February 2023 and Mr. Feng Tao was appointed as independent non-executive Director with effect from 28 February 2023. Article 23.2 of the Articles of Association stipulates that any Director appointed by the Board to fill a casual vacancy of the Board shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election at such meeting. Mr. Cao Jianshun, Mr. Wang Fayin, Mr. Chu Yufeng and Mr. Feng Tao have offered themselves for re-election at the Annual General Meeting.

LETTER FROM THE BOARD

Pursuant to 24.2 of the Articles of Association, Mr. Zhang Jimin, Mr. Lee Kong Wai Conway and Mr. Fan Changhong will retire from office of Directors at the Annual General Meeting and, being eligible, will offer themselves for re-election as Directors at the Annual General Meeting.

At the Annual General Meeting, ordinary resolutions will be proposed to re-elect Mr. Zhang Jimin, Mr. Cao Jianshun, Mr. Wang Fayin and Mr. Chu Yufeng as executive Directors, Mr. Lee Kong Wai Conway and Mr. Feng Tao as independent non-executive Directors and Mr. Fan Changhong as non-executive Director. The biographical details of such Directors proposed to be re-elected as required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

The nomination committee of the Board (the “**Nomination Committee**”) had considered the background, skills, knowledge and experience of the nominated independent non-executive Directors and non-executive Director, having regard to the Company’s board diversity policy. The board diversity policy sets out that appointments of members of the Board are based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The particulars in Appendix II describe how each such Director contributes to the diversity of the Board. The Board notes that these Directors have extensive experience in different fields and professions that are relevant to the Company’s business development. In addition, their respective education, background, experience and practice allow them to provide valuable and relevant insights and contribute to the diversity of the Board.

Recommendation of the Nomination Committee with respect to the independent non-executive Director who has served more than nine years and is proposed to be re-elected at the Annual General Meeting

Pursuant to Appendix 14 to the Listing Rules, further re-appointment of Mr. Lee Kong Wai Conway, who has served the Company as an independent non-executive director for more than nine years, should be subject to a separate resolution to be approved by shareholders as service for more than nine years could be relevant to the determination of a non-executive director’s independence.

The Nomination Committee had assessed and reviewed the written confirmation of independence of Mr. Lee Kong Wai Conway based on the independence criteria as set out in Rule 3.13 of the Listing Rules and is satisfied that he remains independent in accordance with Rule 3.13 of the Listing Rules. In addition, having evaluated the performance of Mr. Lee, the Nomination Committee was of the view that he has provided valuable contributions to the Company and has demonstrated his abilities to provide independent, balanced and objective view to the Company’s affairs. Mr. Lee has also brought to the Board his own perspective, skills and experience, as further described in Appendix II to this circular.

Based on the board diversity policy adopted by the Company, the Nomination Committee considered that Mr. Lee can contribute to the diversity of the Board in view of his experience in financial audit, corporate finance, mergers and acquisitions, as well as his past contributions to the Board.

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Although Mr. Lee holds directorships in more than six listed companies, all such directorships are non-executive in nature and Mr. Lee is not involved in overseeing or managing the operations of such companies on a daily basis. Mr. Lee has maintained his professionalism in various directorships of listed companies he served (to the best of the information and knowledge of the Board), and has actively participated in the meetings of the Board and the audit committee of the Board during his tenure as independent non-executive Director. Accordingly, the Board is of the view that he is able to devote sufficient time and attention to perform the duties as an independent non-executive Director.

The participation and attendance records of the retiring Directors (including Mr. Lee) at the meetings of the Board and/or its committees and the general meeting of the Company in 2022 are disclosed in the sections headed “Board Meetings and Attendances”, “Audit Committee”, “Remuneration Committee” and “Nomination Committee” under the corporate governance report in the 2022 Annual Report.

Having considered the above-mentioned factors, the Directors (excluding Mr. Lee for the present purpose) are of the opinion that Mr. Tam still maintains an independent view of the Company’s affairs and is able to carry out his duties as independent non-executive Director in an impartial manner. His relevant professional experience will also continue to be beneficial to the Board and protect the interest of minority Shareholders.

Therefore, the Board, with the recommendation of the Nomination Committee, is of the view that the re-election of Mr. Lee as an independent non-executive Director is in the interest of the Company and Shareholders as a whole and recommends his re-election at the Annual General Meeting.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Listing Rules had been amended, among others, to require all listed issuers to adopt a uniform set of 14 core shareholder protection standards as set out in Appendix 3 to the Listing Rules, which took effect on 1 January 2022. The Board proposes to make the Proposed Amendments to the Articles of Association to (i) conform to the core shareholder protection standards; (ii) bring the Articles of Association in line with amendments made to the Listing Rules and the applicable law and procedures in Jersey; and (iii) to incorporate certain housekeeping changes. For the purposes of the Proposed Amendments, the Board proposes to adopt the New Articles in substitution for, and to the exclusion of, the Articles of Association.

The full text of the proposed New Articles incorporating the Proposed Amendments is set out in Appendix III to this circular. A special resolution will be proposed at the Annual General Meeting to approve the Proposed Amendments and the adoption of the New Articles.

The Company has been advised by its legal advisers that the Proposed Amendments are not inconsistent with the requirements of the Listing Rules and the laws of Jersey respectively. The Company also confirms that there is nothing unusual about the Proposed Amendments for a company listed in Hong Kong.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

The Company will convene the Annual General Meeting at 3/F, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong on 25 May 2023 at 11:00 a.m. at which resolutions will be proposed for the purpose of considering and if thought fit, approving the resolutions set out in the notice of the Annual General Meeting as set out on pages 79 to 83 of this circular.

A form of proxy for use in connection with the Annual General Meeting is enclosed herewith. Whether or not you intend to be present and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked. Pursuant to Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the Annual General Meeting will be by poll.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement contained herein or this circular misleading.

RECOMMENDATION

The Directors (including all the independent non-executive Directors) consider that the resolutions to be proposed at the Annual General Meeting regarding (i) the proposed declaration of final dividends; (ii) the renewal of the Issuance Mandate and the Repurchase Mandate; (iii) the extension of the Issuance Mandate to include Shares repurchased pursuant to the Repurchase Mandate; (iv) the re-election of Directors; and (v) the proposed amendments to the Articles of Association are in the best interests of the Company as well as the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully
By Order of the Board
Mr. ZHANG Jimin
Chairman

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting for approving the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:

1. SHARE CAPITAL

As at the Latest Practicable Date, there was a total of 5,438,882,820 Shares in issue. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased during the period from the Latest Practicable Date to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 543,888,282 Shares, being 10% of the total number of issued Shares of the Company as at the date of the passing of the relevant resolution at the Annual General Meeting.

2. REASONS FOR SHARE REPURCHASE

The Directors consider that a general authority from the Shareholders to repurchase Shares on the market would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earning per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

As compared with the financial position of the Company as at 31 December 2022 (as disclosed in its latest audited financial statements for the year ended 31 December 2022), the Directors consider that there would not be any material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchase were to be carried out in full during the proposed repurchase period. In the circumstances, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would have a material adverse impact on the working capital or gearing ratio of the Company.

3. FUNDING OF REPURCHASE

The Company is empowered by its memorandum and articles of association to repurchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and laws of Jersey. Under the laws of Jersey, payment for a share repurchase by the Company can be made out of any source as provided for under the Companies (Jersey) Law 1991 provided the Shares are fully paid up. However, the articles of association of the Company require that whilst the Company is listed on the Stock Exchange, any such purchase must also comply with the requirements of the Companies Ordinance (Cap.622 of the laws of Hong Kong). Therefore the payment for a share repurchase by the Company may only be made out of profits or the proceeds of a new issue of Shares made for such purpose or out of capital of the Company. The amount of premium payable on a repurchase of Shares may only be paid out of either the profits or out of the share premium of the Company or out of capital of the Company.

In addition, under the laws of Jersey, the purchase by a company of its own shares is unlawful unless the directors of the company who authorize the purchase have formed the opinion that immediately following the date on which the payment is proposed to be made, the company shall be able to discharge its liabilities as they fall due and that, having regard to the prospects of the company and the intentions of the directors with respect to the management of the company's business and the amount and character of the financial resources that will in their view be available to the company, the company will be able to continue to carry on business and discharge its liabilities as they fall due for 12 months following the date the payment is made. In accordance with the laws of Jersey, the shares so repurchased would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

4. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their close associates, has any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

No core connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the Articles of Association and the laws of Jersey.

6. EFFECT OF TAKEOVERS CODE

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Asia Gain Investments Limited, a substantial shareholder of the Company, was beneficially interested in approximately 32.3% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase the Shares which is proposed to be granted pursuant to the Repurchase Mandate, the shareholding of Asia Gain Investments Limited would be increased to approximately 35.9% of the then issued share capital of the Company and such increase would give rise to an obligation to make a mandatory general offer under Rule 26 of the Takeovers Code. The Company currently has no intention to exercise the Repurchase Mandate to such extent that it would give rise to an obligation to make a mandatory offer under the Takeovers Code or result in the amount of shares held by the public being reduced to less than 25% of the issued share capital of the Company.

7. SHARE REPURCHASE MADE BY THE COMPANY

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

8. SHARE PRICES

During each of the previous 12 months up to the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
April	1.33	0.19
May	1.26	1.13
June	1.12	0.97
July	1.00	0.87
August	0.98	0.87
September	0.99	0.74
October	0.83	0.70
November	0.88	0.71
December	1.19	0.83
2023		
January	1.07	0.89
February	1.03	0.94
March	1.01	0.91
April (up to the Latest Practicable Date)	1.05	1.01

The biographical details of the Directors proposed to be re-elected at the Annual General Meeting are set out as follows:

Mr. Cao Jianshun (曹建順)

Mr. Cao, aged 50, graduated with a bachelor's degree in economics management from Party School of Shaanxi Provincial Committee of the C.P.C (中共陝西省委黨校) and a master's degree in business administration from Northwest University in China. Mr. Cao has extensive management and technical experience in the building materials industry in China. He joined Yaobai Special Cement Group Co., Ltd. (the “**Yaobai Group**”), a wholly-owned subsidiary of the Company, in March 1994 and has held various key positions successively, including (i) director of Cement Machinery Factory of Yaobai Group from January 1997 to August 2005; (ii) director of No. 1 Cement Factory of Pucheng Yaobai Special Cement Co., Ltd. (蒲城堯柏特種水泥有限公司) (the “**Pucheng Yaobai**”) from August 2005 to June 2008; (iii) manager of Ankang Yaobai Cement Co., Ltd. (安康市堯柏水泥有限公司) from June 2008 to December 2012; and (iv) general manager in the Ankang Region of Yaobai Group from January 2013 to December 2015. Besides, Mr. Cao served as general manager of Chzhungtsai Mohir Cement LLC (中材國際莫伊爾水泥有限責任公司) from January 2016 to December 2018 and vice president of International Cement Investment Management Company (國際水泥投資管理公司) from January 2019 to January 2023. He has been the chairman and president of Yaobai Group since January 2023. With extensive experience in the building materials industry, Mr. Cao won the “Shaanxi Provincial Building Materials Industry Advanced Individual” award.

Save as disclosed herein, Mr. Cao was interested in 1,200,000 share options granted under the share option scheme of the Company adopted on 31 March 2010, within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Save as disclosed above, as at the date of this announcement, Mr. Cao has confirmed that he does not have any relationship with any Director, senior management or substantial shareholder or controlling shareholder of the Company, or any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Mr. Cao has entered into a service contract with the Company for a term of one year commencing from 2 February 2023, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Mr. Cao will be entitled to receive a remuneration of RMB2.0 million per annum, which was determined by reference to the prevailing market situation and his duties and responsibilities with the Company.

Mr. Wang Fayin (王發印)

Mr. Wang, aged 52, obtained an associate diploma in electric application technology from Luoyang Institute of Science and Technology (洛陽工業高等專科學院). Mr. Wang has extensive experience in production technology. He joined the Group in May 1996 and has held various key positions successively, including (i) director of mechanical and electrical workshop at Shaanxi Province Pucheng County Hanjing Cement Industrial Company (陝西省蒲城罕井水泥工業公司) from May 1996 to August 1999; (ii) supply manager and deputy director of production technology department of Yaobai Group from August 1999 to December 2003; (iii) deputy chief engineer and director of equipment department at Pucheng Yaobai from January 2004 to December 2004; (iv) deputy manager of Yaobai Group from January 2005 to December 2006; (v) deputy manager and project manager of Xi'an Lantian Yaobai Cement Co., Ltd. (西安藍田堯柏水泥有限公司) from January 2007 to November 2008; (vi) project manager and manager of Hanzhong Yaobai Cement Co., Ltd. (漢中堯柏水泥有限公司) from November 2008 to September 2010; (vii) production director of Yaobai Group from October 2010 to July 2012; (viii) manager in the Xi'an Region of Yaobai Group from July 2012 to December 2012; (ix) general manager in the Fuping Region of Yaobai Group from January 2013 to July 2016; and (x) general manager of production technology department and vice president of Yaobai Group from July 2016 to December 2017 and from January 2018 to March 2021, respectively. He has been the president of West International Holding Limited (西部國際控股有限公司) (the “**West Holding**”) since April 2021. With extensive experience in the building materials industry, Mr. Wang won the “National Building Materials Industry Role Model” award.

Save as disclosed herein, Mr. Wang was interested in 1,200,000 share options granted under the share option scheme of the Company adopted on 31 March 2010, within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Save as disclosed above, as at the date of this announcement, Mr. Wang has confirmed that he does not have any relationship with any Director, senior management or substantial shareholder or controlling shareholder of the Company, or any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Mr. Wang has entered into a service contract with the Company for a term of one year commencing from 2 February 2023, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Mr. Wang will be entitled to receive a remuneration of RMB1.8 million per annum, which was determined by reference to the prevailing market situation and his duties and responsibilities with the Company.

Mr. Chu Yufeng (楚宇峰)

Mr. Chu, aged 45, graduated with a bachelor's degree in international accounting from Xi'an JiaoTong University in June 1999 and a master's degree in business administration from an international business program jointly organised by Maastricht School of Management of Netherlands and Independent University of Bangladesh in June 2005. Mr. Chu has extensive experience in financial management. He joined the Group in July 2012 and has held various key positions successively, including (i) deputy director of finance department of Yaobai Group from July 2012 to July 2013; (ii) supervisor of internal audit department of Yaobai Group from August 2013 to July 2014; (iii) director of finance department of Yaobai Group from August 2014 to December 2016; (iv) general manager of finance department of Yaobai Group from January 2017 to December 2019; (v) chairman of Xi'an Guangxin Microfinance Co., Ltd. (西安光信小額貸款有限公司) from January 2019 to December 2021; and (vi) vice president of Yaobai Group from January 2020 to December 2021. He has been the chief financial officer of the Company and the vice president of West Holding since January 2020 and January 2022, respectively. Prior to joining the Group, Mr. Chu served as accountant of Shaanxi Import and Export Corporation (陝西省進出口公司) from October 1999 to July 2002; chief financial officer of Sino-Bangladesh Ceramic Industry Co., Ltd. (中孟陶瓷工業有限公司) from November 2002 to October 2007; finance manager of Cooper Xi'an Fusegear Limited Company (庫柏西安熔斷器有限公司) from November 2007 to August 2008; finance manager of Xi'an Branch of IBM China Investment Co., Ltd (國際商業機器(中國)投資有限公司) from September 2008 to October 2010; and deputy finance director of Fuping Branch of Italcementi Group (義大利水泥集團) from October 2010 to June 2012. Mr. Chu is a member of the Association of Chartered Certified Accountants.

Save as disclosed herein, Mr. Chu was interested in 2,325,000 share options granted under the share option scheme of the Company adopted on 31 March 2010, within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Save as disclosed above, as at the date of this announcement, Mr. Chu has confirmed that he does not have any relationship with any Director, senior management or substantial shareholder or controlling shareholder of the Company, or any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Mr. Chu has entered into a service contract with the Company for a term of one year commencing from 2 February 2023, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Mr. Chu will be entitled to receive a remuneration of RMB1.4 million per annum, which was determined by reference to the prevailing market situation and his duties and responsibilities with the Company.

Mr. Feng Tao (馮濤)

Mr. Feng, aged 66, graduated with a bachelor's degree in geophysics from Chang'an University (長安大學) (formerly known as Xi'an Institute of Technology 西安工程學院) in June 1982 and a doctorate degree in economics from Xi'an Jiaotong University (西安交通大學) (formerly known as Shaanxi Institute of Finance & Economics 陝西財經學院) in June 1997.

Mr. Feng has extensive teaching and research experience in the field of economics. He worked at Shaanxi Institute of Finance & Economic (陝西財經學院) and held various key positions between July 1986 to July 2000, including (i) head of teaching-research department from December 1986 to June 1990; (ii) deputy head of economics department from September 1990 to June 1992; (iii) head of economics department from September 1992 to July 2000; (iv) associate professor from October 1992 to June 1997; and (v) professor from June 1997 to July 2000. In 2000, Xi'an Jiaotong University (西安交通大學), Xi'an Medical University (西安醫科大學) and Shaanxi Institute of Finance and Economics (陝西財經學院) merged and established the School of Economics and Finance of Xi'an Jiaotong University (西安交通大學經濟與金融學院). Mr. Feng worked at the School of Economics and Finance of Xi'an Jiaotong University (西安交通大學經濟與金融學院) and held various key positions successively from July 2000 to March 2022, including (i) deputy dean from July 2000 to June 2004; and (ii) doctoral supervisor in the field of international economics and investment from September 2000 to March 2022. Mr. Feng retired from the School of Economics and Finance of Xi'an Jiaotong University (西安交通大學經濟與金融學院) in March 2022. Currently Mr. Feng is a member of fiscal and finance team of Shaanxi Provincial Government Decision-making Consultation Committee and the team leader of fiscal and finance team of Xi'an City Decision-Making Consultation Committee.

In recent years, Mr. Feng has presided over various projects of the National Social Science Fund of China (國家社會科學基金), key projects of the Ministry of Education, and other provincial and ministerial-level projects. Besides, he has published eight monographs and textbooks, and published more than 120 papers in journals such as Economics Quarterly, The Economist, and Financial Research.

Mr. Feng has entered into an appointment letter with the Company for a term of one year commencing from 28 February 2023, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Mr. Feng will be entitled to receive a remuneration of HK\$400,000 per annum, which was determined on the recommendation of the Remuneration Committee with reference to the duties and responsibilities of an independent non-executive Director and the prevailing market terms for similar roles for comparable companies.

Save as disclosed herein, Mr. Feng has confirmed that he does not have any relationship with any Director, senior management or substantial shareholder or controlling shareholder of the Company, or any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Mr. Zhang Jimin (張繼民)

Mr. Zhang, aged 68, the founder of the Group, is currently the Chairman and executive Director of the Company. He is responsible mainly for the Group's overall strategic planning and investment decisions. Mr. Zhang is also a director of a number of the Group's subsidiaries including West China BVI, Shaanxi Yaobai, Lantian Yaobai, Ankang Yaobai, Xiushan Yaobai, Xian Yaobai and Longqiao Yaobai.

Mr. Zhang has more than 28 years of experience in the cement industry. He was the factory manager of the Shaanxi Province Pucheng County Hanjing Town Second Cement Factory (one of the predecessors of our production facility in Pucheng) from 1985 to December 1990 and the manager of the Pucheng County Hanjing Town Cement Factory (another predecessor of our production facility in Pucheng) thereafter. These two small cement facilities represent the origins of West China Cement, demonstrating the growth of the Group under the management of Mr. Zhang.

Mr. Zhang has actively participated in various cement technology development projects and from 1992 to 1994, he led the development of low heat slag cement and moderate-heat Portland cement, winning the Second Grade Science and Technology Progress Prize issued by the Government of Shaanxi Province.

Mr. Zhang also holds several industry associations and political positions. He is the Chairman of the Shaanxi Province Cement Association, an industry association jointly established by The Raw Materials Division of The Industry and Information Technology Department of Shaanxi Province and various cement production enterprises in Shaanxi, holding this position since December 2009. As the Chairman of the Shaanxi Province Cement Association, Mr. Zhang promotes information exchange between cement enterprises in Shaanxi, leading the association to formulate a self-regulatory regime, maintaining fair market competition, providing technology and human resources and assisting the Shaanxi Government in regulating the cement industry in Shaanxi Province. Mr. Zhang was also a Xi'an City representative of the 11th Standing Committee of the Shaanxi Provincial People's Congress and participated in the plenary sessions of the 11th Standing Committee of the Shaanxi Provincial People's Congress for discussion and approval of various matters in relation to the political and economical development of Shaanxi Province. Mr. Zhang was also the Vice President of the China Cement Association.

Through these social positions, Mr. Zhang is able to maintain close contact with industry partners and local government so as to keep abreast of the latest development of the cement industry and government policies. Mr. Zhang received professional training in economic management from Peking University in July 2001.

Saved as disclosed herein, Mr. Zhang held no other directorships in any listed public companies in the last three years. Mr. Zhang does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Zhang was interested in share options of 6,175,000 granted under the share option scheme of the Company adopted on 31 March 2010, within the meaning of Part XV of the SFO. Saved as disclosed, Mr. Zhang has no other interest in the Company which is discloseable under Part XV of the SFO.

Mr. Zhang has entered into a service contract with the Company for a term of one year, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Zhang is receiving a Director's emolument of RMB1,500,000 per annum for his directorship in the Company, which was determined by reference to her duties and responsibilities with the Company.

Mr. Fan Changhong (范長虹)

Mr. Fan, aged 57, was appointed as a non-executive Director of the Company on 15 July 2019. Mr. Fan graduated from Wuhan University of Technology in 1986 with a bachelor's degree in engineering. Mr. Fan has rich experience in cement production management and external communication. Mr. Fan served as the regional director of Anhui Conch Cement Company Limited ("Conch Cement") (Shanghai area) from May 2013 to April 2019, responsible for market operation and resource co-ordination of Conch Cement in Shanghai, Su-Xi-Chang Area and Nantong. Meanwhile, he also served as the general manager of Shanghai Conch Cement Company Limited and Shanghai Conch Cement Sales Company Limited, responsible for the production and operation management of the two companies. He then also served as the general manager of Conch Mingzhu Cement Company Limited from March 2016 to April 2019, responsible for the production and operation management of the company. Mr. Fan is currently the regional director of Conch Cement (Shaanxi and Gansu area) and the general manager of Pingliang Conch Cement Co., Ltd ("Pingliang Conch"), responsible for the market operation and resource co-ordination of Conch Cement in Shaanxi and Gansu and the production and operation management of Pingliang Conch.

Saved as disclosed herein, Mr. Fan held no other directorships in any listed public companies in the last three years. Mr. Fan does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Saved as disclosed, Mr. Fan has no other interest in the Company which is discloseable under Part XV of the SFO.

Mr. Fan has entered into a service contract with the Company for a term of one year, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Fan is receiving a Director's emolument of HK\$400,000 per annum for his directorship in the Company, which was determined by reference to his duties and responsibilities with the Company.

Mr. Lee Kong Wai Conway (李港衛)

Mr. Lee, aged 68, was appointed as an independent non-executive Director of the Company on 29 July, 2010. Mr. Lee serves as Chairman of the audit committee of the Company, member of the remuneration committee of the Company, and also member of the nomination committee of the Company. He is mainly responsible for reviewing and advising the financial reporting process, audit process, internal control and risk management systems of the Group and providing independent advice to the Board on various financial and corporate governance matters.

Mr. Lee received a bachelor's degree in arts from Kingston University (formerly known as Kingston Polytechnic) in London in July 1980 and further obtained his postgraduate diploma in business from Curtin University of Technology in Australia in February 1988. Mr. Lee served as a partner of Ernst & Young over the past 29 years and held key leadership positions in the development of such firm in China. Mr. Lee is a member of the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants in Australia, the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Macau Society of Registered Accountants. Mr. Lee currently also serves as an independent non-executive director of Chaowei Power Holdings Limited, China Modern Dairy Holdings Limited, Gome Electrical Appliances Holding Limited, NVC Lighting Holding Limited, Yashili International Holdings Limited and Guotai Junan Securities Limited, companies listed on the main board of the HKSE and Intchains Group Limited, a company listed on the NASDAQ, since July 2010, November 2010, March 2011, November 2012, November 2013, April 2017 and March 2023, respectively. He was also an independent non-executive director of China Taiping Insurance Holdings Company Limited, Merry Garden Holdings Limited, Citic Securities Company Limited, Tibet Water Resources Ltd., China Rundong Auto Group Limited and WH Group Limited, companies which are listed on the main board of the HKSE, from October 2009 to August 2013, from July 2014 to September 2015, from November 2011 to May 2016, from March 2011 to February 2020, from August 2014 to December 2020 and from August 2014 to June 2022, respectively, and Sino Vanadium Inc., which was listed on TSX Venture Exchange in Canada, between October 2009 and December 2011. Mr. Lee was appointed as a member of the Chinese People's Political Consultative Conference of Hunan Province in China from 2007 to December 2017.

Saved as disclosed herein, Mr. Lee held no other directorships in any listed public companies in the last three years. Mr. Lee does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lee was interested in share options of 950,000 granted under the share option scheme of the Company adopted on 31 March 2010, within the meaning of Part XV of the SFO. Saved as disclosed, Mr. Lee has no other interest in the Company which is discloseable under Part XV of the SFO.

Mr. Lee has entered into a letter of appointment with the Company for a term of one year, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Lee is receiving a Director's emolument of HK\$400,000 per annum for his directorship in the Company, which was determined by reference to his duties and responsibilities with the Company.

Others

There is no other information relating to the above Directors that is required to be disclosed pursuant to Rule 13.51(2) sub-paragraphs (h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

COMPANIES (JERSEY) LAW 1991 (the “Law”)

MEMORANDUM OF ASSOCIATION

OF

WEST CHINA CEMENT LIMITED

中國西部水泥有限公司

(the “Company”)

a par value limited company

1. INTERPRETATION

Words and expressions contained in this Memorandum of Association have the same meanings as in the Law.

2. COMPANY NAME

The name of the Company is West China Cement Limited 中國西部水泥有限公司.

3. TYPE OF COMPANY

3.1 The Company is a public company.

3.2 The Company is a par value company.

4. NUMBER OF SHARES

The share capital of the Company is UK£20,000,000 divided into 10,000,000,000 ordinary shares of £0.002 each.

5. LIABILITY OF MEMBERS

The liability of a member arising from the holding of a share in the Company is limited to the amount (if any) unpaid on it.

COMPANIES (JERSEY) LAW 1991

ARTICLES OF ASSOCIATION

OF

WEST CHINA CEMENT LIMITED

中國西部水泥有限公司

a par value limited company

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COMPANIES (JERSEY) LAW 1991

ARTICLES OF ASSOCIATION

OF

WEST CHINA CEMENT LIMITED

中國西部水泥有限公司

a par value limited company

1. INTERPRETATION

1.1 In these Articles, unless the context or law otherwise requires, the following words and expressions shall have the meanings respectively assigned to them below:

1.1.1 “**Annual General Meeting**” has the meaning ascribed to it in Article 13.2;

1.1.2 “**these Articles**” means these Articles of Association in their present form or as from time to time amended;

1.1.3 “**associate**” has the meaning attributed to it in the Listing Rules;

1.1.4 “**Auditors**” means the auditors of the Company appointed pursuant to these Articles;

1.1.5 “**Bankrupt**” has the meaning ascribed to it in the Interpretation (Jersey) Law, 1954;

1.1.6 “**Business Day**” means a day (other than a Saturday or Sunday) on which banks in Jersey and Hong Kong and the HKEx are open for general business;

1.1.7 “**Clear Days**” means in relation to the period of a Notice that period excluding the day when the Notice is served or deemed to be served and the day for which it is given or on which it is to take effect;

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

~~1.1.8~~ “**Close Associate**” has the meaning attributed to it in the Listing Rules;

~~1.1.9~~

- ~~1.1.9~~ “**Company**” means the company incorporated under the Law in respect of
1.1.10 which these Articles have been registered;
- ~~1.1.10~~ “**Designated Stock Exchange**” means a stock exchange in respect of which
1.1.11 the shares of the Company are listed or quoted and where such stock
exchange deems such listing or quotation to be the primary listing or
quotation of the Company;
- ~~1.1.11~~ “**Directors**” means the directors of the Company for the time being;
1.1.12
- ~~1.1.12~~ “**Electronic Communication**” means a communication sent by electronic
1.1.13 transmission in any form through any medium;
- ~~1.1.13~~ “**Extraordinary General Meeting**” has the meaning ascribed to it in Article
1.1.14 13.2;
- ~~1.1.14~~ “**HKSE**” means The Stock Exchange of Hong Kong Limited;
1.1.15
- ~~1.1.15~~ “**Holder**” means in relation to shares the Member whose name is entered in
1.1.16 the Register as the holder of the shares;
- ~~1.1.16~~ “**the Law**” means the Companies (Jersey) Law 1991 and any subsidiary
1.1.17 legislation from time to time made thereunder, including any statutory
modifications or re-enactments for the time being in force in respect thereof;
- ~~1.1.17~~ “**the Listing Rules**” means any rules governing the listing or quotation of
1.1.18 the Company’s shares on the Designated Stock Exchange as amended from
time to time;
- ~~1.1.18~~ “**Member**” means the subscribers to the Memorandum of Association of the
1.1.19 Company and any other Person whose name is entered in the Register as the
Holder of shares in the Company;
- ~~1.1.19~~ “**Month**” means calendar month;
1.1.20
- ~~1.1.20~~ “**Notice**” means a notice in Writing unless otherwise specifically stated;
1.1.21
- ~~1.1.21~~ “**Office**” means the registered office of the Company;
1.1.22
- ~~1.1.22~~ “**Officer**” includes a Secretary but otherwise has the meaning ascribed to it
1.1.23 in the Law;

- ~~1.1.23~~ **“Ordinary Resolution”** means a resolution of the Company in general meeting adopted by a simple majority of the votes cast at that meeting;
~~1.1.24~~
- ~~1.1.24~~ **“Paid Up”** includes credited as paid up;
~~1.1.25~~
- ~~1.1.25~~ **“Persons”** includes associations and bodies of persons, whether corporate or unincorporate;
~~1.1.26~~
- ~~1.1.27~~ **“Present”** in relation to general meetings of the Company and to meetings of the Holders of any class of shares includes present by attorney or by proxy or in the case of a corporate shareholder by representative;
- ~~1.1.26~~ **“Publication”** means an official publication of a Notice or document of the Company, including a publication subject to and to such extent permitted by the Listing Rules, by electronic communication or by advertisement published in the newspapers or in such manner or means ascribed and permitted by the Listing Rules and applicable laws;
~~1.1.28~~
- ~~1.1.27~~ **“Register”** means the register of Members required to be kept pursuant to Article 41 of the Law;
~~1.1.29~~
- ~~1.1.28~~ **“Seal”** means the common seal of the Company;
~~1.1.30~~
- ~~1.1.29~~ **“Secretary”** means any Person appointed to perform any of the duties of secretary of the Company (including an assistant or deputy secretary) and in the event of two or more Persons being appointed as joint secretaries any one or more of the Persons so appointed;
~~1.1.31~~
- ~~1.1.30~~ **“Signed”** includes a signature or representation of a signature affixed by mechanical or other means and where a document is to be signed by a company, an association or a body of Persons the word **“Signed”** shall be construed as including the signature of a duly authorised representative on its behalf as well as any other means by which it would normally execute the document;
~~1.1.32~~
- ~~1.1.31~~ **“Special Resolution”** means a resolution of the Company passed as a special resolution by a majority of not less than three quarters of Members who (being entitled to do so) vote in person, or by proxy, at a general meeting of the Company;_and
~~1.1.33~~
- ~~1.1.32~~ **“in Writing”** includes written, printed, telexed, electronically transmitted or represented or reproduced by any other mode of representing or reproducing words in a visible form, including by Publication.
~~1.1.34~~

1.2 Save as defined herein and unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Law but excluding any statutory modification thereof not in force when these Articles become binding on the Company.

1.3 In these Articles, unless the context or law otherwise requires:

1.3.1 words and expressions which are cognate to those defined in Article 1.1 shall be construed accordingly;

1.3.2 the word “**may**” shall be construed as permissive and the word “**shall**” shall be construed as imperative;

1.3.3 words importing the singular number only shall be construed as including the plural number and *vice versa*;

1.3.4 words importing the masculine gender only shall be construed as including the feminine and neuter genders;

1.3.5 references to the word “**dividend**” includes any “distribution” as defined in Article 114 of the Law;

1.3.6 references to enactments are to such enactments as are from time to time modified, re-enacted or consolidated and shall include any enactment made in substitution for an enactment that is repealed; and

1.3.7 references to a numbered Article are to the Article so numbered of these Articles.

1.4 The clause and paragraph headings in these Articles are for convenience only and shall not be taken into account in the construction or interpretation of these Articles.

1.5 The Memorandum of Association and these Articles are only capable of being amended by the passing of a Special Resolution. App3-16

2. SHARE CAPITAL

- 2.1 The share capital of the Company is as specified in the Memorandum of Association and the shares of the Company shall have the rights and be subject to the conditions contained in these Articles.
- 2.2 Without prejudice to any special rights for the time being conferred on the Holders of any shares or class of shares (which special rights shall not be varied or abrogated except with such consent or sanction as is hereinafter provided) any share or class of shares in the capital of the Company may be issued with such preferred, deferred or other special rights or such restrictions whether in regard to dividends, return of capital, voting or otherwise as the Company may from time to time by Ordinary Resolution determine.
- 2.2A The Directors may issue warrants to subscribe for any class of Shares or other securities of the Company, which warrants may be issued on such terms as the Directors may from time to time determine. Where warrants are issued in registered form, no certificate thereof shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original certificate thereof has been destroyed and the Company has received an indemnity and a payment of such reasonable fee as the Directors think fit.
- 2.3 The Company may issue fractions of shares in accordance with and subject to the provisions of the Law provided that:
- 2.3.1 a fraction of a share shall be taken into account in determining the entitlement of a Member as regards dividends or on a winding up; and
- 2.3.2 a fraction of a share shall not entitle a Member to a vote in respect thereof.
- 2.4 Subject to the provisions of the Law, the Company may from time to time:
- 2.4.1 issue; or
- 2.4.2 convert any existing non-redeemable shares (whether issued or not) into, shares which are to be redeemed or are liable to be redeemed at the option of the Company or at the option of the Holder thereof and on such terms and in such manner as may be determined by Special Resolution. ~~Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in the Special Resolution, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.~~

- 2.5 Subject to the provisions of the Law, the Company may purchase its own shares (including redeemable shares) in any manner authorised or not prohibited by the Law, provided always that for so long as the Shares are listed on the HKSE, any such purchase shall also comply with the requirements of the Companies Ordinance (Cap.32 of the Laws of Hong Kong) from time to time in force as if the Company was incorporated in Hong Kong unless the HKSE waives this requirement for companies incorporated outside Hong Kong (in which case the Company shall then comply with the requirements of the HKSE from time to time in force, if any).
- 2.6 Subject to the provisions of these Articles and any direction that may be given by the Company in a general meeting and where applicable the rules of any Designated Stock Exchange, the unissued shares for the time being in the capital of the Company shall be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such Persons at such times and generally on such terms and conditions as they think fit.
- 2.7 The Company may pay commissions as permitted by the Law. Subject to the provisions of the Law any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.
- 2.8 Except as otherwise provided by these Articles or by law, no Person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise any equitable, contingent, future or partial interest in any share or any interest in any fraction of a share or any other right in respect of any share except an absolute right to the entirety thereof in the Holder.
- 2.9 The Company may 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 in any manner authorised or not prohibited by the Law, provided always that for so long as the Shares are listed on the HKSE, any such provision of financial assistance shall also comply with the requirements of the Companies Ordinance (Cap.32 of the Laws of Hong Kong) from time to time in force as if the Company was incorporated in Hong Kong unless the HKSE waives this requirement for companies incorporated outside Hong Kong (in which case the Company shall then comply with the requirements of the HKSE from time to time in force, if any).
- 2.10 These Articles are, in particular but not exclusively, with regard to share capital, subject always to the provisions of the Listing Rules.

3. SHARE PREMIUM ACCOUNT

- 3.1 Except as provided in Article 3.2, where the Company issues shares at a premium, the amount or value (as determined by the Directors) of any premiums shall be transferred, as and when the premiums are Paid Up, to a share premium account which shall be kept in the books of the Company in the manner required by the Law. The sums for the time being standing to the credit of the share premium account shall be applied only in accordance with the Law.
- 3.2 Where the Law permits the Company to refrain from transferring any amount to a share premium account, that amount need not be so transferred; but the Directors may if they think fit nevertheless cause all or any part of such amount to be transferred to the relevant share premium account.

4. ALTERATION OF SHARE CAPITAL

- 4.1 The Company may by Special Resolution:
- 4.1.1 increase its share capital by such sum to be divided into shares of such amount and in such currency or currencies as the resolution prescribes;
 - 4.1.2 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - 4.1.3 convert all or any of its fully paid shares into stock, and reconvert that stock into fully paid shares of any denomination;
 - 4.1.4 subject to the provisions of the Law, sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others;
 - 4.1.5 subject to the provisions of the Law convert or denominate any of its shares the nominal value of which is expressed in one currency into shares of a nominal value of another currency; and
 - 4.1.6 cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- 4.2 Any new shares created on an increase or other alteration of share capital shall be issued upon such terms and conditions as the Company may by Ordinary Resolution determine.

- 4.3 Any capital raised by the creation of new shares shall, unless otherwise provided by the conditions of issue of the new shares, be considered as part of the original capital and the new shares shall be subject to the provisions of these Articles with reference to the payment of calls, transfer and transmission of shares, lien or otherwise applicable to the existing shares in the Company.
- 4.4 Subject to the provisions of the Law, the Company may by Special Resolution reduce its share capital and its share premium account in any way.

5. VARIATION OF RIGHTS

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- 5.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up:
- 5.1.1 with the consent in Writing of the Holders of three-fourths of the issued shares of that class; or
- 5.1.2 with the sanction of a Special Resolution passed at a separate meeting of the Holders of shares of that class.
- 5.2 To every such separate meeting all the provisions of these Articles and of the Law relating to general meetings of the Company or to the proceedings thereat shall apply *mutatis mutandis* except that the necessary quorum shall be two Persons holding or representing at least one third in nominal amount of the issued shares of that class but so that if at any adjourned meeting of such Holders a quorum as above defined is not Present those Holders who are Present shall be a quorum.
- 5.3 The special rights conferred upon the Holders of any shares or class of shares issued with preferred, deferred or other special rights shall (unless otherwise expressly provided by the conditions of issue of such shares) be deemed not to be varied by the creation or issue of further shares ranking after or *pari passu* therewith.

6. REGISTER OF MEMBERS

- 6.1 The Directors shall maintain or cause to be maintained a Register in the manner required by the Law. The Register shall be kept at the Office or at such other place in the Island of Jersey as the Directors from time to time determine. In each year the Directors shall prepare or cause to be prepared and filed an annual return containing the particulars required by the Law. The Company may keep an overseas branch register in accordance with the Law.
- 6.2 The Company shall not be required to enter the names of more than four joint Holders in the Register.

- 6.3 The Register and any overseas branch register of Members as the case may be, shall be open to inspection by the Members and other persons in accordance with the Law. App3-20(27)
- 6.4 Subject to applicable law, the Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper or any other newspapers in accordance with the requirements of the Designated Stock Exchange, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Directors may determine and either generally or in respect of any class of shares. The period of 30 days may be subsequently extended in respect of any year in relation to the Register by an ordinary resolution passed at a general meeting of the Company in that year, provided that the said period shall not be extended beyond 60 days in any year. The Company shall, on demand, furnish any person seeking to inspect the Register or part of the Register which is closed with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed.

7. SHARE CERTIFICATES

- 7.1 Every Member shall be entitled:
- 7.1.1 without payment upon becoming the Holder of any shares to one certificate for all the shares of each class held by him and upon transferring a part only of the shares comprised in a certificate to a new certificate for the remainder of the shares so comprised; or
- 7.1.2 upon payment of such reasonable sum for each certificate as the Directors shall from time to time determine to several certificates each for one or more of his shares of any class, provided that such fee shall not exceed the relevant maximum amount as the Designated Stock Exchange may from time to time determine.
- 7.2 Every certificate shall be issued within one Month after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide) and shall be executed by the Company. A certificate for shares, warrants or debentures or representing any other form of securities of the Company may be issued under the Seal of the Company, which for this purpose, may be a duplicate Seal:
- Every certificate shall further specify the shares to which it relates and the amount Paid Up thereon and if so required by the Law the distinguishing numbers of such shares.
- 7.3 The Company shall not be bound to issue more than one certificate in respect of a share held jointly by several Persons and delivery of a certificate for a share to one of several joint Holders shall be sufficient delivery to all such Holders.

- 7.4 If a share certificate shall be worn out, defaced, lost or destroyed a duplicate certificate may be issued on payment of such reasonable fee and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in relation thereto as the Directors think fit.
- 7.5 Subject to the Law, the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended, and the Listing Rules and requirements of any Designated Stock Exchange, the Directors may permit any class of shares to be held in uncertificated form and to be transferred by means of a relevant system and may revoke any such permission.

8. LIEN

- 8.1 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all monies (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 on all shares (other than fully paid shares) registered in the name of a single Member for all the debts and liabilities of such Member or his estate to the Company whether the period for the payment or discharge of the same shall have actually commenced or not and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other Person whether a Member or not. The Company's lien (if any) on a share shall extend to all dividends or other monies payable thereon or in respect thereof. The Directors may resolve that any share shall for such period as they think fit be exempt from the provisions of this Article.
- 8.2 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 the monies in respect of which such lien exists or some part thereof are or is presently payable nor until fourteen Clear Days have expired after a Notice stating and demanding payment of the monies presently payable and giving Notice of intention to sell in default shall have been served on the Holder for the time being of the shares or the Person entitled thereto by reason of the death, bankruptcy or incapacity of such Holder.
- 8.3 To give effect to any such sale the Directors may authorise some Person to execute an instrument of transfer of the shares sold to the purchaser thereof. The purchaser shall be registered as the Holder of the shares so transferred 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.

8.4 The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability in respect of which the lien exists so far as the same is presently payable and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the Person entitled to the shares at the time of the sale.

9. CALLS ON SHARES

9.1 The Directors may subject to the provisions of these Articles and to any conditions of allotment from time to time make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and each Member shall (subject to being given at least fourteen Clear Days' Notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares.

9.2 A call may be required to be paid by instalments.

9.3 A call may before receipt by the Company of any sum due thereunder be revoked in whole or in part and payment of a call may be postponed in whole or in part.

9.4 A Person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.

9.5 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.

9.6 The joint Holders of a share shall be jointly and severally liable to pay all calls and all other payments to be made in respect of such share.

9.7 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 may be required to pay interest on the sum from the day appointed for payment thereof to the time of actual payment at a rate determined by the Directors but the Directors shall be at liberty to waive payment of such interest wholly or in part.

9.8 Any sum which by or pursuant to the terms of issue of a share becomes payable upon allotment or at any fixed date whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by or pursuant to the terms of issue the same becomes payable and in case of non-payment all the relevant provisions of these Articles as to payment of interest, forfeiture, surrender or otherwise shall apply as if such sum had become due and payable by virtue of a call duly made and notified.

- 9.9 The Directors may on the issue of shares differentiate between the Holders as to the amount of calls to be paid and the times of payment.
- 9.10 The Directors may if they think fit receive from any Member an advance of monies which have not yet been called on his shares or which have not yet fallen due for payment. Such advance payments shall, to their extent, extinguish the liability in respect of which they are paid. The Company may pay interest on any such advance, at such rate as the Directors think fit, for the period covering the date of payment to the date (the “**Due Date**”) when the monies would have been due had they not been paid in advance. For the purposes of entitlement to dividends, monies paid in advance of a call or instalment shall not be treated as paid until the Due Date.

10. FORFEITURE OF SHARES

- 10.1 If a Member fails to pay any call or instalment of a call on or before the day appointed for payment thereof the Directors may at any time thereafter during such time as any part of such call or instalment remains unpaid 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 any costs, charges and expenses which may have been incurred by the Company by reason of such non-payment.
- 10.2 The Notice shall name a further day (not earlier than the expiration of fourteen Clear Days from the date of service of such Notice) on or before which the payment required by the Notice is to be made and the place where payment is to be made and shall state that in the event of non-payment at or before the time appointed and at the place appointed the shares in respect of which the call was made will be liable to be forfeited.
- 10.3 If the requirements of any such Notice as aforesaid are not complied with any share in respect of which such Notice has been given may at any time thereafter before payment of all calls and interest due in respect thereof has been made be forfeited by a resolution of the Directors to that effect and such forfeiture shall include all dividends which shall have been declared on the forfeited shares and not actually paid before the forfeiture.
- 10.4 When any share has been forfeited in accordance with these Articles, Notice of the forfeiture shall forthwith be given to the Holder of the share or the Person entitled to the share by transmission as the case may be and an entry of such Notice having been given and of the forfeiture with the date thereof shall forthwith be made in the Register opposite to the entry of the share but no forfeiture shall be invalidated in any manner by any omission or neglect to give such Notice or to make such entry as aforesaid.

- 10.5 The Directors may, at any time after serving a Notice in accordance with Article 10.1, accept from the Member concerned the surrender of such shares as are the subject of the Notice, without the need otherwise to comply with the provisions of Articles 10.1 to 10.4. Any such shares shall be surrendered immediately and irrevocably upon the Member delivering to the Company the share certificate for the shares and such surrender shall also constitute a surrender of all dividends declared on the surrendered shares but not actually paid before the surrender. The Company shall, upon such surrender forthwith make an entry in the Register of the surrender of the share with the date thereof but no surrender shall be invalidated in any manner by any omission or neglect to make such entry as aforesaid.
- 10.6 A forfeited or surrendered share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the Person who was before forfeiture or surrender the Holder thereof or entitled thereto or to any other Person upon such terms and in such manner as the Directors think fit and at any time before a sale, re-allotment or other disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. Where for the purposes of its disposal a forfeited or surrendered share is to be transferred to any Person the Directors may authorise some Person to execute an instrument of transfer of the share to that Person.
- 10.7 A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the forfeited or surrendered shares and shall (if he has not done so already) surrender to the Company for cancellation the certificate for the shares forfeited or surrendered. Notwithstanding the forfeiture or the surrender such Member shall remain liable to pay to the Company all monies which at the date of forfeiture or surrender were presently payable by him in respect of those shares with interest thereon at the rate at which interest was payable before the forfeiture or surrender or at such rate as the Directors may determine from the date of forfeiture or surrender until payment, provided that the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal.
- 10.8 A declaration under oath by a Director or the Secretary (or by an Officer of a corporate Secretary) that a share has been duly forfeited or surrendered on a specified date shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the share. The declaration and the receipt of the Company for the consideration (if any) given for the share on the sale re-allotment or disposal thereof together with the certificate for the share delivered to a purchaser or allottee thereof shall (subject to the execution of an instrument of transfer if the same be so required) constitute good title to the share. The Person to whom the share is sold, re-allotted or disposed of shall be registered as the Holder of the share and shall not be bound to see to the application of the consideration (if any) nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in respect of the forfeiture, surrender, sale, re-allotment or disposal of the share.

11. TRANSFER OF SHARES

- 11.1 Save as otherwise permitted under the provisions of the Law, all transfers of shares shall be effected using an instrument of transfer.
- 11.2 The instrument of transfer of any share shall be in Writing in any usual common form or any form approved by the Designated Stock Exchange or any form approved by the Directors and may be under hand or, if the transferor or the transferee is a clearing house or its nominee(s), by hand or machine imprinted signature or by such other manner of execution as the board of Directors may approve from time to time.
- 11.3 The instrument of transfer of any share shall be Signed by or on behalf of the transferor and in the case of an unpaid or partly paid share by the transferee. The transferor shall be deemed to remain the Holder of the share until the name of the transferee is entered in the Register in respect thereof.
- 11.4 Fully paid shares of the Company shall be free from any restriction on transfer (except where permitted by the Designated Stock Exchange) and shall also be free from all liens. The Directors may in their absolute discretion and without assigning any reason therefor refuse to register the transfer of a share which is not fully paid up including without limitation a transfer of such shares to a Person of whom they do not approve and a transfer of a share on which the Company has a lien.
- 11.5 The Directors may also refuse to register the transfer of a share unless the instrument of transfer:
- 11.5.1 is lodged at the Office or at such other place as the Directors may appoint accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
 - 11.5.2 is in respect of only one class of shares; and
 - 11.5.3 is in favour of not more than four transferees.
- 11.6 If the Directors refuse to register a transfer of a share they shall within two Months after the date on which the instrument of transfer was lodged with the Company send to the proposed transferor and transferee Notice of the refusal.
- 11.7 All instruments of transfer relating to transfers of shares which are registered shall be retained by the Company but any instrument of transfer relating to transfers of shares which the Directors decline to register shall (except in any case of fraud) be returned to the Person depositing the same.

- 11.8 The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods as the Directors may determine, provided always that such registration shall not be suspended for more than thirty days in any calendar year.
- 11.9 Unless otherwise decided by the Directors in their sole discretion no fee shall be charged in respect of the registration of any instrument of transfer or other document relating to or affecting the title to any share. ~~To the extent that the Directors decide to charge a fee in respect of the registration, the fee shall be the same or less than the maximum amount prescribed by the Designated Stock Exchange from time to time.~~
- 11.10 In respect of any allotment of any share the Directors shall have the same right to decline to approve the registration of any renounee of any allottee as if the application to allot and the renunciation were a transfer of a share under these Articles.
- 11.11 All or any Shares in uncertificated form may be transferred in accordance with the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended.
- 11.12 Unless otherwise permitted by the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended, the Company may not close any register relating to a participating security without the consent of the approved operator of the relevant system.

12. TRANSMISSION OF SHARES AND UNTRACEABLE MEMBERS

- 12.1 In the case of the death of a Member the survivor or survivors where the deceased was a joint Holder and the executors or administrators of the deceased where he was a sole or only surviving Holder shall be the only Persons recognised by the Company as having any title to his interest in the shares but nothing in this Article shall release the estate of a deceased joint Holder from any liability in respect of any share which had been jointly held by him.
- 12.2 Any Person becoming entitled to a share in consequence of the death, bankruptcy or incapacity of a Member may upon such evidence as to his title being produced as may from time to time be required by the Directors and subject as hereinafter provided elect either to be registered himself as the Holder of the share or to have some Person nominated by him registered as the Holder thereof.

- 12.3 If the Person so becoming entitled shall elect to be registered himself he shall deliver or send to the Company a Notice Signed by him stating that he so elects. If he shall elect to have another Person registered he shall testify his election by an instrument of transfer of the share in favour of that Person. All the limitations restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such Notice or instrument of transfer as aforesaid as if it were an instrument of transfer executed by the Member and the death, bankruptcy or incapacity of the Member had not occurred.
- 12.4 A Person becoming entitled to a share by reason of the death, bankruptcy or incapacity of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the Holder of the share except that he shall not before being registered as the Holder of the share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company 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 one Month such Person shall be deemed to have so elected to be registered himself and all the restrictions on the transfer and transmission of shares contained in these Articles shall apply to such election.
- 12.5 Without prejudice to the rights of the Company under Article 12.6, 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.
- 12.6 Subject to the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended, the Company shall have the power to sell, in such manner as the Directors think fit, any shares of a Member who is untraceable, but no such sale shall be made unless:
- 12.6.1 all cheques or warrants in respect of dividends of the shares in question, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Articles have remained uncashed;
- 12.6.2 so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the Member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and

12.6.3 the Company, if so required by the Listing Rules has given notice to, and caused advertisement in newspapers in accordance with the requirements of, the Designated Stock Exchange to be made of its intention to sell such shares in the manner required by the Designated Stock Exchange, and a period of three months or such shorter period as may be allowed by the Designated Stock Exchange has elapsed since the date of such advertisement.

12.7 For the purpose of the foregoing, the “**relevant period**” means the period commencing twelve years before the date of publication of the advertisement referred to in Article 12.7 and ending at the expiry of the period referred to in that Article.

12.8 To give effect to any such sale the Directors may authorise some person to transfer the said shares and an instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it 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 money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former Member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money 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.

13. GENERAL MEETINGS

13.1 The Company shall in each calendar year hold a general meeting as its Annual General Meeting at such time and place as may be determined by the Directors, App3-14(1) provided that ~~so long as the Company shall (a) hold an Annual General Meeting in each financial year of the Company and (b) holds its first each Annual General Meeting within no later than eighteen six Months of its incorporation it need not hold it in the year of its incorporation or in the following after the end of the Company’s previous financial year (or, subject to the Law, such longer period as may be permitted under the Listing Rules). Not more than fifteen months (or such longer period as the Designated Stock Exchange or the Law may authorise) shall elapse between subsequent Annual General Meetings.~~

13.2 The above mentioned general meeting shall be called the “**Annual General Meeting**”. All other general meetings shall be called “**Extraordinary General Meetings**”.

13.3 The Directors may whenever they think fit convene an Extraordinary General Meeting.

13.4 Any one or more Members holding at the date of deposit of a requisition not less than 510 (~~ten~~~~five~~) per cent of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Directors or the Secretary, to require an Extraordinary General Meeting to be called by the Directors for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If there are not sufficient Directors to convene the Extraordinary General Meeting any Director or any Member may convene such a meeting. App3-14(5)

13.5 If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to call a meeting to be held within 2 months of that date, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves call a meeting, but a meeting so called shall not be held after 3 months from that date, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

13.6 At any Extraordinary General Meeting called pursuant to a requisition unless such meeting is called by the Directors no business other than that stated in the requisition as the objects of the meeting shall be transacted.

14. CLASS MEETINGS

Save as otherwise provided in these Articles, all the provisions of these Articles and of the Law relating to general meetings of the Company and to the proceedings thereat shall apply *mutatis mutandis* to every class meeting. A Director who is entitled to receive Notice of general meetings of the Company in accordance with Article 15.4 shall also be entitled, unless he has notified the Secretary in Writing of his contrary desire, to receive Notice of all class meetings. At any class meeting the Holders of shares of the relevant class shall on a poll have one vote in respect of each share of that class held by them.

15. NOTICE OF GENERAL MEETINGS

- 15.1 At least twenty Clear Business Days' Notice shall be given of every Annual General Meeting and of every general meeting called for the passing of a Special Resolution and at least ten Clear Business Days' Notice shall be given of all other general meetings. App3-14(2)
- 15.2 A meeting of the Company shall notwithstanding that it is called by shorter Notice than that specified in Article 15.1 be deemed to have been duly called if it is so agreed:
- 15.2.1 in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and
- 15.2.2 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 ninety present (in the case of a meeting at which no Special Resolution is proposed) or ninety-five per cent (in the case of a meeting at which one or more Special Resolutions is proposed) in nominal value of the shares giving that right. App3-14(5)
- 15.3 Every Notice shall specify the place the day and the time of the meeting and the general nature of the business to be transacted and in the case of an Annual General Meeting shall specify the meeting as such.
- 15.4 Subject to the provisions of these Articles and to any restrictions imposed on any shares, Notice of every general meeting shall be given to all the Members, to all Persons entitled to a share in consequence of the death, bankruptcy or incapacity of a Member, to the Auditors (if any) and to every Director who has notified the Secretary in Writing of his desire to receive Notice of general meetings.
- 15.5 In every Notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a Member. App3-18
- 15.6 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 the proceedings at that meeting.

15.7 The Company shall, on the requisition in Writing of such number of Members as is specified at Article 15.8 below and (unless the Company otherwise resolves) at the expense of the requisitionists-

15.7.1 give to Members entitled to receive notice of the next Annual General Meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and

15.7.2 circulate to Members entitled to have notice of any general meeting sent to them any statement of not more than 1000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

15.8 The number of Members necessary for such written requisition shall be-

15.8.1 any number of Members representing not less than one-fortieth of the total voting rights of all Members having at the date of the requisition a right to vote at the meeting to which the requisition relates; or

15.8.2 not less than 50 Members holding shares in the Company on which there has been paid up an average sum, per member, of a sum equivalent to not less than 2,000 Hong Kong dollars.

15.9 Notice of any such resolution shall be given, and any such statement shall be circulated, to Members entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such Member in any manner permitted for service of notice of the meeting, and notice of any such resolution shall be given to any other Member by giving notice of the general effect of the resolution in any manner permitted for giving him notice of meetings of the Company: Provided that the copy shall be served, or notice of the effect of the resolution shall be given, as the case may be, in the same manner and, so far as practicable, at the same time as notice of the meeting and, where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

15.10 The Company shall not be bound under Article 15.7 to give notice of any resolution or to circulate any statement unless-

15.10.1 a copy of the requisition signed by the requisitionists (or 2 or more copies which between them contain the signatures of all the requisitionists) is deposited at the registered office of the Company-

(a) in the case of a requisition requiring notice of a resolution, not less than 6 weeks before the meeting; and

(b) in the case of any other requisition, not less than 1 week before the meeting; and

- 15.10.2 there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expenses in giving effect thereto: Provided that if, after a copy of a requisition requiring notice of a resolution has been deposited at the registered office of the Company, an Annual General Meeting is called for a date 6 weeks or less after the copy has been deposited, the copy though not deposited within the time required by this Article shall be deemed to have been properly deposited for the purposes thereof.
- 15.11 The Company shall also not be bound under this Article 15 to circulate any statement if, on the application either of the Company or of any other person who claims to be aggrieved, the court is satisfied that the rights conferred by this Article 15 are being abused to secure needless publicity for defamatory matter; and the court may order the Company's costs on an application under this Article 15 to be paid in whole or in part by the requisitionists, notwithstanding that they are not parties to the application.
- 15.12 Notwithstanding anything in the Articles, the business which may be dealt with at an Annual General Meeting shall include any resolution of which notice is given in accordance with this Article 15, and for the purposes of this Article 15 notice shall be deemed to have been so given notwithstanding the accidental omission, in giving it, of one or more Members.
- 15.13 Where the Company gives notice of its intention to move a resolution at a general meeting of the Company or a meeting of any class of Members, the notice shall include or be accompanied by a statement:
- 15.13.1 containing such information and explanation, if any, as is reasonably necessary to indicate the purpose of the resolution; and
- 15.13.2 disclosing any material interests of any Director in the matter dealt with by the resolution so far as the resolution affects those interests differently from the interests of other Members.
- 15.14 It shall be the duty of any Director to give notice to the Company of such matters relating to himself as may be necessary for the purposes of Article 15.13. Nothing in Article 15.13 or this Article 15.14 shall affect the validity of a resolution passed at a general meeting of the Company.

16. PROCEEDINGS AT GENERAL MEETINGS

- 16.1 The business of an Annual General Meeting shall be to receive and consider the accounts of the Company and the reports of the Directors and Auditors, to elect Directors (if proposed), to elect Auditors and fix their remuneration, to sanction a dividend (if thought fit so to do) and to transact any other business of which Notice has been given.
- 16.2 No business shall be transacted at any general meeting except the adjournment of the meeting unless a quorum of Members is Present at the time when the meeting proceeds to business. Such quorum shall consist of not less than two Members Present but so that not less than two individuals will constitute the quorum, provided that if at any time all of the issued shares in the Company are held by one Member such quorum shall consist of that Member Present.
- 16.3 If a Member is by any means in communication with one or more other Members so that each Member participating in the communication can hear what is said by any other of them each Member so participating in the communication is deemed to be Present at a meeting with the other Members so participating notwithstanding that all the Members so participating are not Present together in the same place. A meeting at which any or all of the Members participate as aforesaid shall be deemed to be a general meeting of the Company for the purposes of these Articles notwithstanding any other provisions of these Articles and all of the provisions of these Articles and of the Law relating to general meetings of the Company and to the proceedings thereat shall apply *mutatis mutandis* to every such meeting.
- 16.4 If within half-an-hour from the time appointed for the meeting a quorum is not Present or if during the meeting a quorum ceases to be Present the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other time and place as the Directors shall determine and if at such adjourned meeting a quorum is not Present within half-an-hour from the time appointed for the holding of the meeting those Members Present shall constitute a quorum.
- 16.5 The chairman (if any) of the Directors shall preside as chairman at every general meeting of the Company or if there is no such chairman or if he shall not be Present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the Directors shall select one of their number to be chairman of the meeting.
- 16.6 If at any meeting no Director is willing to act as chairman or if no Director is Present within fifteen minutes after the time appointed for holding the meeting, the Members Present shall choose one of their number to be chairman of the meeting.

- 16.7 The chairman may with the consent of any meeting at which a quorum is Present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more Notice of the adjourned meeting shall be given as in the case of the original meeting. Save as aforesaid it shall not be necessary to give any Notice of any adjourned meeting or of the business to be transacted at an adjourned meeting.
- 16.8 The Directors may resolve to enable persons entitled to attend a general meeting to do so by simultaneous attendance and participation at a satellite meeting place anywhere in the world. The Members present in person or by proxy at satellite meeting places shall be counted in the quorum for, and entitled to vote at, the general meeting in question, and that meeting shall be duly constituted and its proceedings valid if the chairman of the general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that members attending at all the meeting places are able to:
- 16.8.1 participate in the business for which the meeting has been convened;
 - 16.8.2 hear and see all persons who speak (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) in the principal meeting place and any satellite meeting place; and
 - 16.8.3 be heard and seen by all other persons so present in the same way.
- 16.9 The chairman of the general meeting shall be present at, and the meeting shall be deemed to take place at, the principal meeting place.
- 16.10 If it appears to the chairman of the general meeting that the facilities at the principal meeting place or any satellite meeting place have become inadequate for the purposes referred to in Article 16.8, then the chairman may, without the consent of the meeting, interrupt or adjourn the general meeting. All business conducted at that general meeting up to the time of that adjournment shall be valid.
- 16.11 The Directors may make arrangements for persons entitled to attend a general meeting or an adjourned general meeting to be able to view and hear the proceedings of the general meeting or adjourned general meeting and to speak at the meeting (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) by attending at a venue anywhere in the world not being a satellite meeting place. Those attending at any such venue shall not be regarded as present at the general meeting or adjourned general meeting and shall not be entitled to vote at the meeting at or from that venue. The inability for any reason of any member present in person or by proxy at such a venue to view or hear all or any of the proceedings of the meeting or to speak at the meeting shall not in any way affect the validity of the proceedings of the meeting.

- 16.12 The Directors may from time to time make any arrangements for controlling the level of attendance at any venue for which arrangements have been made pursuant to Article 16.11 (including without limitation the issue of tickets or the imposition of some other means of selection) if in its absolute discretion considers appropriate, and may from time to time change those arrangements. If a Member, pursuant to those arrangements, is not entitled to attend in person or by proxy at a particular venue, he shall be entitled to attend in person or by proxy at any other venue for which arrangements have been made pursuant to Article 16.11. The entitlement of any Member to be present at such venue in person or by proxy shall be subject to any such arrangement then in force and stated by the notice of meeting or adjourned meeting to apply to the meeting.
- 16.13 If, after the sending of notice of a general meeting but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Directors decide that it is impracticable or unreasonable, for a reason beyond its control, to hold the meeting at the declared place (or any of the declared places, in the case of a meeting to which Article 16.8 applies) and/or time, it may change the place (or any of the places, in the case of a meeting to which Article 16.8 applies) and/or postpone the time at which the meeting is to be held. If such a decision is made, the Directors may then change the place (or any of the places, in the case of a meeting to which Article 16.8 applies) and/or postpone the time again if it decides that it is reasonable to do so. In either case:
- 16.13.1 no new notice of the meeting need be sent, but the Directors shall, if practicable, advertise the date, time and place of the meeting in at least two newspapers having a national circulation in Hong Kong and the United Kingdom and shall make arrangements for notices of the change of place and/or postponement to appear at the original place and/or at the original time; and
- 16.13.2 a proxy appointment in relation to the meeting may, if by means of a document in hard copy form, be delivered to the office or to such other place as may be specified by or on behalf of the Company or, if in electronic form, be received at the address (if any) specified by or on behalf of the Company, at any time not less than forty-eight hours before the postponed time appointed for holding the meeting provided that the board may specify, in any case, that in calculating the period of forty-eight hours, no account shall be taken of any part of a day that is not a working day.
- 16.13.3 For the purposes of Articles 16.8, 16.9, 16.10, 16.11 and 16.12, the right of a Member or proxy to participate in the business of any general meeting shall include without limitation the right to speak, vote on a show of hands, vote on a poll and have access to all documents which are required by the Law or these Articles to be made available at the meeting. App3-14(3)

- 16.14 At any general meeting a resolution put to the vote of the meeting shall be decided in the first instance on a show of hands unless before or on the declaration of the result of the show of hands a poll is demanded. For as long as the shares of the Company are admitted to trading on a Designated Stock Exchange, at any general meeting a resolution put to the meeting shall be decided in the manner as prescribed in the Listing Rules.
- 16.15 Subject to the provisions of the Law, a poll may be demanded:
- 16.15.1 by the chairman;
- 16.15.2 by at least five Members having the right to vote on the resolution; or
- 16.15.3 by a Member or Members representing not less than one tenth of the total voting rights of all the Members having the right to vote on the resolution.
- 16.16 Unless a poll is duly demanded, 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 or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.
- 16.17 If a poll is duly demanded it shall be taken at such time and in such manner as the chairman directs and the results of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 16.18 In the event of an equality of votes at any general meeting the chairman shall be entitled to a second or casting vote.
- 16.19 A poll demanded on the election of the chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or on such day and at such time and place as the chairman directs not being more than twenty-one days after the poll is demanded.
- 16.20 A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- 16.21 A resolution in Writing (including a Special Resolution but excluding a resolution removing an Auditor) Signed by all Members who would be entitled to receive Notice of and to attend and vote at a general meeting at which such a resolution would be proposed or by their duly appointed attorneys shall be as valid and effectual as if it had been passed at a general meeting of the Company duly convened and held. Any such resolution may consist of several documents in the like form each Signed by one or more of the Members or their attorneys.

16.22 At a general meeting of the Company, a motion for the appointment of 2 or more persons as Directors by a single resolution shall not be made, unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. A resolution moved in contravention of this Article shall be void, whether or not its being so moved was objected to at the time provided that:

16.22.1 this Article shall not be taken as excluding the operation of Article 80 of the Law; and

16.22.2 where a resolution so moved is passed, no provision for the automatic reappointment of retiring Directors in default of another appointment shall apply.

For the purposes of this Article, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.

17. VOTES OF MEMBERS

17.1 Subject to any special rights restrictions or prohibitions as regards voting for the time being attached to any shares as may be specified in the terms of issue thereof or these Articles: App3-14(3)

17.1.1 on a show of hands, every Member Present in person shall have one vote and every proxy who has been appointed by a Member entitled to vote on the resolution has one vote subject to Article 17.8; and

17.1.2 on a poll, every Member Present in person or by proxy shall have one vote for each share of which he is the Holder.

17.2 Where any Member under the Listing Rules is required to abstain from voting on any particular resolution or is restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted. App3-14(4)

17.3 In the case of joint Holders of any share such Persons shall not have the right of voting individually in respect of such share but shall elect one of their number to represent them and to vote whether personally or by proxy in their name. In default of such election the Person whose name appears first in order in the Register in respect of such share shall be the only Person entitled to vote in respect thereof.

- 17.4 A Member in respect of whom an order has been made by any court having jurisdiction (whether in the Island of Jersey or elsewhere) in matters concerning legal incapacity or interdiction may vote, whether on a show of hands or a poll, by his attorney, curator, receiver or other Person authorised in that behalf appointed by that court and any such attorney, curator, receiver or other Person may vote by proxy. Evidence to the satisfaction of the Directors of the authority of such attorney, curator, receiver or other Person may be required by the Directors prior to any vote being exercised by such attorney, curator, receiver or other Person.
- 17.5 No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company of which he is Holder or one of the joint Holders have been paid.
- 17.6 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
- 17.7 On a show of hands or a poll votes may be given either personally or by proxy.
- 17.8 The Directors may at the expense of the Company send by post or otherwise to the Members instruments of proxy (with or without provision for their return prepaid) for use at any general meeting or at any separate meeting of the Holders of any class of shares of the Company either in blank or nominating in the alternative any one or more of the Directors or any other Persons. A Member may appoint more than one proxy to attend on the same occasion provided that each such proxy is appointed to exercise the rights attached to a different share or shares held by that Member. If for the purpose of any meeting invitations to appoint as proxy a Person or one or more of a number of Persons specified in the invitations are issued at the Company's expense they shall be issued to all (and not to some only) of the Members entitled to be sent a Notice of the meeting and to vote thereat by proxy.
- 17.9 The instrument appointing a proxy shall be in Writing in any common form or as approved by the Directors and shall be under the hand of the appointor or of his attorney duly authorised in Writing or if the appointor is a corporation either under seal or under the hand of a duly authorised officer, attorney or other representative. A proxy need not be a Member.

17.10 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:

17.10.1 be deposited at the Office or at such other place as is specified for that purpose by the Notice convening the meeting not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote;

17.10.2 in the case of a poll taken more than forty-eight hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than twenty-four hours before the time appointed for taking the poll; or

17.10.3 where the poll is not taken forthwith but is taken not more than forty-eight hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or the Secretary or to any Director.

An instrument of proxy which is not deposited in the manner so required shall be valid only if it is approved by all the other Members who are Present at the meeting.

17.11 Unless the contrary is stated thereon the instrument appointing a proxy shall be as valid as well for any adjournment of the meeting as for the meeting to which it relates.. In addition, a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise.

17.12 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 revocation of the proxy or of the authority under which the proxy was executed, provided that no Notice in Writing of such death, insanity or revocation shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting at which such vote is cast.

17.13 Where any shares of the Company are held in trust for the Company, such shares shall not, for so long as they are so held, confer any right to vote at meetings of the Company.

18. CORPORATE MEMBERS

18.1 Any body corporate which is a Member may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of Members (or of any class of Members) and the Person so authorised shall be entitled to exercise on behalf of the body corporate which he represents the same powers as that body corporate could exercise if it were an individual. App3-18

18.2 Where a Person is authorised to represent a body corporate at a general meeting of the Company the Directors or the chairman of the meeting may require him to produce a certified copy of the resolution from which he derives his authority.

18.3 If a clearing house (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares in the Company held by the clearing house (or its nominee(s)) including the right to vote individually on a show of hands. App3-19

19. DIRECTORS

19.1 The Company may by Ordinary Resolution determine the maximum and minimum number of Directors and unless and until otherwise so determined, and subject to the provisions of the Law, the minimum number of Directors shall be two.

19.2 A Director need not be a Member but provided he has notified the Secretary in Writing of his desire to receive Notice of general meetings in accordance with Article 15.4 he shall be entitled to receive Notice of any general meeting and, subject to Article 14, all separate meetings of the Holders of any class of shares in the Company. Whether or not a Director is entitled to receive such Notice, he may nevertheless attend and speak at any such meeting.

20. ALTERNATE DIRECTORS

20.1 Any Director (other than an alternate Director) may at his sole discretion and at any time and from time to time appoint any other Director or any other Person (other than one disqualified or ineligible by law to act as a director of a company) as an alternate Director to attend and vote in his place at any meetings of Directors at which he is not personally present. Each Director shall be at liberty to appoint under this Article more than one alternate Director provided that only one such alternate Director may at any one time act on behalf of the Director by whom he has been appointed.

- 20.2 An alternate Director while he holds office as such shall be entitled to receive Notice (which need not be in Writing) of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member and to attend and to exercise all the rights and privileges of his appointor at all such meetings at which his appointor is not personally present and generally to perform all the functions of his appointor as a Director in his absence.
- 20.3 An alternate Director shall *ipso facto* vacate office if and when his appointment expires or the Director who appointed him ceases to be a Director of the Company or removes the alternate Director from office by Notice under his hand served upon the Company.
- 20.4 An alternate Director shall be entitled to be paid all travelling and other expenses reasonably incurred by him in attending meetings. The remuneration (if any) of an alternate Director shall be payable out of the remuneration payable to the Director appointing him as may be agreed between them.
- 20.5 Where a Director acts as an alternate Director for another Director he shall be entitled to vote for such other Director as well as on his own account, but no Director shall at any meeting be entitled to act as alternate Director for more than one Director.
- 20.6 A Director who is also appointed an alternate Director shall be considered as two Directors for the purpose of making a quorum of Directors when such quorum shall exceed two.

21. POWERS OF DIRECTORS

- 21.1 The business of the Company shall be managed by the Directors who may pay all expenses incurred in promoting and registering the Company and may exercise all such powers of the Company as are not by the Law or these Articles required to be exercised by the Company in general meeting.
- 21.2 The Directors' powers shall be subject to the provisions of these Articles, to the provisions of the Law and to such regulations (being not inconsistent with the aforesaid regulations or provisions) as may be prescribed by the Company in general meeting but no regulations made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if such regulations had not been made.
- 21.3 The Directors may by power of attorney, mandate or otherwise appoint any Person to be the agent of the Company for such purposes and on such conditions as they determine including authority for the agent to delegate all or any of his powers.

22. DELEGATION OF DIRECTORS' POWERS

22.1 The Directors may delegate any of their powers to committees consisting of such Director or Directors or such other Persons as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

22.2 The meetings and proceedings of any such committee consisting of two or more Persons shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors so far as the same are applicable and are not superseded by any regulations made by the Directors under this Article.

23. APPOINTMENT OF DIRECTORS

23.1 Where these Articles are adopted by the Company either upon incorporation or for any other reason prior to the appointment of the first Directors, the first Directors of the Company shall be appointed in Writing by the subscribers to the Memorandum of Association or by a majority of them. Any Director so appointed, and any Director duly holding office prior to the adoption of these Articles, shall continue to hold office until he resigns or is disqualified or removed in accordance with the provisions hereof.

23.2 The Directors shall have power at any time and from time to time to appoint any Person (other than one disqualified or ineligible by law to act as a director of a company) to be a Director either to fill a casual vacancy or as an addition to the existing Directors provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors. Any Director so appointed shall hold office only until the next following Annual General Meeting of the Company following his appointment and shall then be eligible for re-election at such meeting (but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation). App3-4(2)

23.3 The Company may by Ordinary Resolution:

23.3.1 appoint any Person (other than one disqualified or ineligible by law to act as a director of a company) as a Director; and

23.3.2 remove any Director from office before the expiration of his ~~period-term~~ in office (without prejudice to a claim for damages for breach of contract or otherwise). App3-4(3)

23.4 The Company shall keep or cause to be kept a register of particulars with regard to its Directors in the manner required by the Law.

24. RESIGNATION, DISQUALIFICATION RETIREMENT AND REMOVAL OF DIRECTORS

24.1 The office of a Director shall be vacated if the Director:

24.1.1 resigns his office by Notice to the Company;

24.1.2 ceases to be a Director by virtue of any provision of the Law or he becomes prohibited or disqualified by law from being a Director;

24.1.3 becomes Bankrupt or makes any arrangement or composition with his creditors generally;

24.1.4 becomes of unsound mind; or

24.1.5 is removed from office by Ordinary Resolution passed pursuant to Article App3:4(3) 23.3.2.

24.2 At every Annual General Meeting one-third of the Directors or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office; but if any Director has at the start of the Annual General Meeting been in office for three years or more since his last appointment or re-appointment, he shall retire at that Annual General Meeting.

24.3 Subject to the provisions of the Law and these Articles, the Directors to retire by rotation shall be, first, those who wish to retire and not be re-appointed to office, and, second, those who have been longest in office since their last appointment or re-appointment. As between persons who became or were last re-appointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Directors at the date of the notice convening the annual general meeting. No Director shall be required to retire or be relieved from retiring or be retired by reason of any change in the number or identity of the Directors after the date of the notice but before the close of the meeting.

24.4 If the Company does not fill the vacancy at the meeting at which a Director retires by rotation or otherwise, the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the Director is put to the meeting and lost.

24.5 No person other than a Director retiring by rotation shall be appointed a Director at any general meeting unless: Ch.13-13.70

24.5.1 he is recommended by the Directors; or

24.5.2 during a period, being not less than seven days, between a day that is not less than seven days before the date appointed for the meeting and the day after the despatch of the notice of such meeting, notice by a Member qualified to vote at the meeting (not being the person to be proposed) has been received by the Company of the intention to propose that person for appointment stating the particulars which would, if he were so appointed, be required to be included in the Company's register of Directors, together with notice by that person of his willingness to be appointed.

25. REMUNERATION AND EXPENSES OF DIRECTORS

25.1 The Directors shall be entitled to such remuneration as the Directors may determine subject to any limitation as the Company may by Ordinary Resolution determine.

25.2 The Directors shall be paid out of the funds of the Company their travelling hotel and other expenses properly and necessarily incurred by them in connection with their attendance at meetings of the Directors or Members or otherwise in connection with the discharge of their duties.

25.3 The Directors shall obtain the approval of the Company in general meeting before making any payment to any Director or past Director of the Company by way of compensation for loss of office, or as consideration for or in connection with his retirement from office (not being payment to which the Director is contractually entitled).

26. EXECUTIVE DIRECTORS

26.1 The Directors may from time to time appoint one or more of their number to the office of managing director or to any other executive office under the Company on such terms and for such periods as they may determine.

26.2 The appointment of any Director to any executive office shall be subject to termination if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

26.3 The Directors may entrust to and confer upon a Director holding any executive office any of the powers exercisable by the 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.

27. DIRECTORS' INTERESTS

27.1 Subject to the provisions of the Law and provided that Article 27.2 is complied with, a Director, notwithstanding his office:

27.1.1 may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested, either in regard to his tenure of any office or place of profit or as vendor, purchaser or otherwise;

27.1.2 may hold any other office or place of profit under the Company (except that of auditor or of auditor of a subsidiary of the Company) in conjunction with the office of Director and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Directors may arrange, either in addition to or in lieu of any remuneration provided for by any other Article;

27.1.3 may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and

27.1.4 shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any such office, employment, contract, arrangement, transaction or proposal,

and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

27.2 A Director who, to his knowledge, is in any way (directly or indirectly) interested in any contract, arrangement, transaction or proposal to be entered into or proposed to be entered into by the Company and such interest conflicts or may conflict to a material extent with the interests of the Company shall declare the nature of his interest at the earliest meeting of the Directors at which it is practicable for him to do so, either specifically or by way of a general notice in writing delivered to the secretary, at the earliest meeting of the Directors after he knows that he is or has become so interested.

27.3 For the purpose of Article 27.2:

27.3.1 a general notice given to the Directors by a Director that he is to be regarded as having an interest (of the nature and extent specified in the notice) in any contract, transaction, arrangement or proposal in which a specified person or class of persons is interested shall be deemed to be a sufficient disclosure under this Article in relation to such contract, transaction, arrangement or proposal; and

27.3.2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

27.4 Save as provided in this Article, a Director shall not vote on (nor shall he be counted in the quorum in relation to) any resolution of the Directors or of a committee of the Directors concerning any contract, transaction, arrangement, or any other proposal whatsoever to which the Company is or is to be a party and in which he or any of his associates has an interest which is to his knowledge a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company, unless the resolution concerns any of the following matters: CH13-13.44

27.4.1 the giving of any security or indemnity either:-

- (a) to the Director or his Close ~~an~~ Associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
- (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his Close ~~an~~ Associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

27.4.2 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his Close ~~an~~ Associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

- 27.4.3 any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;
- 27.4.4 any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:-
- (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his ~~Close~~ ~~Associate(s)~~ may benefit; or
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors, his ~~Close~~ ~~Associates~~ and employees of the Company or 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 generally accorded to the class of persons to which such scheme or fund relates; and
- 27.4.5 any contract or arrangement in which the Director or his ~~Close~~ ~~Associate(s)~~ is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.
- 27.5 If any question arises at any meeting as to the materiality of a Director's interest (other than the chairman's interest) or as to the entitlement of any Director (other than the 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. The chairman's ruling in relation to the Director concerned shall be final and conclusive.
- 27.6 If any question arises at any meeting as to the materiality of the chairman's interests or as to the entitlement of the chairman to vote, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be decided by resolution of the Directors or committee members present at the meeting (excluding the chairman), whose majority vote shall be final and conclusive.

27.7 For so long as the shares of the Company are listed on the HKSE and subject to the exceptions in Article 27.8:

27.7.1 the Company shall not, directly or indirectly-

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

27.7.2 the Company shall not -

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

27.7.3 the Company shall not -

- (a) enter into a credit transaction as creditor for a Director or for a director of its holding company;
- (b) enter into a guarantee or provide any security in connection with a credit transaction entered into by any other person as creditor for such a director; or

- (c) if any one or more of the Directors holds (jointly or severally or directly or indirectly) a controlling interest in another company-
 - (i) enter into a credit transaction as creditor for that other company; or
 - (ii) enter into a guarantee or provide any security in connection with a credit transaction entered into by any other person as creditor for that other company.

27.7.4 the Company shall not arrange for the assignment to it, or the assumption by it, of any rights, obligations or liabilities under a transaction that, if it had been entered into by the Company, would have contravened Articles 27.7.1 to 27.7.3 (inclusive). If the Company enters into an arrangement in contravention of this Article 27.7.4, then for the purposes of this Article 27.7 the Company is to be treated as having entered into the transaction in question on the date of that arrangement.

27.7.5 The Company shall not take part in any arrangement whereby-

- (a) another person enters into a transaction or arrangement that, if it had been entered into by the company, would have contravened Articles 27.7.1 to 27.7.4 (inclusive); and
- (b) that other person, in pursuance of the arrangement, has obtained or is to obtain any benefit from the Company or its holding company or a subsidiary of the Company or its holding company.

27.7.6 In the application of Articles 27.7.1 to 27.7.3 (inclusive), for as long as the Company -

- (a) has any of its shares listed on a Designated Stock Exchange; or
- (b) is a member of a group of companies of which a company referred to in paragraph (a) is a member,

references in that Article to any of the Directors or to a director shall include references to -

- (i) the spouse or any child or step-child of 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 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 or step-children; and

- (iii) a person acting in his capacity as partner of that director or of his spouse, child or step-child, or of any trustee referred to in paragraph (ii).

27.7.7 References in Article 27.7.6 to the child or step-child of any person shall include a reference to any illegitimate child of that person, but shall not include a reference to any person who has attained the age of 18 years.

27.7.8 For the purposes of Articles 27.7 and 27.8:

- (a) “conditional sale agreement” means an agreement for the sale of goods or land under which -
 - (i) the purchase price or part of it is payable by instalments;
 - (ii) the property in the goods or land is to remain in the seller until such conditions as to the payment of instalments or otherwise as may be specified in the agreement are fulfilled; and
 - (iii) the buyer is (notwithstanding such reservation of property) to be in possession of the goods or land prior to the fulfilment of such conditions;
- (b) “credit transaction” means a transaction between one party (“the creditor”) and another party (“the borrower”) under which the creditor-
 - (i) supplies goods to the borrower under a hire-purchase agreement;
 - (ii) sells goods or land to the borrower under a conditional sale agreement;
 - (iii) leases or hires goods or leases land to the borrower in return for periodical payments; or
 - (iv) otherwise disposes of land or supplies goods or services to the borrower on the understanding that payment (whether in a lump sum or instalments or by way of periodical payments or otherwise) is to be deferred;
- (c) “Director” and “director” includes a shadow director;
- (d) “guarantee” includes indemnity, and cognate expressions are to be construed accordingly;
- (e) “hire-purchase agreement” means an agreement for the bailment of goods under which the bailee may buy the goods, or under which the property in the goods will or may pass to the bailee;

- (f) “land” includes any estate or interest in land, buildings, messuages and tenements of any nature or kind whatsoever;

- (g) “quasi-loan” means-
 - (i) a transaction under which one party (“the creditor”) agrees to pay, or pays otherwise than in pursuance of an agreement, a sum for another (“the borrower”) -
 - (A) on terms that the borrower (or a person on his behalf) will reimburse the creditor; or
 - (B) in circumstances giving rise to a liability on the borrower to reimburse the creditor; or

 - (ii) a transaction under which one party (“the creditor”) agrees to reimburse, or reimburses otherwise than in pursuance of an agreement, expenditure incurred by another for another (“the borrower”) -
 - (A) on terms that the borrower (or a person on his behalf) will reimburse the creditor; or
 - (B) in circumstances giving rise to a liability on the borrower to reimburse the creditor;

- (h) “services” means anything other than goods or land.

27.7.9 For the purposes of this Article 27.7 -

- (a) a person “makes a quasi-loan to” or “enters into a credit transaction as creditor for” a person if the first-mentioned person is the creditor and the second-mentioned person is the borrower under the quasi-loan or credit transaction, as the case may be;

- (b) the liabilities of a borrower under a quasi-loan include the liabilities of any person who has agreed to reimburse the creditor on behalf of the borrower; and

- (c) a body corporate is not to be treated as a shadow director of any of its subsidiaries by reason only that the directors or a majority of the directors of the subsidiary are accustomed to act in accordance with its directions or instructions.

27.8

27.8.1 Article 27.7 shall not prohibit the Company if it is a member of a group of companies from -

- (a) making a loan or quasi-loan to, or entering into a credit transaction as creditor for, a company that is a member of the same group of companies; or
- (b) entering into a guarantee or providing any security in connection with-
 - (i) a loan or quasi-loan made by any person to a company that is a member of the same group of companies; or
 - (ii) a credit transaction entered into by any person as creditor for such a company.

27.8.2 Subject to this Article 27.8, the Company shall not be prohibited by Article 27.7 from-

- (a) entering into any transaction to provide any of the 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;
- (b) entering into any transaction-
 - (i) for the purpose of facilitating the purchase of the whole or part of any residential premises, together with any land to be occupied and enjoyed therewith, for use as the only or main residence of a Director;
 - (ii) for the purpose of improving any residential premises so used or any land occupied and enjoyed therewith; or
 - (iii) in substitution for any transaction entered into by any person for the benefit of a Director and falling within subparagraph (i) or (ii); or
- (c) leasing or hiring goods or leasing land to a Director on terms not more favourable than the terms it is reasonable to expect the Company to have offered, if the goods had been leased or hired or the land had been leased on the open market, to a person who is unconnected with the Company.

27.8.3 The exception specified in Article 27.8.2(a) operates in relation to a transaction described in that Article only if either of the following conditions is satisfied -

- (a) the transaction in question is entered into with the prior approval of the Company given at a general meeting at which the purpose of the expenditure incurred or to be incurred by the Director concerned and the amount of the transaction are disclosed; or
- (b) the transaction is entered into on the condition that, if the approval of the Company is not so given at or before the next following Annual General Meeting, any liability falling on any person in connection with the transaction shall be discharged within 6 Months from the conclusion of that meeting.

27.8.4 The exception specified in Article 27.8.2(b) operates in relation to a transaction described in that Article only if the following conditions are satisfied -

- (a) the Company ordinarily enters into transactions of that description for its employees on terms no less favourable than those on which the transaction in question is entered into;
- (b) the amount of the transaction 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 that complies with paragraph (c);
- (c) the valuation report is made and signed by a professionally qualified valuation surveyor, who is subject to the discipline of a professional body, not earlier than 3 Months prior to the date on which the transaction is entered into; and
- (d) the transaction 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.

27.8.5 Subject to this Article 27.8, the Company shall not be prohibited by Article 27.7.1 from entering into a transaction described in that Article if the ordinary business of the Company includes the entering into of transactions of that description.

27.8.6 Subject to this Article 27.8, the Company shall not be prohibited by Article 27.7.2 or 27.7.3 from entering into a transaction described in that Article if the ordinary business of the Company includes the entering into of transactions of that description.

27.8.7 The exceptions specified in Articles 27.8.5 and 27.8.6 operate in relation to a transaction described in those Articles only if the following conditions are satisfied -

- (a) the transaction in question is entered into by the Company in the ordinary course of its business; and
- (b) the amount of the transaction is not greater, and the terms of the transaction are not more favourable, in the case of the person with or in respect of whom the transaction is entered into, than that amount or those terms that 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 who is unconnected with the Company.

27.8.8 Articles 27.8.5 and 27.8.6 do not authorize the Company to enter into a transaction described in Article 27.7.1 to 27.7.3 (inclusive) if, at the time the transaction is entered into, the relevant amount exceeds US\$750,000.

27.8.9 For the purpose of Article 27.8.8, “relevant amount” means the aggregate of the following amounts -

- (a) the amount of the transaction in question;
- (b) the amount outstanding at that time in respect of principal on all loans and quasi-loans made by the Company to, and all credit transactions entered into by the Company as creditor for, the director or other company concerned by virtue of 27.8.5 and 27.8.6 (excluding the transaction in question); and
- (c) the amount representing the maximum liability of the Company at that time under all guarantees and all security entered into or provided by the Company by virtue of 27.8.5 and 27.8.6 in connection with any loans or quasi-loans made by any person to, or any credit transactions entered into by any person as creditor for, the director or other company concerned (excluding the transaction in question).

27.8.10 Articles 27.8.2, 27.8.5 and 27.8.6 do not authorize the Company to enter into a transaction if, at the time the transaction is entered into, the relevant amount exceeds 5 per cent of the amount of the Company’s net assets as shown in the latest balance sheet laid before the Company in general meeting.

27.8.11 For the purpose of Article 27.8.10, “relevant amount” means the aggregate of the following amounts-

- (a) the amount of the transaction in question;
- (b) the amount outstanding at that time, in respect of principal and interest or otherwise, on all loans and quasi-loans made by the Company to, and all credit transactions entered into by the Company as creditor for, any of the Directors (excluding the transaction in question and any loans, quasi-loans or credit transactions made or entered into by virtue of Article 27.8.1); and
- (c) the amount representing the maximum liability of the Company at that time under all guarantees entered into by the Company, and in respect of all security provided by the Company, in connection with any loans or quasi-loans made by any person to, or any credit transactions entered into by any person as creditor for, any of the Directors (excluding the transaction in question and any guarantees or security entered into or provided by virtue of Article 27.8.1).

27.8.12 A reference in this Article 27.8 to the amount of a transaction entered into by the Company shall be construed as a reference to-

- (a) where the transaction consists of a loan, quasi-loan or credit transaction, the principal amount of that loan, quasi-loan or credit transaction;
- (b) where the transaction consists of a guarantee, the amount representing the maximum liability of the Company under that guarantee; and
- (c) where the transaction consists of the provision of any security, the amount representing the maximum liability of the Company in respect of that security.

27.8.13 A reference in this Article 27.8 to the principal amount of a quasi-loan or credit transaction shall be construed as a reference to the total amount payable by the borrower, excluding any amount payable as interest, as a penalty or as compensation or damages for a breach of the transaction.

27.8.14 In this Article 27.8, “net assets” means the aggregate of the Company’s assets less the aggregate of its liabilities.

27.8.15 All other terms and expressions used in this Article 27.8 have the same meaning as in Article 27.7 subject to the following exceptions-

27.8.16 for the purposes of Article 27.8.2, “director” does not include a shadow director; and

27.8.17 Article 27.7.6 shall not apply in relation to the references to a director in Article 27.8.2.

28. PROCEEDINGS OF DIRECTORS

- 28.1 The Directors may meet together for the despatch of business adjourn and otherwise regulate their meetings as they think fit.
- 28.2 A Director may at any time and the Secretary at the request of a Director shall summon a meeting of the Directors by giving to each Director and alternate Director not less than twenty-four hours' Notice of the meeting provided that any meeting may be convened at shorter Notice and in such manner as each Director or his alternate Director shall approve and provided further that unless otherwise resolved by the Directors Notices of Directors' meetings need not be in Writing.
- 28.3 Questions arising at any meeting shall be determined by a majority of votes.
- 28.4 In the case of an equality of votes the chairman shall not have a second or casting vote.
- 28.5 A Director who is also an alternate Director shall be entitled to a separate vote for each Director for whom he acts as alternate in addition to his own vote.
- 28.6 A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two. For the purposes of this Article and subject to the provisions of Article 28.7 an alternate Director shall be counted in a quorum but so that not less than two individuals will constitute the quorum.
- 28.7 A Director notwithstanding his interest may be counted in the quorum present at any meeting at which any contract or arrangement in which he is interested is considered and, provided he has made the disclosure required by Article 27.1, he may vote in respect of any such contract or arrangement except those concerning his own terms of appointment.
- 28.8 If a Director is by any means in communication with one or more other Directors so that each Director participating in the communication can hear what is said by any other of them each Director so participating in the communication is deemed to be present at a meeting with the other Directors so participating notwithstanding that all the Directors so participating are not present together in the same place.
- 28.9 The continuing Directors or Director may act notwithstanding any vacancies in their number but if the number of Directors is less than the number fixed as the quorum or becomes less than the number required by the Law the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a general meeting of the Company. If there are no Directors or no Director is able or willing to act then any Member or the Secretary may summon a general meeting for the purpose of appointing Directors.

- 28.10 The Directors may from time to time elect from their number, and remove, a chairman and/or deputy chairman and/or vice-chairman of the board of Directors and determine the period for which they are to hold office.
- 28.11 The chairman, or in his absence the deputy chairman, or in his absence the vice-chairman, shall preside at all meetings of the Directors but if no such chairman, deputy chairman or vice-chairman be elected or if at any meeting the chairman, deputy chairman or vice-chairman be not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be the chairman of the meeting.
- 28.12 A resolution in Writing Signed by all the Directors entitled to receive Notice of a meeting of Directors or of a committee of Directors shall be valid and effectual as if it had been passed at a meeting of the Directors or of a committee of Directors duly convened and held and may consist of several documents in like form each Signed by one or more Directors but a resolution Signed by an alternate Director need not also be Signed by his appointor and if it is Signed by a Director who has appointed an alternate Director it need not be Signed by the alternate Director in that capacity.
- 28.13 All acts done *bona fide* by any meeting of Directors or of a committee appointed by the Directors or by any Person acting as a Director shall notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such Director or committee or Person acting as aforesaid or that they or any of them were disqualified or had vacated office or were not entitled to vote be as valid as if every such Person had been duly appointed and was qualified and had continued to be a Director or a member of a committee appointed by the Directors and had been entitled to vote.

29. MINUTE BOOK

- 29.1 The Directors shall cause to be entered in books kept for the purpose:
- 29.1.1 the minutes of all proceedings at general meetings, class meetings, Directors' meetings and meetings of committees appointed by the Directors;
- 29.1.2 all resolutions in Writing passed in accordance with these Articles;
- 29.1.3 every memorandum in Writing of a Sole Member-Director Contract (as defined in Article 29.3) which is drawn up pursuant to Article 29.3;
- 29.1.4 every record in Writing of a Sole Member's Decision (as defined in Article 29.4); and
- 29.1.5 all such other records as are from time to time required by the Law or, in the opinion of the Directors, by good practice to be minuted or retained in the books of the Company.

29.2 Any minutes of a meeting if purporting to be Signed by the chairman of the meeting at which the proceedings were had or by the chairman of the next succeeding meeting shall be conclusive evidence of the proceedings.

29.3 This Article 29.3 applies where the Company has only one Member and that Member is also a Director. If the Company, acting otherwise than in the ordinary course of its business, enters into a contract with such Member (a “**Sole Member-Director Contract**”) and that Sole Member-Director Contact is not in Writing, the terms thereof shall be:

29.3.1 set out in a memorandum in Writing;

29.3.2 recorded in the minutes of the first meeting of the Directors following the making of the contract; or

29.3.3 recorded in such other manner or on such other occasion as may for the time being be permitted or required by the Law.

29.4 This Article 29.4 applies where the Company has only one Member and that Member has taken a decision which may be taken by the Company in general meeting and which has effect in law as if agreed by the Company in general meeting (a “**Sole Member’s Decision**”). A Sole Member’s Decision may (without limitation) be taken by way of resolution in Writing but if not so taken, the sole Member shall provide the Company with a record in Writing of his decision as soon as practicable thereafter.

30. SECRETARY

30.1 Subject to the provisions of the Law, 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 the Directors.

30.2 Anything required or authorised to be done by or to the Secretary may if the office is vacant or there is for any other reason no secretary capable of acting 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 Person authorised generally or specifically in that behalf by the Directors.

30.3 The Company shall keep or cause to be kept at the Office a register of particulars with regard to its Secretary in the manner required by the Law.

31. THE SEAL

- 31.1 The Directors may determine that the Company shall have a Seal. Subject to the Law, if the Company has a Seal the Directors may determine that it shall also have an official seal for use outside of the Island and an official seal for sealing securities issued by the Company or for sealing documents creating or evidencing securities so issued, ~~provided that the Company shall always adopt a seal for the issuance of share certificates as provided in these Articles.~~
- 31.2 The Directors shall provide for the safe custody of all Seals and no Seal shall be used except by the authority of a resolution of the Directors or of a committee of the Directors authorised in that behalf by the Directors.
- 31.3 The Directors may from time to time make such regulations as they think fit determining the Persons and the number of such Persons who shall sign every instrument to which a Seal is affixed and until otherwise so determined every such instrument shall be Signed by one Director and by the Secretary or by a second Director.
- 31.4 The Company may authorise an agent appointed for the purpose to affix any Seal of the Company to a document to which the Company is a party.

32. AUTHENTICATION OF DOCUMENTS

- 32.1 Any Director or the Secretary or any Person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company (including the Memorandum of Association and these Articles), any resolutions passed by the Company or the Directors and any books, records, documents and accounts relating to the business of the Company and to certify copies thereof or extracts therefrom as true copies or extracts.
- 32.2 Where any books, records, documents or accounts of the Company are situated elsewhere than at the Office the local manager or other Officer or the company having the custody thereof shall be deemed to be a Person appointed by the Directors for the purposes set out in Article 32.1.

33. DIVIDENDS

- 33.1 Subject to the provisions of the Law, the Company may by Ordinary Resolution declare dividends in accordance with the respective rights of the Members but no dividend shall exceed the amount recommended by the Directors.
- 33.2 Subject to the provisions of the Law, the Directors may if they think fit from time to time pay to the Members such interim dividends as they may determine.

- 33.3 If at any time the share capital of the Company is divided into different classes the Directors may pay such interim dividends in respect of those shares which confer on the Holders thereof deferred or non-preferred rights as well as in respect of those shares which confer on the Holders thereof preferential rights with regard to dividend.
- 33.4 Subject to the provisions of the Law, 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.
- 33.5 Provided the Directors act *bona fide* they shall not incur any personal liability to the Holders of shares conferring a preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferred rights.
- 33.6 Subject to any particular rights or limitations as to dividend for the time being attached to any shares as may be specified in these Articles or upon which such shares may be issued, all dividends shall be declared apportioned and paid *pro rata* according to the amounts Paid Up on the shares on which the dividend is paid (otherwise than in advance of calls) provided that if any share is issued on terms providing that it shall rank for dividend as if Paid Up (in whole or in part) or as from a particular date (either past or future) such share shall rank for dividend accordingly.
- 33.7 The Directors may before recommending any dividend set aside such sums as they think proper as a reserve or reserves which shall at the discretion of the Directors be applicable for any purpose to which such sums may be properly applied and pending such application may at the like discretion be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The Directors may carry forward to the accounts of the succeeding year or years any balance which they do not think fit either to dividend or to place in reserve.
- 33.8 The Directors may, if authorised by an Ordinary Resolution of the Company, offer any Member the right to elect to receive shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the Directors) of all or any dividend specified by the Ordinary Resolution. The offer shall be on the terms and conditions and be made in the manner specified in Article 33.9 or, subject to those provisions, specified in the Ordinary Resolution.

- 33.9 The following provisions shall apply to the Ordinary Resolution and any offer made pursuant to it and Article 33.8.
- 33.9.1 The Ordinary Resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period.
- 33.9.2 The basis of allotment shall be determined by the Directors.
- 33.9.3 On or as soon as practicable after announcing that any dividend is to be declared or recommended, the Directors, if they intend to offer an election in respect of that dividend, shall also announce that intention. If, after determining the basis of allotment, the Directors decide to proceed with the offer, they shall notify the Members of the terms and conditions of the right of election offered to them, specifying the procedure to be followed and place at which, and the latest time by which, elections or notices amending or terminating existing elections must be delivered in order to be effective.
- 33.9.4 The Directors shall not proceed with any election unless the Company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be appropriated to give effect to it after the basis of allotment is determined.
- 33.9.5 The Directors may exclude from any offer any Members where the Directors believe the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them.
- 33.9.6 The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable in cash on shares in respect of which an election has been made (the *elected shares*) and instead such number of new shares shall be allotted to each Member as determined by the Directors. For that purpose the Directors shall, subject to the Law, appropriate out of any amount for the time being standing to the credit of any capital account, reserve or fund (including without limitation the profit and loss account), whether or not it is available for distribution, a sum equal to the aggregate nominal amount of the new shares to be allotted and apply it in paying up in full the appropriate number of new shares for allotment and distribution to each Member as determined by the Directors.
- 33.9.7 The new shares when allotted shall rank equally in all respects with the fully paid shares of the same class then in issue except that they shall not be entitled to participate in the relevant dividend.

- 33.9.8 The Directors may do all acts and things it considers necessary or expedient to give effect to the allotment and issue of any share pursuant to this Article or otherwise in connection with any offer made pursuant to this Article and may authorise any person, acting on behalf of the Members concerned, to enter into an agreement with the Company providing for such allotment or issue and incidental matters. Any agreement made under such authority shall be effective and binding on all concerned.
- 33.9.9 The Directors may, at their discretion, amend, suspend or terminate any offer pursuant to this Article.
- 33.10 The Directors may carry forward to the account of the succeeding year or years any balance which they do not think fit either to dividend or to place to reserve.
- 33.11 A general meeting declaring a dividend may upon the recommendation of the Directors direct that payment of such dividend shall be satisfied wholly or in part by the distribution of specific assets and in particular of Paid-Up shares or debentures of any other company and the Directors shall give effect to such resolution. Where any difficulty arises in regard to the distribution the Directors may settle the same as they think expedient and in particular may:
- 33.11.1 issue certificates representing part of a shareholding or fractions of shares and may fix the value for distribution of such specific assets or any part thereof;
- 33.11.2 determine that cash payment shall be made to any Members on the basis of the value so fixed in order to adjust the rights of Members;
- 33.11.3 vest any specific assets in trustees upon trust for the Persons entitled to the dividend as may seem expedient to the Directors; and
- 33.11.4 generally make such arrangements for the allotment, acceptance and sale of such specific assets or certificates representing part of a shareholding or fractions of shares or any part thereof or otherwise as they think fit.
- 33.12 Any resolution declaring a dividend on the shares of any class whether a resolution of the Company in general meeting or a resolution of the Directors or any resolution of the Directors for the payment of a fixed dividend on a date prescribed for the payment thereof may specify that the same shall be payable to the Persons registered as the Holders of shares of the class concerned at the close of business on a particular date notwithstanding that it may be a date prior to that on which the resolution is passed (or as the case may be that prescribed for payment of a fixed dividend) and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any shares of the relevant class.

- 33.13 The Directors may deduct from any dividend or other monies payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- 33.14 Any dividend or other monies payable in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or Person entitled thereto and in the case of joint Holders to any one of such joint Holders or to such Person and to such address as the Holder or joint Holders may in Writing direct. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent or to such other Person as the Holder or joint Holders may in Writing direct and payment of the cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the Person entitled to the money represented thereby.
- 33.15 All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. No dividend shall bear interest as against the Company.
- 33.16 Any dividend which has remained unclaimed for a period of ten years from the date of declaration thereof shall if the Directors so resolve be forfeited and cease to remain owing by the Company and shall thenceforth belong to the Company absolutely.

34. CAPITALISATION OF PROFITS

The Directors may with the authority of an Ordinary Resolution of the Company:

- 34.1 subject as hereinafter provided, resolve that it is desirable to capitalise any undistributed profits of the Company (including profits carried and standing to any reserve or reserves) not required for paying any fixed dividends on any shares entitled to fixed preferential dividends with or without further participation in profits or to capitalise any sum carried to reserve as a result of the sale or revaluation of the assets of the Company (other than goodwill) or any part thereof or to capitalise any sum standing to the credit of the Company's share premium account or capital redemption reserve fund;

- 34.2 appropriate the profits or sum resolved to be capitalised to the Members in the proportion in which such profits or sum would have been divisible amongst them had the same been applicable and had been applied in paying dividends and to apply such profits or sum on their behalf either in or towards paying up any amount for the time being unpaid on any shares held by such Members respectively or in paying up in full either at par or at such premium as the said resolution may provide any unissued shares or debentures of the Company such shares or debentures to be allotted and distributed credited as fully Paid Up to and amongst such Members in the proportions aforesaid or partly in one way and partly in the other provided that the share premium account and the capital redemption reserve fund and any unrealised profits may for the purposes of this Article only be applied in the paying up of unissued shares to be allotted to Members credited as fully Paid Up;
- 34.3 make all appropriations and applications of the profits or sum resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures if any and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provision by the issue of certificates representing part of a shareholding or fractions of shares or by payments in cash or otherwise as they think fit in the case of shares or debentures becoming distributable in fractions; and
- 34.4 authorise any Person to enter on behalf of all the Members entitled to the benefit of such appropriations and applications into an agreement with the Company providing for 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 and any agreement made under such authority shall be effective and binding on all such Members.

35. ACCOUNTS AND AUDIT

- 35.1 The Company shall keep accounting records which are sufficient to show and explain the Company's transactions and are such as to:
- 35.1.1 disclose with reasonable accuracy at any time the financial position of the Company at that time; and
- 35.1.2 enable the Directors to ensure that any accounts prepared by the Company comply with requirements of the Law.
- 35.2 The Directors shall prepare accounts of the Company made up to such date in each year as the Directors shall from time to time determine in accordance with and subject to the provisions of the Law.

35.3 No Member shall (as such) have any right to inspect any accounting records or other book or document of the Company except as conferred by the Law or authorised by the Directors or by Ordinary Resolution of the Company.

35.4 The Directors shall deliver to the Registrar of Companies a copy of the accounts of the Company signed on behalf of the Directors by one of them together with a copy of the report thereon by the Auditors in accordance with the Law, and shall at the same time, if so required be delivered to the Designated Stock Exchange.

~~35.5 Subject to the Law, copies of either (i) the Company's balance sheet (including every document required by Law to be annexed thereto) and profit and loss account, together with a copy of the Directors' report for that financial year and the Auditors' report on those accounts, or (ii) the summary financial report shall, at least twenty-one Clear Days before the date of the meeting at which copies of those documents are to be laid in accordance with the provisions of the Law, be delivered or sent by post to every Member and to every holder of the Company's debentures of whose address the Company is aware and to every other person who is entitled to receive notice of meetings of the Company under the provisions of the Law or these Articles, or in the case of joint holders of any share or debenture to one of the joint holders. Copies need not be sent to a person for whom the Company does not have a current address.~~

~~35.6 The Directors or the Company by Ordinary Resolution shall appoint Auditors to At 35.5 the annual general meeting or at a subsequent extraordinary general meeting in each year, the Members shall by ordinary resolution appoint an auditor to audit the accounts of the Company and to report thereon in accordance with the Law and such auditor shall hold office until the conclusion of the next annual general meeting. A Director, officer or any employee of such Director and officer shall not be appointed the Auditors of the Company.~~ App3-17

35.6 The Members may, at any general meeting convened and held in accordance with these Articles, by Ordinary Resolution remove the Auditor at any time before the expiration of its term of office and shall by Ordinary Resolution at that meeting appoint another Auditor in its stead for the remainder of its term.

35.7 The remuneration of the Auditor shall be fixed by the Members at a general meeting or in such manner as the Members may determine.

35.8 The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues, the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Article may be fixed by the Board.

~~35.7~~ No person other than the retiring Auditors shall be appointed as Auditors at any 35.9 annual general meeting unless during a period, being not less than seven days, between a day that is not less than seven days before the date appointed for the meeting and the day after the despatch of the notice of such meeting, notice by a Member qualified to vote at the meeting (not being the person to be proposed) has

been received by the Company of the intention to propose that person to the office of Auditors, and the Company shall send a copy of such notice to the retiring Auditors and shall give notice thereof to the Shareholders not less than 7 days before the annual general meeting provided that the above requirement for sending a copy of such notice to the retiring Auditors may be waived by notice in writing by the retiring Auditors to the Secretary.

36. NOTICES

36.1 Any notice, document or other ~~p~~Publication by the Company (including any “corporate communication” as defined in the Listing Rules) may be given or issued by the following means:

36.1.1 by serving it personally on the relevant person;

36.1.2 by sending it through the post in a prepaid envelope or wrapper addressed to a member at his registered address as appears in the Register (or in the case of other person, to such address as he may provide under Article 36.3);

36.1.3 by delivering or leaving it at such address as aforesaid;

36.1.4 by sending or transmitting it as an Electronic Communication to the relevant person at such electronic address as he may provide under Article 36.3, subject to the Company complying with the Law and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;

36.1.5 by publishing it on the Company’s computer network to which the relevant person may have access, subject to the Company complying with the Law and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person stating that the notice, document or ~~p~~Publication is available on the Company’s computer network (a “**Notice of Publication**”); or

36.1.6 by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with the Law and other applicable laws, rules and regulations.

36.2 All notices required to be given to the Members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register in respect of the joint holding and notice so given shall be sufficient notice to all the Joint Holders.

36.3 Every Member of and holder of debentures of the Company or a person who is entitled to receive notice from the Company under the provisions of the Law or these Articles shall register with the Company an address either in Hong Kong, Jersey or elsewhere and/or an electronic address to which notices can be served upon him and

if any such person shall fail to do so, notice may be served on such person by sending the same in any of the manners mentioned to his last known registered address or electronic address, or if there is none, a notice displayed in the Office shall be deemed to be well serviced on him at the time when it is first so displayed.

36.4 Any notice, document or other ~~p~~Publication (including any “corporate communication” as defined in the Listing Rules) given or issued by or on behalf of the Company:

36.4.1 if served by post, shall be deemed to have been served or delivered on the day following that on which the envelope or wrapper containing the same is put into a post office and in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice, document or ~~p~~Publication was properly addressed, prepaid and put into such post office and a certificate in writing signed by the Secretary or other officer of the Company that the envelope or wrapper containing the notice, document or ~~p~~Publication was so addressed, prepaid and put into the post office shall be conclusive evidence thereof;

36.4.2 if sent or transmitted as an Electronic Communication, shall be deemed to have been served at the time when the notice, document or ~~p~~Publication is transmitted electronically provided that no notification that the Electronic Communication has not reached its recipient has been received by the sender, except that any failure in transmission beyond the sender’s control shall not invalidate the effectiveness of the notice, document or ~~p~~Publication being served;

36.4.3 if published on the Company’s computer network, shall be deemed to have been served on the day on which the notice, document or ~~p~~Publication first so appears on the Company’s computer network to which the relevant person may have access or the day on which the Notice of Publication is deemed to have been served or delivered to such person under these Articles, whichever is later; or

36.4.4 if served or delivered in person, shall be deemed to have been served or delivered at the time of personal service or delivery and in proving of such service or delivery, a certificate in writing signed by the Secretary or other officer of the Company that the notice, document or ~~p~~Publication was so served or delivered shall be conclusive evidence of the service or delivery.

36.5 Any notice or document delivered or sent to any Member in such manner as provided in Article 36.1 shall, if such Member be then deceased, and whether or not the Company has notice of his death, be deemed to have been duly served on his legal personal representative.

36.6 Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including

electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.

37. WINDING UP

37.1 Subject to Article 37.2, the Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

37.2 A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution. App3-21

~~37.43~~ Subject to any particular rights or limitations for the time being attached to any shares as may be specified in these Articles or upon which such shares may be issued if the Company is wound up, the assets available for distribution among the Members shall be applied first in repaying to the Members the amount Paid Up on their shares respectively and if such assets shall be more than sufficient to repay to the Members the whole amount Paid Up on their shares the balance shall be distributed among the Members in proportion to the amount which at the time of the commencement of the winding up had been actually Paid Up on their said shares respectively.

~~37.24~~ If the Company is wound up, the Company may with the sanction of a Special Resolution and any other sanction required by the Law divide the whole or any part of the assets of the Company among the Members in specie and the liquidator or where there is no liquidator the Directors may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members and with the like sanction vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Members as the liquidator or the Directors (as the case may be) with the like sanction determine but no Member shall be compelled to accept any assets upon which there is a liability.

38. INDEMNITY

38.1 In so far as the Law allows, every present or former Officer of the Company shall be indemnified out of the assets of the Company against any loss or liability incurred by him by reason of being or having been such an Officer.

38.2 The Directors may without sanction of the Company in general meeting authorise the purchase or maintenance by the Company for any Officer or former Officer of the Company of any such insurance as is permitted by the Law in respect of any liability which would otherwise attach to such Officer or former Officer.

39. NON-APPLICATION OF STANDARD TABLE

The regulations constituting the Standard Table prescribed pursuant to the Law shall not apply to the Company and are hereby expressly excluded in their entirety.

NOTICE OF ANNUAL GENERAL MEETING



西部水泥

WEST CHINA CEMENT LIMITED

中國西部水泥有限公司

(Incorporated in Jersey with limited liability, with registered number 94796)

(Stock Code: 2233)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of West China Cement Limited (the “**Company**”) will be held at 3/F, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong on Thursday, 25 May 2023 at 11:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass the resolutions (with or without modifications) as ordinary resolutions of the Company.

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and the auditors of the Company for the year ended 31 December 2022.
2. To declare a final dividend of RMB0.067 per ordinary share for the year ended 31 December 2022 to the shareholders of the Company which shall be paid out of the distributable reserve of the Company.
3. To re-elect the following Directors:
 - (a) Mr. Cao Jianshun as an executive Director;
 - (b) Mr. Wang Fayin as an executive Director;
 - (c) Mr. Chu Yufeng as an executive Director;
 - (d) Mr. Zhang Jimin as an executive Director;
 - (e) Mr. Lee Kong Wai Conway as an independent non-executive Director;
 - (f) Mr. Feng Tao as an independent non-executive Director; and
 - (g) Mr. Fan Changhong as a non-executive Director.
4. To authorise the board of Directors to fix the Directors’ remuneration.

NOTICE OF ANNUAL GENERAL MEETING

5. To re-appoint Deloitte Touche Tohmatsu as auditors of the Company and authorise the board of Directors to fix their remuneration.

6. “**THAT:**

(a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and 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 powers be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the share option scheme of the Company approved by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”); or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20% of the total number of issued Shares of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

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

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

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

(iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting; and

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of ordinary shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory outside Hong Kong).”

7. **“THAT:**

- (a) subject to paragraphs (c)–(e) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase (or agree to repurchase) shares in the capital of the Company on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;
- (c) the aggregate number of Shares to be repurchased or agreed to be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of issued Shares of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (d) the minimum price, exclusive of any expenses, which may be paid for a share in the share capital of the Company pursuant to the approval in paragraph (a) above is £0.002 each, being the nominal value of the shares;
- (e) the maximum price, exclusive of any expenses, which may be paid for an ordinary share of the Company pursuant to the approval in paragraph (a) above shall be the higher of:
 - (i) an amount equal to 110% of the average middle market quotation for ordinary shares of the Company taken from the Hong Kong Stock Exchange Daily Official List for five business days immediately preceding the day on which such shares are to be contracted to be purchased; and
 - (ii) the higher of the price of the last independent trade and the highest current independent bid on the Hong Kong Stock Exchange Daily Official List at the time the purchase is carried out; and

NOTICE OF ANNUAL GENERAL MEETING

(f) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
 - (iii) the date on which the authority set out in this resolution is revoked or varied by way of special resolution of the Company in general meeting.”
8. “**THAT** conditional upon the passing of resolutions nos. 6 above and 7 above, the general mandate to the Directors pursuant to resolution no. 6 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company purchased by the Company under the authority granted pursuant to the resolution no. 7, provided that such amount shall not exceed 10% of the total number of issued Shares of the Company as at the date of passing of this resolution.”

SPECIAL RESOLUTION

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

9. “**THAT** the articles of association of the Company be amended in the manner as set out in the circular of the Company dated 24 April 2023 (the “**Circular**”) and the amended and restated articles of association of the Company in the form of the document marked “A” and produced to the Annual General Meeting and for the purpose of identification initialed by the chairman of the Annual General Meeting, which consolidates all the proposed amendments mentioned in the Circular, be approved and adopted as the amended and restated articles of association of the Company in substitution for and to the exclusion of the existing articles of association of the Company with immediate effect and that the Directors be and are hereby authorised to do all things necessary to implement the adoption of the amended and restated articles of association of the Company.”

By Order of the Board
Mr. ZHANG Jimin
Chairman

Hong Kong, 24 April 2023

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) A member entitled to attend and vote at the above meeting may appoint one or, if he holds two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) In the case of joint holders of any Shares such persons shall not have the right of voting individually in respect of such shares but shall elect one of their number to represent them and to vote whether personally or by proxy in their name. In default of such election the person whose name appears first in order in the register of members of the Company in respect of such share shall be the only person entitled to vote in respect thereof.
- (3) In order to be valid, a form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof shall be deposited at the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. The proxy form will be published on the website of the Stock Exchange.
- (4) The register of members of the Company will be closed from 22 May 2023 to 25 May 2023 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the entitlement to attend and vote at the forthcoming Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 19 May 2023.

The register of members of the Company will be closed from 1 June 2023 to 2 June 2023, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–16, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 31 May 2023.