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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your shares in King Stone Energy Group Limited (the “Company”), you should at once hand this circular, together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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## **KING STONE ENERGY GROUP LIMITED**

**金山能源集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00663)**

- (1) GENERAL MANDATES TO ISSUE NEW SHARES  
AND TO REPURCHASE SHARES;**
- (2) RE-ELECTION OF DIRECTORS;**
- (3) RE-APPOINTMENT OF AUDITORS;**
- (4) PROPOSED ADOPTION OF THE NEW ARTICLES OF ASSOCIATION AND**
- (5) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at 17th Floor, V Heun Building, No. 138 Queen's Road Central, Central, Hong Kong at 11:00 a.m. on Thursday, 15 June 2023 is set out on pages 108 to 113 of this circular.

A form of proxy for use at the annual general meeting is enclosed herewith. Whether or not you are able to attend the meeting in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

28 April 2023

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## DEFINITIONS

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

“2022 AGM”	the annual general meeting of the Company held on 6 June 2022
“AGM”	the annual general meeting of the Company to be held at 17th Floor, V Heun Building, No 138 Queen’s Road Central, Central, Hong Kong at 11:00 a.m. on Thursday, 15 June 2023, notice of which is set out on pages 108 to 113 of this circular, or any adjournment thereof
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	King Stone Energy Group Limited, a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Articles of Association” or “Articles of Association”	the existing articles of association of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the total issued share capital of the Company as at the date of passing the relevant resolution as at the AGM

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## DEFINITIONS

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“Latest Practicable Date”	24 April 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Articles of Association”	the new articles of association of the Company proposed to be adopted to replace the Existing Articles of Association with immediate effect after the close of the AGM following the passing of the relevant special resolution at the AGM
“Notice”	the notice convening the AGM as set out on pages 108 to 113 of this circular
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares which shall not exceed 10% of the total number of the issued Shares of the Company as at the date of passing the relevant resolution at the AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“%”	per cent.

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## LETTER FROM THE BOARD

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### KING STONE ENERGY GROUP LIMITED

金山能源集團有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00663)**

*Executive Directors:*

Mr. Xu Zhuliang (*Chairman*)

Mr. Zong Hao (*Chief Executive Officer*)

Ms. He Qing

*Registered office and principal place  
of business in Hong Kong:*

17th Floor, V Heun Building

No. 138 Queen's Road Central

Central, Hong Kong

*Independent non-executive Directors:*

Mr. Chiu Sui Keung

Mr. Lee Ping

Mr. Lee Kwok Wan

28 April 2023

*To the Shareholders*

Dear Sir or Madam,

- (1) GENERAL MANDATES TO ISSUE NEW SHARES  
AND TO REPURCHASE SHARES;  
(2) RE-ELECTION OF DIRECTORS;  
(3) RE-APPOINTMENT OF AUDITORS;  
(4) PROPOSED ADOPTION OF THE NEW ARTICLES OF ASSOCIATION;  
AND  
(5) NOTICE OF ANNUAL GENERAL MEETING**

#### INTRODUCTION

The purpose of this circular is to give you notice of the AGM and to provide you with information regarding the ordinary resolutions to be proposed at the AGM relating to (i) the grant of the Issue Mandate and the Repurchase Mandate; (ii) the re-election of Directors; (iii) the re-appointment of auditors; and (iii) the proposed adoption of the New Articles of Association of the Company.

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## LETTER FROM THE BOARD

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### GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE SHARES

At the 2022 AGM, general mandates were granted to the Directors authorising them, among other matters, (a) to exercise the powers of the Company to allot, issue and deal with new Shares not exceeding 20% of the total number of issued Shares; (b) to repurchase Shares not exceeding 10% of the total number of issued Shares; and (c) to extend the general mandate to issue Shares by the number of Shares purchased under the repurchase mandate mentioned in (b) above. Such general mandates would expire at the earlier of (i) the conclusion of the AGM; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of Hong Kong to be held; or (iii) the date on which the ordinary resolutions approving such mandates are revoked or varied by the Shareholders in a general meeting of the Company.

Accordingly, ordinary resolutions will be proposed at the AGM to grant to the Directors general mandates authorising them, among other matters, (a) to exercise the power of the Company to allot, issue and deal with new Shares not exceeding 20% of the total number of issued Shares as at the date of the passing of such resolution; (b) to repurchase Shares not exceeding 10% of the total number of issued Shares as at the date of the passing of such resolution and (c) subject to the passing of the proposed ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate at the AGM, to extend the Issue Mandate by the number of Shares repurchased under the Repurchase Mandate.

As at the Latest Practicable Date, there were 1,187,258,334 Shares in issue. Subject to the passing of the ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate at the AGM and on the basis that no further Shares will be issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed to issue up to a maximum of 237,451,666 Shares under the Issue Mandate (assuming the Repurchase Mandate has not been utilized) and to repurchase up to a maximum of 118,725,833 Shares under the Repurchase Mandate.

The Directors have no present intention to exercise the Issue Mandate to allot and issue any new Shares other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme as may be proposed by the Company.

An explanatory statement providing all the information required under the Listing Rules regarding the Repurchase Mandate is set out in Appendix I to this circular.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

According to Article 103, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation at every annual general meeting of the Company. A retiring Director shall be eligible for re-election. Pursuant to the Articles of Association, Ms. He Qing and Mr. Lee Kwok Wan will retire from office and, being eligible, offer themselves for re-election at the AGM. At the AGM, an ordinary resolution will be proposed to re-elect Ms. He Qing as an executive Director and Mr. Lee Kwok Wan as an independent non-executive Director.

The nomination committee of the Company (the “**Nomination Committee**”) has assessed and reviewed the independence of all the independent non-executive Directors including those to be re-elected at the AGM. Each of the independent non-executive Directors has given to the Company an annual confirmation of independence based on the independence criteria set out in Rule 3.13 of the Listing Rules. The Board considers each of the independent non-executive Directors continues to meet the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

In reviewing the structure of the Board, the Nomination Committee will consider the structure, size and diversity (including gender, age, cultural and educational background, length of service, skills, knowledge and experience etc.) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy. All appointments to the Board are based on meritocracy and the candidates will be assessed based on criteria such as education background and relevant skills and experience for consideration of the operation of the Board as a whole, with a view to maintaining a sound balance of the Board’s composition.

The Nomination Committee has evaluated the performance of each of the retiring Directors who offered themselves for re-election and found their performance satisfactory. Therefore, the Nomination Committee nominated the retiring Directors, Ms. He Qing and Mr. Lee Kwok Wan, to the Board for it to propose to the Shareholders for re-election at the AGM.

Brief biographical and other details of the above-mentioned Directors offering themselves for re-election at the AGM, which are required to be disclosed under the Listing Rules, are set out in Appendix II to this circular.

### PROPOSED RE-APPOINTMENT OF AUDITORS

Alliance (HK) CPA Limited will retire as the external auditors of the Company at the AGM and, being eligible, offer themselves for re-appointment. The Board (which agreed with the view of the audit committee of the Company) recommended that, subject to the approval of the Shareholders at the AGM, Alliance (HK) CPA Limited be re-appointed as the external auditor of the Company for 2023.

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## LETTER FROM THE BOARD

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### PROPOSED ADOPTION OF THE NEW ARTICLES OF ASSOCIATION

The Board proposes to amend the Articles of Association to (i) bring the Existing Articles of Association in line with the amendments made to the Listing Rules (ii) allow the Company the flexibility to hold general meetings as hybrid meetings where Shareholders may participate by means of electronic facilities in addition to physical attendance; (iii) update and modernize the Articles of Association to reflect the statutory changes following the commencement of Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (the “Companies Ordinance”) since March 2014; and (iv) incorporate certain housekeeping changes.

In view of the substantial number of amendments, the Board proposes that the Company takes this opportunity to adopt a new set of Articles of Association, in substitution for and to the exclusion of the Existing Articles of Association with effect from the date of the passing of the relevant special resolution at the AGM.

The principal amendments proposed can be broadly summarised as follows:

- (a) to allow all general meetings to be held in hybrid format (physical attendance and virtual attendance by electronic means);
- (b) to include additional details to be specified in a notice of general meeting to allow general meetings to be held at one or more meeting locations, or in hybrid format;
- (c) to allow for general meetings to be held in multiple locations or in hybrid format at the same time and to amend the powers of the Board and the Chairman relating to these arrangements;
- (d) to allow the execution and delivery of instruments appointing proxies by electronic means and authentication processes;
- (e) to provide for voting by electronic means;
- (f) to remove the provisions in the Company’s former Memorandum of Association in its entirety;
- (g) to remove all references in relation to nominal value of shares and where appropriate, substituting such references by references to voting rights of shares;
- (h) to remove all references relating to authorised share capital, par value, share premium, share premium account and capital redemption reserve or similar or related wordings and concepts in the Articles of Association;



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## LETTER FROM THE BOARD

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- (i) to require the Board to give the reasons for declining to register a share transfer if requested by the transferor or transferee
- (j) to abolish the Company's power to convert any shares into stock (or vice versa);
- (k) to amend the manner in which the Company may alter its share capital, in light of the abolition of nominal value for shares and the provisions of the Companies Ordinance relating to the permitted alteration and reduction of share capital;
- (l) to prescribe the manner and form in which notices and documents may be sent to the Shareholders and the time when notices and documents are deemed to be delivered under the Companies Ordinance;
- (m) to insert new definitions and make consequential changes relating to the amendments proposed; and
- (n) other ancillary and housekeeping amendments to the Articles of Association.

Accordingly, a special resolution will be proposed at the AGM for the Shareholders to consider and, if thought fit, approve the adoption of the New Articles of Association by the Company.

Full terms of the proposed changes brought about by the adoption of the New Articles of Association when compared with the Existing Articles of Association are set out in Appendix III to this circular. The Chinese translation of the proposed New Articles of Association is for reference only. In case there is any discrepancy or inconsistency between the English and Chinese versions, the English version shall prevail.

The legal advisers to the Company have confirmed that the proposed amendments to the Existing Articles of Association as set out in Appendix III of this circular conform with the requirements under the Listing Rules and the laws of the Hong Kong. The Company confirms that there is nothing unusual about the proposed amendments for a company listed in Hong Kong.

### **ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT**

The Notice is set out on pages 108 to 113 of this circular at which resolutions will be proposed, among other matters, to approve the grant of the Issue Mandate and the Repurchase Mandate, re-election of Directors, re-appointment of auditors and adoption of the New Articles of Association.

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## LETTER FROM THE BOARD

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A form of proxy for use at the AGM is enclosed herewith. Whether or not you propose to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the AGM or any adjourned meeting thereof. Completion and return of the form of proxy will not prevent you from attending and voting at the AGM or any adjourned meeting thereof (as the case may be) should you wish to do so.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll (except where the resolution relates purely to a procedural or administrative matter which may be voted on by a show of hands) and accordingly, all resolutions proposed at the AGM will be taken by poll. To the best of the Directors' knowledge, information and belief, no Shareholder is required to abstain from voting on the ordinary resolutions to be proposed at the AGM pursuant to the Listing Rules and/or the Articles of Association.

The Board confirmed that to the best of their knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he, she or it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his, her or its Shares to a third party, either generally or on a case-by-case basis.

### **VOTING BY POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, any resolution put to the vote of the Shareholders at a general meeting shall be decided on a poll except where the chairman of the AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of the AGM will be taken by way of poll. On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorized representative, shall have one vote for every fully paid Share of which he/she is the holder. A shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she used in the same way.

### **RESPONSIBILITY STATEMENT**

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

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors consider that the resolutions as set out in the AGM Notice, including the resolutions for the grant of the Issue Mandate and the Repurchase Mandate, the re-election of the retiring Directors, re-appointment of auditors and adoption of the New Articles of Association, are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

### CLOSURE OF REGISTER OF MEMBERS

The forthcoming AGM is scheduled to be held on Thursday, 15 June 2023. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 12 June 2023 to Thursday, 15 June 2023, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, 9 June 2023.

### OTHER INFORMATION

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

Yours faithfully  
By order of the Board of  
**KING STONE ENERGY GROUP LIMITED**  
**Xu Zhuliang**  
*Chairman*

This appendix serves as an explanatory statement as required by the Listing Rules and also constitutes the memorandum required under section 239 of the Companies Ordinance to provide the requisite information to you for your consideration of the Repurchase Mandate.

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,187,258,334 Shares. Subject to the passing of the ordinary resolution to approve the Repurchase Mandate at the AGM and on the basis that no further Shares will be issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase up to a maximum of 118,725,833 fully paid up Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date.

## **2. REASONS FOR THE REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of the net assets and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

## **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association and the laws of Hong Kong. A share repurchase may only be made out of the distributable profits of the Company and/or the proceeds of a new issue of Shares.

As compared to the financial position of the Company as at 31 December 2022 (being the date of the Company's latest audited accounts), the Directors consider that the repurchases of securities could have a material adverse impact on the working capital and the gearing position of the Company in the event that the Repurchase Mandate were to be exercised in full during the proposed repurchase period. The Directors do not, however, propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## **4. DISCLOSURE OF INTERESTS**

None of the Directors, nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate if it is approved by the Shareholders.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company or its subsidiaries, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

## 5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that if they shall exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate they will exercise the same in accordance with the Listing Rules and the laws of Hong Kong and all applicable laws.

## 6. SHARE PRICES

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

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2022</b>		
April	0.335	0.241
May	0.310	0.265
June	0.315	0.280
July	0.295	0.265
August	0.300	0.260
September	0.315	0.255
October	0.290	0.255
November	0.315	0.255
December	0.375	0.255
<b>2023</b>		
January	0.310	0.211
February	0.280	0.250
March	0.280	0.250
April (up to the Latest Practicable Date)	0.270	0.249

## 7. SHARE REPURCHASE MADE BY THE COMPANY

Neither the Company nor any of its subsidiaries has repurchased any of the Company's listed securities during the six months immediately prior to the Latest Practicable Date.

**8. EFFECT OF THE TAKEOVERS CODE**

If a shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors exercising the powers of the Company to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the Directors' information, belief and knowledge, (i) Belton Light Limited, which is wholly owned by Jade Bird Energy Fund II, L.P., is able to exercise or control the exercise of approximately 30.11% of the voting rights in general meeting of the Company; (ii) Goldsino Investments Limited, which is wholly owned by Team Collection Limited and in turn wholly owned by Ms. Xu Mengran, is able to exercise or control the exercise of approximately 22.09% of the voting rights in general meeting of the Company. Save as aforesaid, no other Shareholder held more than 10% of the Shares in issue as at the Latest Practicable Date. Accordingly, on the basis that there is no change in shareholding structure, an exercise of the Repurchase Mandate in full would give rise to an obligation on Belton Light Limited to make a mandatory general offer under Rule 26 of the Takeovers Code. However, the Directors have no present intention to exercise the Repurchase Mandate to the extent that such obligation would be triggered. Save as the foregoing, the Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any purchase made under the Repurchase Mandate.

The Directors have no present intention to exercise the Repurchase Mandate to such an extent that would result in the Company failing to comply with the public float requirements under Rule 8.08 of the Listing Rules.

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## APPENDIX II      DETAILS OF DIRECTORS TO BE RE-ELECTED AT THE AGM

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The details of the Directors who will retire from office by rotation at the AGM and being eligible, would offer themselves for re-election at the AGM, are set out below:

### **Ms. He Qing – Executive Director**

Ms. He Qing (“**Ms. He**”), aged 54, graduated from China University of International Business and Economics with a Bachelor Degree in Chinese. From May 1993 to October 1994, Ms. He was the chief financial officer of Beijing Zhongzhilu Business Conference Service Company Limited. From October 1994 to October 2009, she was the chief financial officer of Beijing Foreign Enterprise Air Service Co., Ltd.. Since October 2009, Ms. He has been the vice president of Beijing Beida Jade Bird Co., Ltd., responsible for investment management. She has over 21 years of experience in finance and corporate management. She was appointed as the executive director of the Company on 18 April 2017 and is a member of the remuneration committee of the Company.

Save as disclosed above, Ms. He does not hold any position with the Group. Ms. He does not hold any other major appointments and has not held any position or directorships in any other listed public companies during last three years preceding the Latest Practicable Date.

There is no service contract between Ms. He and the Company. Her remuneration was HK\$1,200,000 for the year ended 31 December 2022 with reference to the prevailing market rate and her duties and responsibilities in the Company.

As confirmed by Ms. He, she does not have any relationships with any directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. As at the Latest Practicable Date, Ms. He does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. He is not aware of any other matters that need to be brought to the attention of the Shareholders nor is there any information to be disclosed by the Company pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Mr. Lee Kwok Wan – Independent Non-Executive Director**

Mr. Lee Kwok Wan (“**Mr. Lee**”), aged 59, graduated with a Master in Finance in 1989 from Macquarie University and has more than 30 years of experience in merger and acquisitions, manufacturing, banking, and investment management. He also has an in-depth knowledge and experience of a wide array of business sectors having worked as both the vice president in Beijing and consultant in Hong Kong of Elion Resources group, after being acted as the director of China-Ukraine Fund and Association, senior vice president of private equity in charge of operations of Jin Dou Development Fund under the platform of China Investment Corporation (CIC) in Kazakhstan, and held a series of management positions with multinational companies and OCBC Baking Group of Singapore in Singapore, Malaysia, Abu Dhabi of United Arab Emirates, Germany, Hong Kong, Kazakhstan and China. Currently, he is the general manager of Heritage Resources Limited which serves as a private equity fund service provider platform. He was appointed as the independent non-executive director of the Company on 8 November 2019 and is a member of the audit committee, nomination committee and remuneration committee of the Company.

Save as disclosed above, Mr. Lee does not hold any position with the Group. Mr. Lee does not hold any other major appointments and has not held any position or directorships in any other listed public companies during last three years preceding the Latest Practicable Date.

There is no service contract between Mr. Lee and the Company. His remuneration was HK\$189,000 for the year ended 31 December 2022 which is determined with reference to the prevailing market rate and his duties and responsibilities in the Company.

As confirmed by Mr. Lee, he does not have any relationships with any directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. As at the Latest Practicable Date, Mr. Lee does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Lee is not aware of any other matters that need to be brought to the attention of the Shareholders nor is there any information to be disclosed by the Company pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.



THE COMPANIES ORDINANCE (Chapter 32622)

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**Public Company Limited by Shares**

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**NEW ARTICLES OF ASSOCIATION**

*(As adopted by Special Resolution passed on 6-11-1990,  
further amended by Ordinary and Special Resolutions passed on 31-5-1993,  
amended by Ordinary Resolution passed on 17-6-1994,  
amended by Special Resolutions passed on 28-6-1996,  
amended by Special Resolutions passed on 31-5-1999,  
amended by Ordinary Resolution passed on 28-5-2002,  
amended by Special Resolutions passed on 30-5-2003,  
amended by Special Resolutions passed on 11-6-2003,  
amended by Special Resolution passed on 8-6-2004,  
amended by Special Resolution passed on 30-5-2007,  
amended by Special Resolution passed on 20-12-2007,  
amended by Special Resolution passed on 5-6-2009, and  
amended by Special Resolution passed on 24-6-2011)*

OF

**KING STONE ENERGY GROUP LIMITED**

(金山能源集團有限公司)

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**Preliminary**

- I. The name of the Company is “KING STONE ENERGY GROUP LIMITED (金山能源集團有限公司)”.
- II. The liability of the members is limited.
- III. The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

**Table “A”**

- IV.1. ~~The regulations contained in Table A~~ model articles set out in Schedule 1 to the ~~First Schedule to the Companies Ordinance (Model Articles) Notice (Chapter 622H of the laws of Hong Kong)~~ shall not apply to the Company. Other regulations excluded

**Interpretation**

21. The marginal notes to these Articles shall not be deemed to be part of these Articles and shall not affect their interpretation and in the interpretation of these Articles, unless there be something in the subject or context inconsistent therewith:– Marginal notes not affecting interpretation

“Hong Kong” shall mean Hong Kong;

~~Hong Kong~~

“the Company” or “this Company” shall mean KING STONE ENERGY GROUP LIMITED (金山能源集團有限公司);<sup>Note 1</sup>

~~the Company;  
this Company~~

“the Companies Ordinance” or “the Ordinance” shall mean the Companies Ordinance (Chapter ~~32-622~~ of the laws of Hong Kong) and any amendments thereto or re-enactment thereof for the time being in force and includes every other ordinance incorporated therewith or substituted therefor and in the case of any such substitution the references in these Articles to the provisions of the Ordinance shall be read as references to the provisions substituted therefor in the new Ordinance;

~~The Companies Ordinance;  
the Ordinance~~

~~these Articles;  
these presents~~

“these Articles” or “these presents” shall mean these Articles of Association in their present form and all supplementary, amended or substituted articles for the time being in force;

“associate” shall have the meaning ascribed to it under the Listing Rules;

~~capital~~

“capital” shall mean the share capital from time to time of the Company;

“electronic communication” shall mean a communication sent, transmitted, conveyed and received by electronic means in any form through any medium;

“electronic facilities” shall include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise);

“electronic means” shall include sending or otherwise making available to the intended recipients of the communication an electronic communication;

“hybrid meeting” shall mean a general meeting convened for (i) physical attendance by members and/or proxies at the Principal Meeting Place and, where applicable, one or more Meeting Location(s); and (ii) virtual attendance and participation by members and/or proxies by means of electronic facilities;

~~Listing Rules~~ “Listing Rules” shall mean the Rules Governing the Listing of Securities on the Stock Exchange;<sup>Note 9</sup>

“Meeting Location” shall have the meaning given to it in Article 68;

“physical meeting” shall mean a general meeting convened for physical attendance and participation by members and/or proxies at the Principal Meeting Place and, when applicable, one or more Meeting Location(s);

“Principal Meeting Place” shall have the meaning given to it in Article 62;

~~clearing house~~ “recognised clearing house” shall mean a company recognised as a clearing house within the meaning of Part 1 of Schedule 1 under Section 37(1) of the Securities and Future Ordinance (Chapter 571 of the laws of Hong Kong)<sup>Note 2</sup>

~~share~~ “Share” shall mean share in the capital of the Company ~~and includes stock except where a distinction between stock and share is expressed or implied;~~

~~shareholders; members~~ “Shareholders” or “members” shall mean the duly registered holders from time to time of the shares in the capital of the Company;

~~the register~~ “the register” shall mean the register of members and includes any branch register to be kept pursuant to the provisions of the Companies Ordinance;

<del>the Board</del>	“the Board” shall mean the Directors from time to time of the Company or (as the context may require) the majority of Directors present and voting at a meeting of the Directors;
<del>business day</del>	“business day” shall mean a day on which the Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Articles be counted as a business day; <sup>Note 9</sup>
<del>Secretary</del>	“Secretary” shall mean the person or corporation for the time being performing the duties of that office;
<del>Auditors</del>	“Auditors” shall mean the persons for the time being performing the duties of that office;
<del>the Chairman</del>	“the Chairman” shall mean the Chairman presiding at any meeting of members or of the Board;
<del>Stock Exchange</del>	“Stock Exchange” The Stock Exchange of Hong Kong Limited;
<del>call</del>	“call” shall include any instalment of a call;
<del>seal</del>	“seal” shall mean the common seal from time to time of the Company and includes, unless the context otherwise requires, any official seal that the Company may have as permitted by these Articles and the Ordinance;
<del>dividend</del>	“dividend” shall include scrip dividends, distributions in specie or in kind, capital distributions and capitalisation issues, if not inconsistent with the subject or context;
<del>dollars</del>	“dollars” and “\$” shall mean dollars in the lawful currency of Hong Kong;
<del>month</del>	“month” shall mean a calendar month;

writing;  
printing

“writing” or “printing” shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing or reproducing words or figures in a visible form or any visible substitute for writing (including an electronic communication) or modes of representing or reproducing words partly in one visible form and partly in another visible form, and including without limitation where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and any requisite member’s election comply with any applicable Ordinance, rules and/or regulations ~~include writing, printing, lithograph, photography, typewriting and every other mode of representing words or figures in a legible and non-transitory form;~~

“associate(s)” shall have the same meaning attributed to it in the Rules Governing the Listing of Securities on the Stock Exchange;<sup>Note 3</sup>

associate

“newspaper” means a newspaper published daily and circulating generally in Hong Kong and specified in the list of newspapers issued and published in the Gazette for the purposes of Section 71A of the Companies Ordinance by the Chief Secretary;

newspaper

References to a “meeting” shall mean a meeting convened and held in any manner permitted by these Articles and any member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Ordinance and these Articles, and attend, participate, attending, participating, attendance and participation shall be construed accordingly.

References to a person’s participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Ordinance or these Articles to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly.

References to a “document” (including, but without limitation, a resolution in writing) being signed or executed include references to it being signed or executed under hand or under seal or by electronic signature or by electronic communication or by any other method and references to a “notice” or “document” include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.

word denoting the singular shall include the plural and words denoting the plural shall include the singular;

singular and  
plural

words importing any gender shall include every gender; and

gender

words importing persons shall include partnerships, firms, companies and corporations.

persons and  
companies

Subject as aforesaid, any words or expressions defined in the Ordinance (except any statutory modification thereof not in force when these Articles become binding on the Company) shall, if not inconsistent with the subject and/or context, bear the same meaning in these Articles, save that “company” shall where the context permits include any company incorporated in Hong Kong or elsewhere.

Ordinance to  
bear same  
meaning in  
Articles

References to any Article by number are to the particular Article of these Articles.

References to  
Articles

### Share Capital and Modification of Rights

~~3. The authorised share capital of the Company is HK\$1,500,000,000 divided into 15,000,000,000 shares of HK\$0.10 each or such other amounts as the members may in general meeting by ordinary resolution determine from time to time.~~<sup>Note 10</sup>

Capital

42. Without prejudice to any special rights or restrictions for the time being attaching to any shares or any class of shares, any share may be issued upon such terms and conditions and with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine) and any preference share may, with the sanction of a special resolution, be issued on the terms that it is, or at the opinion of the Company or the holder thereof is liable, to be redeemed. Classes of share unlimited
53. (A) Without prejudice to any special rights conferred on the holders of any existing shares, the shares in the original or any increased capital of the Company may, subject to the provisions of the Companies Ordinance, be divided into different classes of shares as the Company may from time to time determine by a special resolution in an extraordinary general meeting. Division of shares into classes
- (B) All or any of the special rights (unless otherwise provided for by the terms of issue of the relevant shares or class of shares) attached to the shares or any class of the shares (if the capital is divided into different classes of shares) may, subject to the provisions of ~~Section 64 of the Companies Ordinance,~~ be varied or abrogated either with the consent in writing of the holders of not less than three-fourths of the total voting rights in nominal value of the issued shares or (if the capital is divided into different classes of shares) issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares or (if the capital is divided into different classes of shares) shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be not less than two persons holding or representing by proxy one-third in nominal value of the issued shares of that class, and at an adjourned meeting or a postponed meeting one person holding shares of that class or his proxy.<sup>Note 9</sup> Variation of class rights

Variation of a part of a class

(C) The provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the rights whereof are to be varied.

Issuing of new shares of same class not a variation

(D) The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue or further shares ranking *pari passu* therewith.

Warrants

(E) The Board may issue warrants to subscribe for any class of shares or securities of the Company on such terms as it may from time to time determine. Where warrants are issued to bearer, no new warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed and the Company has received an indemnity in such form as the Board shall think fit with regard to the issue of any such warrant.

**Shares and Increase of Capital**

Company not to finance purchase of own shares

64. The Company may exercise any powers conferred on the Company or permitted by or not prohibited by or not inconsistent with the Ordinance or any other applicable ordinance, statute, act or law from time to time to purchase or otherwise, acquire shares and warrants in the Company or to give, directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any shares or warrants in the Company and should the Company purchase or otherwise, acquire its own shares or warrants neither the Company nor the Directors shall be required to select the shares or warrants to be purchased or otherwise acquired rateably or in any other particular manner as between the holders of shares or warrants of the same class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such purchase or acquisition or financial assistance shall only be made or given in accordance with any relevant rules or regulations issued by ~~The~~the Stock Exchange or the Securities and Futures Commission from time to time in force.<sup>Note-4</sup>



Company may increase share capital

7.5. The Company in general meeting may from time to time, ~~whether or not all the shares for the time being authorised shall have been issued and~~ whether or not all the shares for the time being issued shall have been fully paid up, by Ordinary Resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

Terms and rights, etc of new shares

86. Any new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, subject to the provisions of the Companies Ordinance and of these Articles, as the Board shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a special or without any right of voting.

Company may offer to existing members before issue

97. The Company may by ordinary resolution, before the issue of any new shares, determine that the same or any of them, shall be offered in the first instance, ~~and either at par or at a premium,~~ to all the existing holders of any class of shares in proportion as nearly as may be to the number of shares of such class held by them respectively, or make any other provisions as to the issue and allotment of such shares, but in default of any such determination or so far as the same shall not extend, such shares may be dealt with as if they formed part of the capital of the Company existing prior to the issue of the same.

108. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company and such shares shall subject to the provisions contained in these Articles with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.

New capital to form part of original; New shares subject to Articles

- ~~119.~~ Subject to the provisions of the Companies Ordinance ~~(and in particular Section 57B thereof)~~ and of these Articles relating to new shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and generally on such terms as the Board shall in its absolute discretion think fit, ~~but so that no shares shall be issued at a discount, except in accordance with the provisions of the Companies Ordinance.~~
- Unissued shares at disposal of Board
- ~~1210.~~ The company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that the conditions and requirements of the Companies Ordinance shall be observed and complied with, and in each case the commission shall not exceed ten per cent, of the price at which the shares are issued in connection with the issue of new shares or securities of any class exercise all powers of paying commission or brokerage as permitted by the Companies Ordinance.
- Company may pay commission for share subscription
- ~~13.~~ If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in the Companies Ordinance, and may charge the sum so paid by way of interest to capital as part of the cost of construction of the works or buildings or the provision of plant.
- Interest on capital in lengthened non-profitable use

~~14~~11. Except as otherwise expressly provided by these Articles or as required by law or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any share upon any trust and, except as aforesaid, the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or any other right or claim to or in respect of any share except an absolute right to the entirety thereof of the registered holder.

Trust and other  
interests in  
shares not  
recognised

#### **Register of Members and Share Certificates**

- ~~15~~12. (A) The Board shall cause to be kept a register of the members and there shall be entered therein the particulars required under the Companies Ordinance.
- (B) Subject to the provisions of the Companies Ordinance, if the Board considers it necessary or appropriate, the Company may establish and maintain a branch register of members at such location outside Hong Kong as the Board thinks fit.

Register of  
members

Branch register of  
members

~~1613.~~ Subject to such shorter period as may be prescribed from time to time by the Stock Exchange in the case of any shares listed on the Stock Exchange, ~~Every~~ every person whose name is entered as a member in the register shall be entitled without payment to receive within twenty-one days after allotment or 10 business days after lodgement ~~lodgement~~ of any duly stamped and valid transfer of any shares (or within such other period of time as the conditions of issue shall provide), one certificate for all his shares of one class or several certificates each for one or more of his shares of such class upon payment of such fee, not more than the maximum fee prescribed or permitted from time to time by the Stock Exchange, for every certificate as the Board shall from time to time determine, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders. ~~a transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or, if he shall so request, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming a stock exchange board lot, upon payment, in the case of a transfer, of \$2 (or such higher amount as may from time to time be permitted under the rules prescribed by the Stock Exchange) for every certificate after the first or such lesser sum as the Board shall from time to time determine, such number of certificates for shares in stock exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders. For the purpose of this Article “business days” means any day on which the Stock Exchange is open for the business of dealing in securities, and “transfer” means a transfer duly stamped and otherwise valid, and does not include such transfer as the Company is for any reason entitled to refuse to register and does not register.~~<sup>Note 3</sup>

Members' right to  
Share certificate

Share certificates to be sealed

~~17~~14. Every certificate for shares or debentures or representing any other form of securities of the Company shall be issued under the seal of the Company and affixed with the authority of the Directors, which for this purpose may be any official seal as permitted by ~~Section 73A of the Ordinance.~~

Certificates to specify number and class of shares

~~18~~15. Every share certificate hereafter issued shall specify the number, ~~and class~~ and distinguishing numbers (if any) of shares in respect of which it is issued and the amount paid thereon and may otherwise be in such form as the Board may from time to time prescribe. ~~If at any time the share capital of the Company is divided into different classes of shares, every share certificate shall comply with Section 57A of the Ordinance.~~ A share certificate shall relate to only one class of shares.

Maximum number of joint holders

~~19~~16. (A) The Company shall not be bound to register more than four persons as joint holders of any share.

Notice of 1<sup>st</sup> named holder only

(B) If any share shall stand in the names of two or more persons, the person first named in the register shall be deemed the sole holder thereof as regard service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the share.

Replacement of share certificates

~~20~~17. If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, not exceeding \$2.00 (or such higher amount as may from time to time be permitted under the rules prescribed by the Stock Exchange) and on such terms and conditions, if any, as to publication of notices, evidence and indemnity as the Board thinks fit and in the case of wearing out or defacement, after delivery up of the old certificate. In the case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Company any exceptional costs and the reasonable out-of-pocket expenses incidental to the investigation by the Company of the evidence of such destruction or loss and of such indemnity.

**Lien**

Company's  
lien on partly  
paid shares

~~21~~18. The Company shall have a first and paramount lien on every share (not being a fully paid up share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share; and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid up shares) standing registered in the name of a member, whether singly or jointly with any other person or persons, for all the debts and liabilities of such member or his estate to the Company and whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends and bonuses declared in respect thereof. The Board may at any time either generally or in any particular case waive any lien that has arisen, or declare any share to be exempt wholly or partially from the provisions of this Article.

Sale of shares  
subject to lien

~~22~~19. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the shares or the person entitled by reason of such holders's death, bankruptcy or winding-up to the shares.

2320. The net proceeds of such sale after the payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability or engagement in respect whereof 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. For giving effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof and may enter the purchaser’s name in the register as holder of the 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 in reference to the sale.

Application of proceeds of sale

**Calls on Shares**

2421. The Board may from time to time make such calls as it may think fit upon the members in respect of any monies unpaid on the shares held by them respectively (~~whether on account of the nominal value of shares or by way of premiums~~) and not by the conditions of allotment thereof made payable at fixed times. A call may be made payable either in one sum or by instalments and may be revoked or postponed as the Board may determine (as to all or any of the members).

Call on shares

2522. ~~At least Fourteen~~ fourteen days’ notice at least of any call shall be given specifying the time and place of payment and to whom such call shall be given specifying the time and place of payment and to whom such call shall be paid.

Notice of call

2623. A copy of the notice referred to in Article ~~25~~ 22 shall be sent to members in the manner in which notices may be sent to members by the Company as herein provided.

Sending of notice of call

2724. In addition to the giving of notice in accordance with Article ~~26~~ 23, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members by notice to be inserted once in The Hongkong Government Gazette and once at least in an English language newspaper (in English) and in a Chinese language newspaper (in Chinese).

Notice of call may be advertised

2825. Every member upon whom a call is made shall pay the amount of every call so made on him to the person and at the time or times and place or places as the Board shall appoint. Payment of call
2926. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed. Call deemed made at resolution
3027. The joint holders of a share shall be severally as well as jointly liable for the payment of all calls and instalments due in respect of such share or other moneys due in respect thereof. Liability of joint holders
3128. The Board may from time to time at their discretion extend the time fixed for any call, and may extend such time as regards all or any of the members, whose registered address is outside Hong Kong or other cause the Board may deem entitled to any such extension but no member shall be entitled to any such extension except as a matter of grace and favour. Board may extend time fixed for call
3229. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest for the same at such rate not exceeding twenty per cent per annum as the Board shall fix from the day appointed for the payment thereof to the time of the actual payment, but the Board may waive payment of such interest wholly or in part. Interest on call due unpaid
3330. No member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another member) at any general meeting, either personally, or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member until all calls or instalments due from him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid. Suspension of rights while call unpaid



Evidence in  
action on call

3431. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register as the holder, or one of the holders, of the shares in respect of which such debt accrued; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member sued, in pursuance of these Articles, and it shall not be necessary to prove the appointment of the Board who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Sum payable  
on allotment  
deemed called  
up

3532. Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date, whether on account of the nominal value of the share and/or by way of premium, shall for all purposes of these Articles be deemed to be a call duly made, notified, and payable on the date fixed for payment, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture and the like, shall apply as if such sums had become payable by virtue of a call duly made and notified. The Directors may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the time of payment.

Advance  
payment by  
members

3633. The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the moneys so advanced the Company may pay interest at such rate (if any) not exceeding twenty per cent per annum as the Board may decide provided that until a call is made any payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the share or due portion of the share upon which payment has been advanced by such members before it is called up. The Board may at any time repay the amount so advanced upon giving to such member not less than one month's notice in writing of their intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced.

**Transfer of shares**

Form of transfer      3734. All transfers of shares may be effected by an instrument of transfer in the usual or common form or in such other form as the Board may accept and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time. All instruments of transfer must be left at the registered office or at such other place as the Board may appoint.<sup>Note-5</sup>

Execution and registration of transfer      3835. The instrument of transfer of any share shall be executed by or no behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect thereof.

Directors may refuse to register a transfer      3936. The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share, not being a fully paid share to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register a transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.

Conditions of recognising instrument of transfer      4037. The Board may also decline to recognise any instrument to transfer unless:—

- (i) a fee of \$2.00 (or such higher sum as may from time to time be permitted under the rules prescribed by the Stock Exchange) is paid to the Company in respect thereof;
- (ii) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

- (iii) the instrument of transfer is in respect of only one class of share;
- (iv) the shares concerned are free of any lien in favour of the Company; and
- (v) the instrument of transfer is properly stamped.

~~4138.~~ No transfer shall be made to an infant or to a person of unsound mind or under other legal disability. No transfer to persons of incapacity

~~4239.~~ (i) If the Board shall refuse to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal; (ii) if the Board declines to register a transfer, the transferor or transferee may request a statement of the reasons for the refusal; (iii) if a request made under paragraph (ii), the Board shall, within 28 days after receiving the request, (a) send the transferor or transferee who made the request a statement of the reasons for the refusal; or (b) register the transfer. Notice of refusal

~~4340.~~ Upon every transfer of shares, the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued without charge to the transferee in respect of the shares transferred to him, and if any of the shares included in the certificate so given up shall be retained by the transferor a new certificate in respect thereof shall be issued to him without charge. The Company shall also retain the transfer. Old and new share certificates on transfer

~~4441.~~ The registration of transfers may be suspended and the register closed at such times and for such periods as the Board may from time to time determine, provided always that such registration shall not be suspended or the register closed for more than thirty days in any year or, with the approval of the Company in general meeting, sixty days in any year. Closing of register and suspension of transfer

**Transmission of Shares**

4542. In the case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives 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 herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
4643. Any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a member may, upon such evidence as to his title being produced as may from time to time be required by the Board, and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy or winding, as the case may be.
4744. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall testify his election by executing a transfer of such share to his nominee. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death, bankruptcy or winding-up of the member had not occurred and the notice or transfer were a transfer executed by such member.

Title to and liability for shares of deceased holder

Registration of new holder on death etc of members

Election by notice or transfer subject to these presents

4845. A person becoming entitled to a share by reason of the death, bankruptcy or winding-up of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not, before being registered as a member in respect 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 ninety days the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirement of the notice have been complied with.

Rights before registration

**Forfeiture of Shares**

Notice requiring payment of unpaid call

4946. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, without prejudice to the provisions of Article 3330, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment.

Form of notice

5047. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and it shall also name the place where payment is to be made, such place being either the registered office of the Company, or some other place at which calls of the Company are usually made payable. The notice shall also state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

Non-compliance

5148. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture. The Directors may accept the surrender of any shares liable to be forfeited hereunder and in such cases references in these Articles to forfeiture shall include surrender.

Shares forfeited deemed property of Company

5249. Any share so forfeited shall be deemed to be the property of the Company, and may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Board thinks fit.

Membership but not liability ceases on forfeiture

5350. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding twenty per cent. per annum as the Board may prescribe, and the Board may enforce the payment thereof if it thinks fit, and without any deduction or allowance for the value of the shares, at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Article any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, ~~whether on account of the nominal value of the share or by way of premium,~~ shall notwithstanding that time has not yet arrived be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.

Evidence of forfeiture and transfer of forfeited shares

5451. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited or surrendered on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Notice and registration of forfeiture

5552. When any share shall have been forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry.

5653. Notwithstanding any such forfeiture as aforesaid the Board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, cancel the forfeiture on such terms as the Board thinks fit or permit the share so forfeited to be bought back or redeemed upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit.

Board may cancel forfeiture etc

5754. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.

Right of Company to payment not prejudiced

5855. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by terms of issue of a share, becomes payable at a fixed time, ~~whether on account of the nominal value of the share or by way of premium,~~ as if the same had been payable by virtue of a call duly made and notified.

Forfeiture of shares for non-payment

**Stock**

- 59. ~~The Company may by ordinary resolution convert any fully paid up shares into stock, and may from time to time by like resolution reconvert any stock into fully paid up shares of any denomination. After the passing of any resolution converting all the fully paid up shares of any class into stock any shares of that class which subsequently become fully paid up and rank pari passu in all other respects with such shares shall, by virtue of this Article and such resolution, be converted into stock transferable in the same units as the shares already converted.~~ Conversion of shares and stock
  
- 60. ~~The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations as and subject to which the shares from which the stock arose might prior to conversion have been transferred or as near thereto as circumstances admit, but the Board may from time to time, if it thinks fit, fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose. No warrants to bearer shall be issued in respect of any stock.~~ Transfer of stock and no bearer stock warrant
  
- 61. ~~The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding up, voting at meetings, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.~~ Rights of stock holders
  
- 62. ~~Such of the provisions of these presents as are applicable to paid up shares shall apply to stock, and the words “share” and “shareholder” therein shall include “stock” and “stockholder”.~~ Interpretation



**Alterations of Capital**

6356. (A) The Company may from time to time, by ordinary resolution, increase its share capital by allotting and issuing new shares or without allotting and issuing new shares (provided that the funds or other assets for the increase are provided by the members), or allot and issue bonus shares with or without increasing its share capital. Where new shares are allotted, the allotment shall be subject to the restrictions on the power of the Board to allot shares as contained in the Ordinance. All new shares shall be subject to the provisions of the Ordinance and of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.
- Alteration of share capital

The Company may by ordinary resolution:

- (i) convert all or any of its shares into a larger or smaller number of shares;
- (ii) capitalize its profits, with or without allotting and issuing new shares;
- (iii) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, or which have been forfeited, and diminish the amount of its capital by the amount of the shares so cancelled;
- (iv) convert its share capital or any class of shares from one currency to another currency.

~~The Company may from time to time by Ordinary Resolution:-~~

- ~~(i) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; on any consolidation of fully paid shares into shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares ratably in accordance with their rights and interest or may be paid to the Company for the Company's benefit;~~
- ~~(ii) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;~~
- ~~(iii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled;~~

(iv) ~~sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies Ordinance, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such subdivision, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares; and~~

(v) ~~make provision for the issue and allotment of shares which do not carry any voting rights.~~

Reduction of  
share capital

(B) The Company may by special resolution reduce its issued share capital, ~~any capital redemption reserve fund or any share premium account~~ in any manner authorised and subject to any conditions prescribed by ~~law~~ the Companies Ordinance.

### General Meetings

Annual general  
meeting

6457. ~~Subject to the provisions of the Companies Ordinance, The the~~ Company shall in respect of each financial year hold a general meeting as its annual general meeting in addition to any other meeting ~~in that year~~ and shall specify the meeting as such in the notice calling it; ~~and not more than fifteen months or such longer period as the Registrar of Companies may in any particular case authorise in writing shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Board shall appoint.~~

Other Time  
and place for  
general  
meetings

6558. All ~~general meetings, whether other than annual general meetings or other general meetings,~~ shall be ~~called extraordinary general meetings~~ held at such time and place as the Board shall appoint.

Convening of  
extraordinary  
general  
meeting

6659. The Board may, whenever it thinks fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on requisition, as provided by the Companies Ordinance, or, in default, may be convened by the requisitionists.

6760. Subject to such other minimum period as may be specified in the Listing Rules from time to time: (a) an annual general meeting shall be called by not less than twenty-one days' notice in writing ~~or twenty clear business days' notice, whichever is the longer;~~ (b) ~~a meeting called for the passing of a special resolution shall be called by not less than twenty-one days' notice; and (eb)~~ a meeting other than an annual general meeting ~~or a meeting called for the passing of a special resolution~~ shall be called by not less than fourteen days' notice in writing ~~or ten clear business days' notice, whichever is the longer.~~<sup>Note 9</sup> The notice shall be exclusive of the date on which it is served or deemed to be served and of the day for which it is given (as well as the day of the general meeting), ~~and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and~~ Notice of a general meeting shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company, provided that subject to the provisions of the Companies Ordinance, a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed:—

Notice of meetings

- (i) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent ~~in nominal value of the shares giving that right~~ of the total voting rights at the meeting of all the members.

6861. (A) The accidental omission to give any notice to, or the non-receipt of any notice by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting. Omission of notice
- (B) In cases where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the non-receipt of such instrument of proxy by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.
62. (i) Every notice calling a general meeting shall specify (a) the place of meeting (and if the meeting is to be held in two or more places using any technology that enables the members who are not together at the same place to listen, speak and vote at the meeting, the principal place of the meeting (the “**Principal Meeting Place**”) and the other Meeting Location(s)), (b) if the general meeting is to be a hybrid meeting and the notice includes a statement to that effect, details of the electronic facilities for attendance and participation by electronic means at the meeting or where such details will be made available by the Company prior to the meeting, (c) the day and time of the meeting, and (d) the particulars of resolutions to be considered at the meeting and in the case of special business, the general nature of such business, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend, speak and vote is entitled to appoint a proxy or proxies to attend, speak and, on a poll, vote instead of him and that a proxy need not be a member of the Company.
- (ii) If any resolution is to be proposed as a special resolution, the notice shall contain a statement to that effect.

Proceedings at General Meetings

- 6963. All business shall be deemed special that is transacted at an ~~extraordinary~~ general meeting, and also all business that is transacted at an annual general meeting with the exception of sanctioning dividends, the reading, consideration and adopting of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the election of Directors and appointment of Auditors and other officers in the place of those retiring, the fixing of the remuneration of the Auditors, and the voting of remuneration or extra remuneration to the Directors. Special business
  
- 7064. For all purposes the quorum for a general meeting shall be two members present in person or by proxy. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business. Quorum
  
- 7165. If within ~~fifteen~~thirty minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) ~~from~~after the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to ~~the same day in the next week~~such other day (not being less than seven or more than twenty-eight days thereafter) and at such time and place as shall be decided by the Board, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the member or members present in person shall ~~be~~constitute a quorum and may transact the business for which the meeting was called. Insufficient quorum
  
- 7266. The Chairman (if any) of the Directors or, if he is absent or declines to take the chair at such meeting, the Deputy Chairman (if any) shall take the chair at every general meeting, or, if there be not such Chairman or Deputy Chairman, or, if at any general meeting neither of such Chairman or Deputy Chairman is present within fifteen minutes after the time appointed for holding such meeting, or both such persons decline to take the chair at such meeting, the members present shall choose another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair for if the Chairman chosen shall retire from the chair, then the members present shall choose one of their own number to be Chairman. Chairman of general meetings

Adjournment  
and business  
at adjourned  
meeting

7367. Subject to Article 70, ~~The~~the Chairman may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and/ or from place to place and/or from one form to another (a physical meeting or a hybrid meeting) as the meeting shall determine. Whenever a meeting is adjourned for fourteen days or more, at least seven ~~clear~~ days' notice, specifying the place, the day, ~~and~~ the hour time and, if applicable, electronic facilities of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

68. (i) The Board may, at its absolute discretion, arrange for persons entitled to attend a general meeting to do so by simultaneous attendance and participation by means of electronic facilities at such location or locations ("Meeting Location(s)) determined by the Board. Any member or any proxy attending and participating in such way or any member or proxy participating in a hybrid meeting by means of electronic facilities is deemed to be present at and shall be counted in the quorum of the meeting.

(ii) All general meetings are subject to the following:

(a) where a member is attending a Meeting Location and/ or in the case of a hybrid meeting, the meeting shall be treated as having commenced if it has commenced at the Principal Meeting Place;

- (b) members present in person (in the case of a member being a corporation, by its duly authorized representative) or by proxy at a Meeting Location and/or members participating in a hybrid meeting by means of electronic facilities shall be counted in the quorum for and entitled to vote at the meeting in question, and that meeting shall be duly constituted and its proceedings are valid provided that the chairman of the meeting is satisfied that adequate electronic facilities are available throughout the meeting to ensure that members at all Meeting Locations and members participating in a hybrid meeting by means of electronic facilities are able to participate in the business for which the meeting has been convened;
- (c) where members attend a meeting by being present at one of the Meeting Locations and/or where members participating in a hybrid meeting by means of electronic facilities, a failure for any reason of the electronic facilities or communication equipment, or any other failure in the arrangements for enabling those in a Meeting Location other than the Principal Meeting Place to participate in the business for which the meeting has been convened or in the case of a hybrid meeting, the inability of one or more members or proxies to access, or continue to access, the electronic facilities despite adequate electronic facilities having been made available by the Company, shall not affect the validity of the meeting or the resolutions passed, or any business conducted there or any action taken pursuant to such business provided that there is a quorum present throughout the meeting; and
- (d) if any of the Meeting Locations is outside the jurisdiction of where the Principal Meeting Place is and/or in the case of a hybrid meeting, the provisions of these Articles concerning the service and giving of notice for the meeting, and the time for lodging proxies, shall apply by reference to the Principal Meeting Place.



69. The Board and, at any general meeting, the chairman of the meeting may from time to time make arrangements for managing attendance and/or participation and/or voting at the Principal Meeting Place, any Meeting Location(s) and/or participation in a hybrid meeting by means of electronic facilities as it/he shall in its/his absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a member who, pursuant to such arrangements, is not entitled to attend in person (in the case of a member being a corporation, by its duly authorised representative) or by proxy at any Meeting Location shall be entitled so to attend at one of the other Meeting Locations; and the entitlement of any member so to attend the meeting or adjourned meeting or postponed meeting at such Meeting Location or Meeting Locations shall be subject to any such arrangement as may be for the time being in force and by the notice of meeting or adjourned meeting or postponed meeting stated to apply to the meeting.

70. If it appears to the chairman of the general meeting that:

- (i) the electronic facilities at the Principal Meeting Place or at such other Meeting Location(s) at which the meeting may be attended have become inadequate for the purposes referred to in Article 59(i) or are otherwise not sufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the notice of the meeting;
- (ii) in the case of a hybrid meeting, electronic facilities being made available by the Company have become inadequate;
- (iii) it is not possible to ascertain the view of those present or to give all persons entitled to do so a reasonable opportunity to communicate and/or vote at the meeting; or
- (iv) there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting or it is not possible to secure the proper and orderly conduct of the meeting;

then, without prejudice to any other power which the chairman of the meeting may have under these Articles or the Ordinance, the chairman may, at his absolute discretion, without the consent of the members present at the meeting, and before or after the meeting has started and irrespective of whether a quorum is present, interrupt or adjourn the meeting (including adjournment for indefinite period). All business conducted at the meeting up to the time of such adjournment shall be valid.

71. If, after the sending of notice of a general meeting but before the meeting is held, or after the adjournment of a meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is inappropriate, impracticable, unreasonable or undesirable for any reason to hold the general meeting on the date or at the time or place or by means of electronic facilities specified in the notice calling the meeting, they may change or postpone the meeting to another date, time and/or place and/or change the electronic facilities and/or change the form of the meeting (a physical meeting or a hybrid meeting) without approval from the members. Without prejudice to the generality of the foregoing, the Directors shall have the power to provide in every notice calling a general meeting the circumstances in which a postponement of the relevant general meeting may occur automatically without further notice. This Article shall be subject to the following:

(i) when a meeting is so postponed or the form of the meeting or electronic facilities specified in the notice are so changed, the Company shall endeavour to post a notice of such postponement on the Company's website as soon as practicable (provided that failure to post such a notice shall not affect the automatic postponement or automatic change of such meeting);

- (ii) when a meeting is postponed or rescheduled in accordance with this Article, subject to and without prejudice to Article 67, unless already specified in the original notice of the meeting, the Board shall fix the date, time, place (if applicable) and electronic facilities (if applicable) for the postponed or rescheduled meeting, specify the date and time by which proxies shall be submitted in order to be valid at such postponed or rescheduled meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the postponed or rescheduled meeting unless revoked or replaced by a new proxy), and shall give the members reasonable notice (given the circumstances) of such details in such manner as the Board may determine; and
  - (iii) notice of the business to be transacted at the postponed or rescheduled meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the postponed or rescheduled meeting is the same as that set out in the original notice of general meeting circulated to the members.
72. All persons seeking to attend and participate in a hybrid meeting shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Article 61, any inability of a person or persons to attend or participate in a general meeting by way of electronic facilities shall not invalidate the proceedings of and/or resolutions passed at that meeting.

Voting 7473. At any general meeting a resolution put to the vote of the meeting shall be decided on a poll. Notwithstanding the foregoing, in the case of a physical meeting, the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. For the purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all members a reasonable opportunity to express their views. Votes (whether on a show of hands or a poll) may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.<sup>Note 9</sup>

Voting by poll 7574. In case of a physical meeting where a show of hands is allowed, (before or on the declaration of the result of the show of hands) a poll may be demanded by:

- (i) the chairman of the meeting; or
- (ii) at least five members present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person or by proxy and representing not less than five percent of the total voting rights of all the members having the right to vote at the meeting.

~~A poll shall be taken in such manner as the chairman shall direct and he may appoint scrutineers (who need not be members). The result of the poll shall be deemed to be the resolution of the meeting.~~<sup>Note 9</sup>

75. Where a resolution is voted on by a show of hands, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution. Where a resolution is voted on by a poll, it shall be taken in such manner (including the use of electronic voting, ballot or voting papers) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers for the purposes of a poll, and may either:

- (i) declare the results of the poll at the meeting;
- (ii) adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of a poll and, for this purpose, the chairman of the meeting may delegate any other Director or the Secretary to be the chairman of such adjourned meeting at which the result of the poll will be declared. Any such declaration at an adjourned meeting of the results of the relevant poll which shows that a resolution has been carried or lost or has or has not been carried by any particular majority, and an entry to that effect in the minutes of the proceedings of the Company, shall, in the absence of manifest error, be conclusive evidence of such fact; or
- (iii) determine the poll result, as recorded in the scrutineers' certificate and signed by the scrutineer, shall be conclusive evidence of such resolution other meeting without proof.

No  
adjournment  
for taking poll  
in certain cases

76. Any A poll on the election of a Chairman of a meeting, or on any question of adjournment of a meeting, shall be taken at the meeting and without adjournment. A poll on any other question shall be taken in such manner and at such time and place, not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded, as the chairman of the meeting directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn with the consent of the chairman of the meeting, at any time before the close of the meeting or the taking of the poll, whichever is the earlier.<sup>Note-9</sup>

Casting vote of  
chairman and  
determination  
of dispute on  
votes

77. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting, shall be entitled to a second or casting vote. ~~In case of any dispute as to the admission or rejection of any vote the Chairman shall determine the same, and such determination shall be final and conclusive.~~<sup>Note-9</sup>

78. If:

(a) any objection shall be raised to the qualification of any voter;  
or

(b) any votes have been counted which ought not to have been counted or which might have been rejected; or

(c) any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or an adjourned meeting or a postponed meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting or postponed meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.~~intentionally deleted~~<sup>Note-9</sup>

Written  
resolution

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

Votes of Members

Voting of members

80. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a poll every member present in person or by proxy, or, in the case of a member being a corporation, by its duly authorised representative, shall have one vote for every fully paid share of which he is the holder.<sup>Note-9</sup>

Discretion to vote on poll

81. On a poll a member entitled to more than one vote need not use all his votes or cast all the votes he use in the same way.

82. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto: but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.

Voting by joint holders

83. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote,<sup>Note-9</sup> by his committee, receiver, *curator bonis* or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, *curator bonis* or other person may on a poll vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be delivered to the registered office of the Company, or to such other place as is specified in accordance with these Articles for the deposit of instruments or proxy, before the last time at which a valid instrument of proxy could be so delivered.

Votes of members of unsound mind

84. (A) Save as expressly provided in these Articles, no person other than a member duly registered and who shall have paid everything for the time being due from him payable to the Company in respect of his shares shall be entitled to be present, to speak or to vote (save as proxy for another member) either personally or by proxy, or to be reckoned in a quorum, at any general meeting.

Qualifications for voting

(B) 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, whose decision shall be final and conclusive.

85. Any member of the Company entitled to attend, speak and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend, speak and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion. Proxy

86. The instrument appointing a proxy shall be in writing ~~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 an officer or attorney duly authorised~~or, if the Board in its absolute discretion determines, may be contained in an electronic communication, and:– Instrument  
appointing proxy

(i) in the case of an individual, shall be signed by the appointor or his attorney, or in the case of an appointment contained in an electronic communication, authenticated by the individual in such other manner as may be approved by the Directors from time to time; and

(ii) in the case of a corporation, shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, or in the case of an appointment contained in an electronic communication, authenticated by the corporation in such other manner as may be approved by the Directors from time to time.

The Directors may, for the purposes of this Article, designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.



87. The Company may, at its absolute discretion, specify that any document or information relating to proxies for a general meeting (including any instrument of proxy or invitation to appoint a proxy, any document necessary to show the validity of, or otherwise relating to, an appointment of proxy and notice of termination of the authority of a proxy) may be delivered to the Company by electronic means, subject to any limitations and conditions as may be imposed by the Company including, for the avoidance of doubt, imposing any security or encryption arrangements as may be specified by the Company. Without limitation, the Company may from time to time determine that such manner of delivery by electronic means may be used generally or specifically for particular meetings or purposes.

8788. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place as is specified in the notice of meeting or in the instrument of proxy issued by the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting or postponed meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after expiration of twelve months from the date of its execution, except at an adjourned meeting or a postponed meeting or on a poll demanded at a meeting or an adjourned meeting or a postponed meeting in cases where the meeting was originally held within twelve months from such date. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

Deposit of proxy  
instrument and  
other provisions

8889. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve.

Form of proxy

Authority  
under  
instrument  
appointing  
proxy and  
duration

~~8990.~~ 8990. The instrument appointing a proxy to vote at a general meeting shall: (i) be deemed to confer authority upon the proxy to vote on any resolution (or amendment thereto) put to the meeting for which it is given as the proxy thinks fit ~~Provided~~ provided that any form issued to a member for use by him for appointing a proxy to attend and vote at ~~an extraordinary general meeting or at an annual general meeting~~ at which any special business (~~determined as provided in Article 69~~) is to be transacted shall be such as to enable the member, according to his intention, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such ~~special~~ business; and (ii) unless the contrary is stated therein, be valid as well for any adjournment or postponement of the meeting as for the meeting to which it relates.

Validity of  
vote by proxy

~~9091.~~ 9091. A vote given in accordance with the terms of an instrument by of proxy ~~or by the duly authorised representative of a corporation~~ shall be valid notwithstanding the previous determination of the authority of the person voting, unless notice in writing of such determination was received by the Company at the registered office (or such other place ~~in Hong Kong~~ as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) ~~one hour at least~~ at least forty-eight hours before the commencement of the meeting or adjourned meeting or postponed meeting at which ~~the vote is given or (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll~~ the proxy is used.<sup>Note 9</sup>

Representative  
of corporate  
members

~~9192.~~ 9192. Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by power of attorney, authorise such persons as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company. References, in these Articles to a member present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a member represented at the meeting by such duly authorised representative.

Representative  
of recognised  
clearing house

91A93. Where a member of the company is ~~If a~~ recognised clearing house (or ~~a~~ its nominee(s) and, in each case, being a corporation) ~~of a clearing house is a member of the Company,~~ it may authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of members of the Company 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 person is so authorised. A person so authorised under the provisions of these Articles shall be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the recognised clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually on show of hands. ~~which he represents as that clearing house (or its nominee) could exercise if it were an individual member of the Company.~~<sup>Note-5</sup>

#### Registered Office

Registered  
office

9294. The registered office of the Company shall be at such place in Hong Kong as the Board shall from time to time appoint.

#### Board of Directors

Constitution of  
Board

9395. The number of Directors shall not be less than two. The Board shall cause to be kept a register of the Directors and Secretaries, and there shall be entered therein the particular required by the Companies Ordinance.

Board may  
appoint  
Director

9496. Without prejudice to the power of the company in general meeting in pursuance of any of the provisions of these Articles to appoint any person to be a Director, ~~The~~ the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed by the Board shall hold office until the first annual general meeting of the Company after his appointment ~~(in case of filling a casual vacancy) or until the next following annual general meeting of the Company (in case of an addition to the existing Board)~~ and shall then be eligible for re-election (but not to be taken into account in determining the Directors or the number of Directors who are to retire by rotation) at that meeting.<sup>Note-8</sup>

9597. (A) A Director may at any time, by notice in writing signed by him delivered to the registered office of the Company or at a meeting of the Board, appoint any person (including another Director) to act as alternate Director in his place during his absence and may in like manner at any time determine such appointment. If such person is not another Director, such appointment, unless previously approved by the Board, shall have effect only upon and subject to being so approved.
- (B) The appointment of an alternate Director shall determine on the happening of any event which, were he a Director, would cause him to vacate such office or if his appointor ceases to be a Director.
- (C) An alternate Director shall (except when absent from Hong Kong) be entitled to receive notices of meetings of the Board and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these presents shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative. If his appointor is for the time being absent from Hong Kong or otherwise not available or unable to act, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Board may from time to time determine in relation to any committee of the Board, the foregoing provisions of this paragraph shall also apply *mutatis mutandis* to any meeting of any such committee of which his appointor is a member. An alternate Director shall not, save as aforesaid, have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.

Alternate Director

Determination of  
appointmentRights of alternate  
Directors

(D) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

Interest in contract  
with Company

(E) A Director appointing an alternate Director shall not be vicariously liable for any tort committed by the alternate Director while acting in the capacity of an alternate Director.<sup>Note-3</sup>

9698. A Director shall not be required to hold any qualification shares but shall nevertheless be entitled to attend and speak at all general meetings of the Company and of any class of members of the Company.

No qualification  
shares for  
Directors

9799. The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the Board may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. The foregoing provisions shall not apply to a Director who holds any salaried employment or office in the Company except in the case of sums paid in respect of Directors' fees.

Directors'  
remuneration

Directors  
expenses

98100. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses reasonably incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.

Special  
remuneration

~~99~~101. The Board may grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be arranged.

Additional  
remuneration  
for Directors  
in management

~~100~~102. Notwithstanding Articles ~~97~~99, ~~98-100~~ and ~~99~~101, the remuneration of a Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Board and may be by way of salary, commission, or participation in profits or otherwise or by all or any of those modes and with such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his remuneration as a Director.

Vacation of  
office

~~101~~103.(A) A Director shall vacate his office:

- (i) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (ii) if he becomes a lunatic or of unsound mind;
- (iii) if he absents himself from the meetings of the Board during a continuous period of six months, without special leave of absence from the Board, and his alternate Director (if any) shall not during such period have attended in his stead, and the Board passes a resolution that he has by reason of such absence vacated his office;
- (iv) if he becomes prohibited from being a Director by reason of any order made under any provision of the Companies Ordinance;

- (v) if by notice in writing delivered to the Company at its registered office he resigns his office;
- (vi) if he shall be removed from office by notice in writing served upon him signed by all his co-Directors; or
- (vii) if he shall be removed from office by a resolution of the Company under Article ~~109~~111.<sup>Note-3</sup>

Age limit of Directors

~~(B) No person shall be eligible for appointment or re-appointment as a Director once he has attained the age of 85. Any such person shall automatically cease to be a director at the annual general meeting of the Company next following the date on which he attains such age.~~<sup>Note-6</sup>

Other office and remuneration

~~102~~104.(A) A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.

(B) A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).

No voting in own appointment

(C) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to such Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director together with any of his associates own 5 per cent. or more.

Separate resolutions or appointment of two or more Directors

(D) Any Director may continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company in which the Company may be interested and (unless otherwise agreed) no such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any such other company. The Board may exercise the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them as directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or be about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interest in the exercise of such voting rights in manner aforesaid.

Interest and voting rights in another company in which Company is interested



(E) Subject to the Ordinance and to the Article ~~102~~104(G), no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

Directors may contract with the Company

(F) A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For this purpose, a general notice to the Board by a Director to the effect that (a) he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm or (b) he is to be regarded as interested in any contract or arrangement which made after the date of the notice be made with a specified person who is connected with him, shall be deemed to be a sufficient declaration of interest in relation to any such contract or arrangement; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

Directors to declare interest

(G) Save as otherwise provided by the Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or any other proposal in which he or any of his associates has a material interest, but this prohibition shall not apply to any of the following matters namely:-<sup>Note-3</sup>

Arrangement which Director is materially interested

- (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of them or obligations undertaken by him or any of them for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for the giving by the Company or any of its subsidiaries of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiaries which the Director or his associate(s) has himself or themselves guaranteed or secured in whole or in part;
- (iii) any contract or arrangement by a Director or his associate(s) to subscribe for shares, debentures or other securities of the Company or any of its subsidiaries issued or to be issued pursuant to any offer or invitation to members or debenture holders of the Company or any class thereof (“the Offerees”) or to the public or any section thereof which does not provide in respect of any Director or his associate(s) as such any privilege or advantage not accorded to the Offerees;
- (iv) any contract or arrangement concerning an offer of the shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as participant in the underwriting or sub-underwriting of the offer;
- (v) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company or any of its subsidiaries (as the case may be);

- (vi) any contract or arrangement concerning any other company (not being a company in which the Director and any of his associate(s) in aggregate are beneficially interested in 5 per cent or more) in which the Director or his associate(s) is/are interested directly or indirectly whether as a shareholder or officer.
- (vii) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director or his associate(s) as such any privilege or advantage not accorded to the employees to which such scheme or fund relates;
- (viii) any proposal or arrangement concerning the adoption, modification or operation of any employees' share scheme or share incentive or share option scheme under which the Director or his associate(s) may benefit.
- (H) A company shall be deemed to be a company in which a Director together with any of his associate(s) own(s) 5 per cent or more if and so long as (but only if and so long as) he together with any of his associate(s) are (either directly or indirectly) the holders of or beneficially interested in 5 per cent or more of any class of the equity share capital of such company or of the voting rights available to members of such company. For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the Director's or any of his associate(s)'s interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in any authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.<sup>Note-3</sup>

Director's interest  
in other companies

- (I) Where a company in which a Director together with any of his associate own 5 per cent or more is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction. Director's companies materially interested in transaction
  
- (J) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board. Determination of a Director's material interest
  
- (K) The Company may by Ordinary Resolution ratify any transaction not duly authorised by reason of a contravention of this Article provided that no Director who is materially interested in such transaction together with any of his associate, shall vote upon such Ordinary Resolution in respect of any shares in the Company in which he or his associate(s) is interested.<sup>Note 3</sup>
  
- (L) Any Director may act by himself or by his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as Auditor of the Company. Professional services by Directors

Rotation of Directors

Retirement of  
Directors

~~103~~105. At each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at ~~least~~ least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election.<sup>Note 7</sup>

Position when  
vacancies not  
filled up

~~104~~106. If at any general meeting at which an election of Directors ought to take place, the places of the retiring Directors are not filled, the retiring Directors or such of them as have not had their places filled shall be deemed to have been re-elected and shall, if willing, continue in office until the next annual general meeting and so on from year to year until their place are filled, unless:

- (i) it shall be determined at such meeting to reduce the number of Directors; or
- (ii) it is expressly resolved at such meeting not to fill up such vacated offices; or
- (iii) in any such the resolution for re-election of a Director is put to the Meeting and lost.

Number of  
Directors

~~105~~107. The Company may from time to time in general meeting by ordinary resolution fix, increase or reduce the maximum and minimum number of Directors but so that the number of Directors shall never be less than two.

Company may  
elect Director

~~106~~108. Subject to the provisions of these Articles, ~~The~~ the Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the Board.

Eligibility for election      ~~407~~109. No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been ~~logged~~lodged with the Company no earlier than the day after despatch of the notice of the general meeting and no later than seven days before the date of the general meeting and provided that the minimum length of the period during which such notice may be given shall be at least seven days.<sup>Note-3</sup>

Register of Directors      ~~408~~110. The Company shall keep in accordance with the Ordinance a register containing the names and addresses and occupations of its Directors and shall from time to time notify the Registrar of Companies of any change that takes place in such Directors as required by the Company Ordinance.

Removal of Director and consequent election      ~~409~~111. The Company may by ordinary resolution remove any director (including a Managing Director or other Executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract of service between him and the Company). Special notice is required of a resolution to remove a Director or to appoint somebody in place of a Director so removed at the general meeting at which he is removed in accordance with the Companies Ordinance. Any person appointed director in place of a Director so removed shall be treated, for the purpose of determining the time at which he or any other director is to retire, as if he had become director on the day on which the person in whose place he is appointed was last appointed a director.<sup>Note-7</sup>

**Borrowing Powers**

~~40~~112. The Board may from time to time at their discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and uncalled capital or any part thereof.

Board's powers to borrow and charge property, etc

- ~~44~~113. The Board may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and, in particular by the issue of debentures, debenture stock, bonds or other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. Board's powers to decide terms
- ~~44~~114. Debentures, debenture stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Assignable debentures, etc
- ~~44~~115. Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company appointment of Directors and otherwise. Discount and privileges of debentures, etc
- ~~44~~116.(A) The Board shall cause a proper register to be kept, in accordance with the provisions of the Companies Ordinance, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Companies Ordinance in regard to the registration of mortgages and charges therein specified and otherwise. Charge register and registration
- (B) If the Company issue a series of debentures or debenture stock not transferable by delivery, the Board shall cause a proper register to be kept of the holders of such debentures in accordance with the provisions of the Companies Ordinance. Debenture register
- ~~44~~117. Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to members or otherwise to obtain priority over such prior charge. Priority of charges on uncalled capital

Managing Directors, etc.

~~116~~118. The Board may from time to time appoint any one or more of its body to the office of Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director and/or such other office in the management of the business of the Company as it may decide for such period and upon such terms as it thinks fit and upon such terms as to remuneration as it may decide in accordance with Article ~~100~~102.

Board may appoint its members to management and decide terms

~~117~~119. Every Director appointed to an office under Article ~~116~~118 hereof shall, but without prejudice to any claim for damages for breach of any contract of service between himself and the Company be liable to be dismissed or removed therefrom by the Board.

Removal of Managing Director, etc

~~118~~120. A Director appointed to an office under Article ~~116~~118 shall be subject to the same provisions as to rotation, resignation and removal as the other Directors of the Company, and he shall *ipso facto* and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.

Cessation of appointment

Powers of Managing Directors, etc

~~119~~121. The Board may from time to time entrust to and confer upon a Managing Director, Joint Managing Director, Deputy Managing Director or Executive Director all or any of the powers of the Board that it may think fit Provided that the exercise of all powers by such Director shall be subject to such regulations and restrictions as the Board may from time to time make and impose, and the said powers may at any time be withdrawn, revoked or varied, but no person dealing in good faith and without notice of such withdraw, revocation or variation shall be affected thereby.



**Management**

General powers  
of Company  
vested in  
Board

~~120~~122. (A) — Subject to any exercise by the Board of the powers conferred by Articles ~~121–123~~ to ~~123~~125, the management of the business of the Company shall be vested in the Board who, in addition to the powers and authorities by these Articles expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Companies Ordinance expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies Ordinance and of these Articles and to any regulations from time to time made by the Company in general meeting not being inconsistent with such provisions or these Articles, provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

Special powers  
of Board

(B) — ~~Without prejudice to the general powers conferred by these Articles, it is hereby expressly declared that the Board shall have the following powers:—~~

(i) — ~~to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed; and~~

(ii) — ~~to give to any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration.~~

**Managers**

Appointment  
and  
remuneration  
of managers

~~121~~123. The Board may from time to time appoint a general manager, manager or managers of the business of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes and pay the working expenses of any of the staff of the general manager, manager or managers who may be employed by him or them upon the business of the Company.

Tenure of  
office and  
powers of  
managers

~~122~~124. The appointment of such general manager, manager or managers may be for such period as the Board may decide and the Board may confer upon him or them all or any of the powers of the Board and such title or titles as they may think fit.

Terms of  
agreement with  
managers

~~123~~125. The Board may enter into such agreement or agreements with any such general manager, manager or managers upon such terms and conditions in all respect as the Board may in their absolute discretion think fit, including a power for such general manager, manager or managers to appoint an assistance manager or managers or other employees whatsoever under them for the purpose of carrying on the business of the Company.

**Chairman**

~~124~~126. The Board may from time to time elect or otherwise appoint a Director to be Chairman or Deputy Chairman and determine the period for which each of them is to hold office. The Chairman or, in his absence, the Deputy Chairman shall preside at meetings of the Board, but if no such Chairman or Deputy Chairman be elected or appointed, or if at any meeting the Chairman or Deputy Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting.

Chairman of Board

## Proceedings of the Directors

- ~~125~~127. The Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit and may determine the quorum necessary for the transaction of business. Unless otherwise determined two Directors shall be a quorum. For the purpose of this Article an alternate Director shall be counted in a quorum but, notwithstanding that an alternate Director is also a Director or is an alternate for more than one Director, he shall for quorum purpose count as only one Director. The Board or any committee of the Board may participate in a meeting of the Board or by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.
- Board meetings  
and quorum
- ~~126~~128. A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Board. Notice thereof shall be given to each Director and alternate Director either in writing or by telephone or by telex or telegram at the address from time to time notified to the Company by such Director or in such other manner as the Board may from time to time determine. Provided that notice need not be given to any Director or alternate Director for the time being absent from Hong Kong. A Director may waive notice of any meeting and any such waiver may be prospective or retrospective.
- Convening of  
Board meetings  
and notice
- ~~127~~129. Questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall have a second or casting vote.
- Decision of  
questions by votes
- ~~128~~130. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board generally.
- Powers exercisable  
in meeting

- ~~129~~131. The Board may delegate any of their powers to committees consisting of such member or members of their body and such other persons, as the Directors think fit, and they may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Board. Delegation of powers to committees
- ~~130~~132. All acts done by any such committee in conformity with such regulations and in fulfilment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect as if done by the Board, and the Board shall have power, with the consent of the Company in general meeting, to remunerate the members of any special committee, and charge such remuneration to the current expenses of the Company. Validity of acts and remuneration of committees
- ~~131~~133. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto and are not replaced by any regulations imposed by the Board pursuant to Article ~~129~~131. Proceedings of committee
- Validity of acts of Board etc in case of defect in appointment ~~132~~134. All acts bona fide done by any meeting of the Board or by any such committee or by any person acting as a Director shall, notwithstanding that it shall be afterwards discovered that there was some defect in the appointment of such Director or person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or member of such committee.

Directors' powers in case of vacancy

~~133~~135. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company but for no other purpose.

Written resolutions of Directors

~~134~~136. A resolution in writing signed by all the Directors ~~except such as are absent from Hong Kong or temporarily unable to act through ill health or disability (or their alternate Directors) shall (so long as they constitute a quorum as provided in Article 125) for the time being entitled to receive notice of a meeting of the Board shall~~ be as valid and effectual as a resolution if it had been passed at a meeting of the Board duly convened and held. Any such resolution in writing may consist of several documents in like form each signed by one or more of the Directors or alternate Directors.

**Minutes**

Particulars to be recorded in minutes

~~135~~137.(A) The Board shall cause minutes to be made of:-

- (i) all appointments of officers made by the Board;
- (ii) the names of the Directors present at each meeting of the Board and of committees appointed pursuant to Article ~~129~~131; and
- (iii) all resolutions and proceedings at all meetings of the Company and of the Board and of such committees.

Evidential value of minutes

(B) Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

## Secretary

- Appointment, remuneration and removal of secretary
- ~~136~~138. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board. Anything in the Companies Ordinance or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Board. If the Secretary appointed is a corporation or other body, it may act and sign by the hand of any one or more of its directors or officers duly authorised.
- Residence of secretary
- ~~137.~~ The Secretary shall, if an individual, ordinarily reside in Hong Kong and, if a body corporate, have its registered office or a place of business in Hong Kong.
- Dual capacity not allowed in certain cases
- ~~138~~139. A provision of the Companies Ordinance or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of the Secretary.

**General Management and Use of the Seal**

- 139140.(A) The Board shall provide for the safe custody of the seal which shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf, and every instrument to which the seal shall be affixed shall be signed by any two members of the Board or any two persons (including the Secretary) appointed by the Board for the purpose, provided that the Board may either generally or in any particular case or cases resolve (subject to such restrictions as to the manner in which the seal may be affixed as the Board may determine) that such signatures or any of them may be affixed to certificates for shares or debentures or representing any other form of security by some mechanical means other than autographic to be specified in such resolution or that such certificates need not be signed by any person. Every instrument executed in manner provided by this Article shall be deemed to be sealed and executed with the authority of the Directors previously given.

Custody and use of seal and execution of documents
  
- (B) The Company may have an official seal for use for sealing certificates for shares or other securities issued by the Company as permitted by Section ~~73A-126~~ of the Ordinance (and no signature of any Director, officer or other person and no mechanical reproduction thereof shall be required on any such certificates or other document and any such certificates or other document to which such official seal is affixed shall be valid and deemed to have been sealed and executed with the authority of the Board notwithstanding the absence of any such signature or mechanical reproduction as aforesaid) and an official seal for use abroad under the provisions of the Companies Ordinance where and as the Board shall determine, and the Company may by writing under the seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company for the purpose of affixing and using such official seal and they may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the seal, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.

Official seal for certificates and for use abroad

- ~~140~~141. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the Board shall from time to time determine.
- Execution of cheques and receipts etc and Company's banker
- ~~141~~142.(A) The Board may from time to time and at any time, by power of attorney under the seal, appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
- Board's powers to appoint attorneys
- (B) The Company may, by writing under its seal, empower any person, either generally or in respect of any specified matter, as its attorney to execute deeds and instruments on its behalf and to enter into contracts and sign the same on its behalf and every deed signed by such attorney on behalf of the Company and under his seal shall bind the Company and have the same effect as if it were under the seal of the Company.
- Company may appoint attorneys to execute documents



Board's powers  
to appoint and  
delegate to  
other bodies

~~142~~143. The Board may establish any committees, local boards or agencies for managing any of the affairs of the Company, either in Hong Kong or elsewhere, and may appoint any persons to be members of such committees, local boards or agencies and may fix their remuneration, and may delegate to any committee, local board or agent any of the powers, authorities and discretions vested in the Board (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

Board's powers  
to provide  
financial  
benefits

~~143~~144. The Board may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or is allied or associated with the Company or with any such subsidiary company, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and holding or who have held any salaried employment or office in the Company or such other company, and the wives, widows, families and dependants of any such persons. The Board may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid, and may make payments for or towards the insurance of any such persons as aforesaid, and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. The Board may do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for its own benefit any such donation, gratuity, pension, allowance or emolument.

**Capitalisation of Reserves**

Company's  
powers to  
capitalise  
reserves and  
undivided  
profits

144145.(A)

The company in general meeting may, upon the recommendation of the Board, resolve to capitalise any part of the Company's reserves or undivided profits not required for the payment or provision of the dividend on any shares with a preferential right to dividend, and accordingly that such part be sub-divided amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures or other securities of the Company to be allotted and distributed credited as fully paid to and amongst such members in the proportion aforesaid, or partly in one way and partly in the other; ~~provided that for the purpose of this Article, any amount standing to the credit of share premium account may only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid up shares~~ and the Board shall give effect to such resolution.

Board to effect  
capitalisation

(B) Whenever such a resolution as aforesaid shall have been passed the Board shall make all appropriations and applications of the reserves or profits and undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, debentures, or other securities and generally shall do all acts and things required to give effect thereto. For the purpose of giving effect to any resolution under this Article, the Board may settle any difficulty which may arise in regard to a capitalisation issue as they think fit, and in particular may issue fractional certificates, and may determine that cash payments shall be made to any members in lieu of fractional certificates or that fractions of such value as the Board may determine may be disregarded in order to adjust the rights of all parties. The provisions of the Ordinance in relation to the filing of contracts for allotment shall be observed and, the Board may appoint any person to sign on behalf of the persons entitled to share in a capitalisation issue and such appointment shall be effective and binding upon all concerned, and the contract may provide for the acceptance by such persons of the shares, debentures or other securities to be allotted and distributed to them respectively in satisfaction of their claims in respect of the sum so capitalised

~~145. (A) If, so long as any of the rights attached to any warrants, issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provision applicable under the terms and conditions of the warrants, would reduce the subscription price to below the par value of a share, then the following provisions shall apply:-~~

Establishment  
of  
"Subscription  
Right Reserve"

- ~~(i) — as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Article) maintain in accordance with the provisions of this Article a reserve (the “Subscription Right Reserve”) the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to subparagraph (iii) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Right Reserve in paying up in full such difference in respect of such additional shares as and when the same are allotted;~~
- ~~(ii) — the Subscription Right Reserve shall not be used for any purpose other than that specified above unless all other reserves of the Company (other than share premium account and capital redemption reserve fund) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by law;~~
- ~~(iii) — upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be) the relevant portion thereof in the event of a partial exercise of the subscription rights and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrant holder, credited as fully paid, such additional nominal amount of shares as is equal to the difference between:—~~

~~(aa) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and~~

~~(bb) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par.~~

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

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

Equal rights for shares allotted pursuant to Articles or warrant

~~(B) Share allotted pursuant to the provisions of this Article shall rank pari passu in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned. Notwithstanding anything contained in paragraph (A) of this Article, no fraction of any share shall be allotted on exercise of the subscription rights and so that whether any (and, if so, what) fraction of a share arises shall be determined according to the provisions applicable under the terms and conditions of the warrants or, in the absence of any such provisions, pursuant to paragraph (C) of this Article.~~

Auditor's  
report  
conclusive

~~(C) A certificate or report by the auditors for the time being of the Company as to whether or not the Subscription Right Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Right Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to exercising warrant holders credited as fully paid, and as to any other matter concerning the Subscription Right Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and shareholders.~~

**Dividends and Reserves**

146. The Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.

Declaration of  
dividend by  
Company

147. (A) The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the position of the Company and, in particular (but without prejudice to the generality of the foregoing), if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights.

Board may pay  
interim dividends

(B) The Board may also pay half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits justify the payment.

148. No dividend shall be payable except out of the profits of the Company. No dividend shall carry interest. Source of interest  
on dividend
149. Whenever the Board or the Company in general meeting have resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, with or without offering any rights to shareholders to elect to receive such dividend in cash, and where any difficulty arises in regard to the distribution the Board may settle the same as they think expedient, and in particular may issue fractional certificates, disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may determine that fractional entitlements shall be aggregated and sold and the benefits shall accrue to the Company rather than to the members concerned, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. Where requisite, a contract shall be filed in accordance with the provisions of the Companies Ordinance and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective. Dividend in specie  
and kind



150. (A) Wherever the Board or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve:-

Dividends by scrip issue and shareholders' right to elect

either (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted shall be of the same class or classes as the class or classes already held by the allottee, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply:-

- (a) the basis of any such allotment shall be determined by the Board;
- (b) the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
- (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and

(d) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised (“the non-elected shares”) and in lieu and in satisfaction thereof shares shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company’s reserve accounts (including any special account, ~~share premium account and capital redemption reserve fund (if there be any such reserve)~~) as the Board may determine, ~~a such sum equal to the aggregate nominal amount of the shares to be allotted~~ on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis.

or (ii) that shareholders entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted shall be of the same class or classes as the class or classes of shares already held by the allottee. In such case, the following provisions shall apply:-

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

- (b) the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
- (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised ("the elected shares") and in lieu thereof shares shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company's reserve accounts (including any special account, share premium account and capital redemption reserve fund (if there be any such reserve)) as the Board may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.

- (B) The shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank *pari passu* in all respect with the shares then in issue save only as regards participation:-
- Equal rights for shares allotted
- (i) in the relevant dividend (or the right to receive or to elect to receive an allotment of shares in lieu thereof as aforesaid); or
  - (ii) in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend

unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of subparagraph (i) or (ii) of paragraph (A) of this Article in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (A) of this Article shall rank for participation in such distribution, bonus or rights.

- (C) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Article with full power to the Board to make such provisions as they think fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Board may authorise any person to enter into on behalf of all members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall effective and binding on all concerned.
- Board to effect capitalisation

(D) The Company may upon the recommendation of the Board by special resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (A) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Company's powers to disallow election

Board's powers to disallow election or allotment if unlawful

(E) The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (A) of this Article shall not be made available or made to any shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of such rights of election or the allotment of shares would or might be unlawful, and in such event the provisions aforesaid shall be read and construed subject to such determination.

Retention as reserve and carry forward of profits

151. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may from time to time think fit, and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute by way of dividend.

Dividends proportional to paid up amount of shares

152. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid up on the shares in respect whereof the dividend is paid, but no amount paid up or credited as paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share.

- |   |          |  |
|---|----------|--|
| Retention of dividend for shares under lien | 153. (A) | The Board may retain any dividends, or other moneys payable on or in respect of a share upon which the Company has a lien, any may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.   |
| Deduction of sum due from dividend          | (B)      | The Board may deduct from any dividend or other moneys payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.   |
| Making of calls while declaring dividends   | 154.     | Any general meeting sanctioning a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call shall be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the member, be set off against the call.  |
| Dividend declared before share transfer     | 155.     | A transfer of shares shall not pass the right to any dividend or bonus declared thereon before the registration of the transfer.   |
| Receipt by joint holders                    | 156.     | If two or more persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividends, interim dividends or bonuses and other moneys payable in respect of such shares.   |
| Payment through post                        | 157.     | Unless otherwise directed by the Board, any dividend or bonus may be paid by cheque or warrant sent through the post to the registered address of the member entitled, or, in case of joint holders, to the registered address of that one whose name stands first in the register in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent, and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. |

158. All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Board and shall revert to the Company. Unclaimed dividend
159. Without prejudice to the rights of the Company under Article 158 and the provisions of Article 160, the Company may cease sending such cheques for dividend entitlement or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. Notwithstanding the above the Company shall have the power to cease sending cheques for dividend entitlement or dividend warrants after the first occasion on which such cheque or warrant is returned undelivered. Company may cease sending dividend warrant
160. The Company shall have the power to sell, in such manner as the Directors thinks fit, any shares of a member who is untraceable, but no such sales shall be made unless:– Company may sell share of untraceable members
- (i) all cheques or warrants, 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 of the Company have remained unclaimed;
  - (ii) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the member who is the holder of such shares or of the person entitled to such shares by death, bankruptcy or operation of law; and
  - (iii) where such shares are listed on the Stock Exchange, the Company has caused an advertisement to be inserted in an leading English language daily newspaper (in English) and in a leading Chinese language daily newspaper (in Chinese) giving notice of its intention to sell such shares and has notified the Stock Exchange of such intention and a period of three months has elapsed since the date of such advertisement.

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

To give effect to any such sales the Directors may authorise any person to transfer the said shares and the contract notes and 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.

- 161. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares on a particular date or at a point of time on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend or transferors and transferees of any such shares. The provisions of this article shall mutatis mutandis apply to bonuses, capitalisation issue, distributions of realised capital profit or distribution of assets or offers or grants made by the Company to the members.

Record Date



**Distribution of Realised Capital Profits**

Distribution of realised capital profits

162. The Company in general meeting may at any time and from time to time resolve that any surplus moneys in the hands of the Company representing capital profits arising from moneys received or recovered in respect of or arising from the realisation of any capital assets of the Company or any investments representing the same and not required for the payment or provision of any fixed preferential dividend instead of being applied in the purchase of any other capital assets or for other capital purposes be distributed amongst the ordinary shareholders on the footing that they receive the same as capital and in the shares and proportions in which they would have been entitled to received the same if it had been distributed by way of dividend, provided that no such profits as aforesaid shall be so distributed unless there shall remain in the hands of the Company a sufficiency of other assets to answer in full the whole of the liabilities and paid-up share capital of the Company for the time being.

**Annual Returns**

Annual Returns

163. The Board shall make the requisite annual returns in accordance with the Companies Ordinance.

**Accounts**

Keeping of true accounts

164. The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Ordinance or necessary to give a true and fair view of the state of Company's affairs and to show and explain its transactions.

Keeping and inspection of books of accounts

165. The books of account shall be kept at the registered office or at such other place or places as the Board think fit and shall always be open to the inspection of the Directors.

Inspection  
of books by  
members

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

Profit and loss  
account and  
balance sheet,  
etc

167. (A) The Board shall from time to time in accordance with the provisions of the Companies Ordinance cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are required by the Companies Ordinance.

- (B) Every balance sheet of the Company shall be signed pursuant to the provisions of the Companies Ordinance, and a printed copy of every balance sheet (including every document required by law to be annexed thereto) and profit and loss account which is to be laid before the Company in general meeting, together with a printed copy of the Directors' report and a copy of the Auditors' report, shall not less than twenty-one days before the date of the meeting, be sent to every member of, and every holder of debentures of, the Company and every person registered under Article 4643 and every other person entitled to receive notices of general meetings of the Company, provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

Signed balance  
sheet, etc to be  
sent to members

**Audit**

168. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Companies Ordinance.

Auditors

169. Subject as otherwise provided by the Companies Ordinance, the remuneration of the Auditors shall be fixed by the Company in general meeting provided always that in respect of any particular year the Company in general meeting may delegate the fixing of such remunerations to the Board. Remuneration of auditors
170. Every statement of accounts audited by the Company's Auditors and presented by the Board at a general meeting shall after approval at such meeting be conclusive except as regards any error discovered therein within three months of the approval thereof. Whenever any such error is discovered within that period, it shall forthwith be corrected, and the statement of account amended in respect of the error shall be conclusive. Audited accounts conclusive unless erroneous

#### Notices

171. Any notice or document (including a share certificate and any "corporate communication" as defined in the Listing Rules) may be served or delivered by the Company or by the Board on or to any member in the following manner: Service and advertisement of notice
- (a) in hard copy form either (i) personally or (ii) by hand to, or by sending it through the post (if sent to an address outside Hong Kong, by airmail or an equivalent service that is no slower) in a prepaid envelope or wrapper addressed to, the member's address as shown in the register; or
- (b) in electronic form:
- (i) personally; or
- (ii) by hand to, or by sending it through the post (if sent to an address outside Hong Kong, by airmail or an equivalent service that is no slower) in a prepaid envelope or wrapper addressed to, the member's address as shown in the register; or

(iii) by sending or transmitting it through electronic means to such member at any electronic number or electronic address supplied by the member to the Company for the giving of notice or document from the Company to him,

provided that the Company must first have received from the relevant member his written agreement, generally or specifically, that the notice or document may be sent or supplied to him in electronic form and no notice of revocation has been received by the Company from the member in accordance with the Ordinance, and all other relevant requirements of the Ordinance and the Listing Rules have been complied with; or

(c) by posting it on the Company's website, provided that the Company must first have received from the relevant member either (i) the member's written agreement, generally or specifically, or (ii) the member's deemed agreement in the manner prescribed in the Ordinance, and has notified him such notice or document has been made available on the Company's website, and no notice of revocation has been received by the Company from the member in accordance with the Ordinance and all other relevant requirements of the Ordinance and the Listing Rules have been complied with; or

(d) by advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese newspaper being in each case a newspaper circulating generally in Hong Kong.

~~(including any “corporate communication” within the meaning ascribed thereto under the Listing Rules, whether or not, to be given or issued under these Articles from the Company to a member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such notice and document may be served or delivered by the Company on or to any member either personally or by sending it through the post in a prepaid envelope addressed to such member at his registered address as appearing in the register of members of the Company or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the notice being duly received by the member or may also be served by advertisement in newspapers published daily and circulating generally in the territory of Hong Kong and in accordance with the requirements of the Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website or the website of the Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the member by any of the means set out above. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.~~<sup>Note 9</sup>

172. Subject to the Ordinance and the Listing Rules and unless these Articles otherwise provides:

- (a) all notices, documents or other information directed to be given to the members shall, with respect to any share to which persons are jointly entitled, be given to any one of the joint holders in respect of such share, and such notices, documents or information so given shall be deemed to have been given to all the holders of such share; and
- (b) anything to be agreed or specified by the members shall, with respect to any share to which persons are jointly entitled, be deemed to have been agreed or specified by all the holders of such share if any one of the joint holders in respect of such share has so agreed or specified (except for transfer of the share), provided that the Company may at its discretion act on the instruction of any of the joint holders in respect of any share if instructions (except for transfer of the share) received from the joint holders in respect of such share are not the same.

Notice to  
members not  
in Hong Kong

~~172~~173. Any member whose registered address is outside Hong Kong may notify the Company in writing of his address in Hong Kong accordingly which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the registered office of the Company and shall have remained there for the space of twenty-four hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed.

Effective day  
of service

~~173~~174. Any notice or other document given by the Company:

- (a) if served or delivered by post, shall ~~were appropriate be sent by airmail and shall be deemed to have been served or delivered on the second business day (as defined in the Ordinance) following that on which the envelope containing the same, properly prepaid and addressed,~~ is put into the post; in ~~providing~~ proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent.
- (c) if A notice placed on posted on the Company's website or the website of the Stock Exchange, shall be is deemed served and delivered when the material was first made available on the website or if later, at the time the intended recipient received (or is deemed to have received) notice of the fact that the material was available on the website given by the Company to a member on the day following that on which a notice of availability is deemed served on the member;
- (c) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, dispatch, transmission or publication shall be conclusive evidence thereof; and

- (d) may be given to a member either in the English language or the Chinese language, subject to due compliance with the Companies Ordinance and the Listing Rules.<sup>Note 9</sup>

Service of notice on persons entitled due to a member's death, etc

~~174~~175. A notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, within Hong Kong supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.

Transferee bound by prior notice

~~175~~176. Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which prior to his name and address being entered on the register shall have been duly given to the person from whom he derives his title to such share.

~~176~~177. Any notice or document delivered or sent by post to, or left at the registered address of any member in pursuance of these presents, shall notwithstanding that such member be then deceased or bankrupt and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such shares.

Notice valid until new holders registered

~~177~~178. The signature to any notice to be given by the Company may be written or printed.

Signature on notice



**Information**

~~178~~179. No member (not being a Director) shall be entitled to require discovery of or any information respecting any detail of the Company’s trading or any matter which is or may be in the nature of a trade secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interests of the members of the Company to communicate to the public.

Members not entitled to trade secret

**Destruction of Documents**

~~179~~180. The Company may destroy:-

Destruction of Documents

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

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

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

#### **Winding up**

Surplus  
and loss on  
winding up

~~180~~181. If the Company shall be wound up, the surplus assets remaining after payment to all creditors shall be divided among the members in proportion to the capital paid up on the shares held by them respectively, and if such surplus assets shall be insufficient to repay the whole of the paid up capital, they shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them respectively, but all subject to the rights of any shares which may be issued on special terms or conditions.

Division of  
assets by  
liquidator

~~181~~182. If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies Ordinance, divide among the members in specie or kind the whole or any part of the assets of the Company and whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other assets upon which there is a liability.

Service on  
members  
outside Hong  
Kong

~~182~~183. In the event of a winding-up of the Company in Hong Kong, every member of the Company who is not for the time being in Hong Kong shall be bound, within fourteen days after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong and stating that person's full name, address and occupation upon whom all summonses, notices processes, orders and judgments in relation to or under the winding-up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee, whether appointed by the member or the liquidator, shall be deemed to be good personal service on such member for all purposes, and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such member by advertisement in an English language newspaper (in English) and in a Chinese language (in Chinese) newspaper as he shall deem appropriate or by a registered letter sent through the post and addressed to such member at his address as mentioned in the register, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

**Indemnity**

Indemnity      ~~183~~184 (A) Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities ~~(including any such liability as is mentioned in paragraph (2)<sup>Note 3</sup> of the proviso to Section 165 of the Companies Ordinance)~~ which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director or other officer shall be liable for any loss, damages or misfortune which may happen to or incurred by the Company in the execution of the duties of his office or in relation thereto, provided that this Article shall only have effect in so far as its provisions are not avoided by the Companies Ordinance.

(B) Subject to ~~Section 165 of the~~ provisions of the Companies Ordinance, if any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.

Director's powers to charge assets by way of indemnity

**Notes:-**

- 1) ~~Amended by Special Resolution passed on 20-12-2007 and further amended by Special Resolution passed on 8-2-2010~~
- 2) ~~Amended by Special Resolution passed on 28-6-1996 and further amended by Special Resolution passed on 30-5-2003~~
- 3) ~~Amended by Special Resolution passed on 8-6-2004~~
- 4) ~~Amended by Special Resolution passed on 31-5-1993 and further amended by Special Resolution passed on 28-6-1996~~
- 5) ~~Amended by Special Resolution passed on 28-6-1996~~
- 6) ~~Amended by Special Resolution passed on 31-5-1999~~
- 7) ~~Amended by Special Resolution passed on 31-5-2007~~
- 8) ~~Amended by Special Resolution passed on 31-5-1993 and further amended by Special Resolution passed on 30-5-2007~~
- 9) ~~Amended by Special Resolution passed on 5-6-2009~~
- 10) ~~Amended by Ordinary Resolutions passed on 31-5-1993, 17-6-1994, 31-5-1999 and 28-5-2002 and further amended by Special Resolutions passed on 11-6-2003 and 24-6-2011~~

Names, Addresses and Descriptions of Subscribers
<p>(Sd.) Lam Yin Sang 17/C Sunshine Building, 34 Victory Road, Kowloon Merchant</p> <p>(Sd.) Chan Hoi Wo 90 Kennedy Road, 2<sup>nd</sup> Floor, Block A2, Wanchai, Hong Kong. Administrative Manager</p>

Dated the 8<sup>th</sup> day of April, 1981.  
WITNESS to the above signatures:

(Sd.) Vincent H.C. Ko  
Solicitor  
Hong Kong

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## NOTICE OF AGM

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### **KING STONE ENERGY GROUP LIMITED**

**金山能源集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00663)**

### **NOTICE OF AGM**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Meeting**”) of King Stone Energy Group Limited (the “**Company**”) will be held at 17th Floor, V Heun Building, No. 138 Queen’s Road Central, Central, Hong Kong at 11:00 a.m. on Thursday, 15 June 2023 to transact the following ordinary businesses:

#### **ORDINARY RESOLUTIONS**

1. To receive, consider and adopt the audited financial statements, the directors’ report and the auditors’ report for the year ended 31 December 2022.
2. (A) To re-elect Ms. He Qing as an executive director of the Company;  
  
(B) To re-elect Mr. Lee Kwok Wan as an independent non-executive director of the Company; and  
  
(C) To authorise the board of directors to fix the remuneration of the respective directors of the Company.
3. To re-appoint Messrs. Alliance (HK) CPA Limited as the auditors of the Company and to authorise the board of directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as ordinary resolution of the Company:

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## NOTICE OF AGM

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**“THAT:**

- (a) subject to sub-paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to issue, allot and deal with additional shares of the Company and to make or grant offers, agreements and options, including warrants, bonds, notes and debentures convertible into shares of the Company which would or might require the exercise of such power, subject to and in accordance with all applicable laws and the memorandum and articles of association of the Company, be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) above shall be in addition to any authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, notes and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in subparagraphs (a) and (b) above, otherwise than (i) pursuant to a Rights Issue (as hereinafter defined); or (ii) any issue of shares of the Company on the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any bonds, notes, debentures and securities which are convertible into shares of the Company; or (iii) an issue of shares of the Company under any share option scheme or similar arrangement providing for the grant to employees (including directors) of the Company and/or any of its subsidiaries of the rights to subscribe for shares of the Company; or (iv) an issue of shares of the Company in lieu of the whole or part of a dividend on share in accordance with the articles of association of the Company, shall not exceed 20 per cent. of the total number of shares of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

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## NOTICE OF AGM

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(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of 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 of Hong Kong to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares of the Company open for a period fixed by the directors of the Company to the holders of shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the law of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

5. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as ordinary resolution of the Company:

“**THAT:**

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



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## NOTICE OF AGM

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- (b) the approval in sub-paragraph (a) of this resolution shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company on behalf of the Company during the Relevant Period to procure the Company to purchase its securities at a price determined by the directors of the Company;
- (c) the total number of shares of the Company to be repurchased by the Company pursuant to the approval in sub-paragraphs (a) and (b) above shall not exceed 10 per cent. of the total number of shares of the Company in issue as at the date of passing 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 date of 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 of Hong Kong to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

6. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as ordinary resolution of the Company:

“**THAT** conditional upon resolutions numbered 4 and 5 as set out in the notice convening this meeting being passed, the total number of shares of the Company which are repurchased by the Company under the authority granted to the directors of the Company pursuant to and in accordance with the said resolution numbered 5 above shall be added to the total number of shares of the Company that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with by the directors of the Company pursuant to and in accordance with the resolution numbered 4 as set out in the notice convening this meeting.”

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## NOTICE OF AGM

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### SPECIAL RESOLUTION

7. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution of the Company:

“**THAT** the Company’s new articles of association, a copy of which has been produced to the meeting marked “A” and initialed by the Chairman for the purpose of identification, be and are hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the articles of association of the Company in force immediately before the passing of this Special Resolution and **THAT** any Director of the Secretary of the Company be and is hereby authorised to do all things necessary to implement, effect and record the adoption of the Company’s new articles of association.”

By Order of the Board of  
**King Stone Energy Group Limited**  
**Xu Zhuliang**  
*Chairman*

Hong Kong, 28 April 2023

*Registered office & Principal Place of Business in Hong Kong:*  
17th Floor, V Heun Building  
No. 138 Queen’s Road Central  
Central, Hong Kong

*Notes:*

- (1) A shareholder entitled to attend and vote at the Meeting may appoint one or more than one proxy to attend and to vote instead of him. A proxy need not be a shareholder of the Company.
- (2) In the case of joint holders of any share, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders is present at the Meeting, personally or by proxy, that one of the said persons so present whose name stands first on the Register of Members in respect of such share shall alone be entitled to vote in respect thereof.
- (3) In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company’s share registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the Meeting. Completion and return of a form of proxy will not preclude shareholders from attending and voting in person should they so desire.

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## NOTICE OF AGM

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- (4) In order to establish entitlements to attend and vote at the Meeting, the register of members of the Company will be closed from Monday, 12 June 2023 to Thursday, 15 June 2023, both days inclusive, during which period no transfer of the shares of the Company can be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 9 June 2023 in order to attend and vote at the Meeting.
- (5) If tropical cyclone warning signal no. 8 or above or "extreme conditions" caused by super typhoons or a black rainstorm warning signal is in force at 7:00 a.m. on Thursday, 15 June 2023, the Meeting will be adjourned and further announcement for details of alternative meeting arrangements will be made. The Meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the Meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.

*As at the date of this notice, the executive Directors are Mr. Xu Zhuliang, Mr. Zong Hao and Ms. He Qing, and the independent non-executive Directors are Mr. Chiu Sui Keung, Mr. Lee Ping and Mr. Lee Kwok Wan.*