

Articles of Association  
Of  
HONGKONG JINGANG TRADE HOLDING CO., LIMITED

Established on 17 January, 2011  
(Hong Kong)

No. 1552599

[COPY]  
COMPANIES REGISTRY  
CERTIFICATE OF CHANGE OF NAME

I hereby certify that  
HONGKONG JINGANG TRADE HOLIDNG CO., LIMITED  
香港金港商贸控股有限公司  
having by special resolution changed its name, is now incorporated under the Companies  
Ordinance (Chapter 32 of the Laws of Hong Kong) in the name of

HONGKONG JINGANG TRADE HOLDING CO., LIMITED  
香港金港商贸控股有限公司

Issued on 25 August 2011.

(Signature) Ms Ada L L CHUNG

Ms Ada L L CHUNG

Registrar of Companies

Hong Kong Special Administrative Region

香港特别行政区公司注册处处长钟丽玲

Note:

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

Companies Ordinance

(Cap. 622)

HONGKONG JINGANG TRADE HOLDING CO., LIMITED

Special Resolution

of

(The Company)

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Passed on 28 February, 2017

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By resolution in writing signed by the sole member of the company on the above date Under Section 617 of the Companies Ordinance (Cap. 622), the following proposal was duly passed as special resolution:

**Adoption of New Articles of Association**

“Approve and adopt the articles contained in the document submitted by the resolution attached hereto for identification purpose as our exclusive Articles of Association to take place of the existing Memorandum of Association and Articles of Association of the Company.”

For and on behalf of the company:

Inner Mongolia Yili Industrial Group Co., Ltd.

(Signature) Pan Gang

Authorized Representative

(Sole Member)

Companies Ordinance

(Cap. 32)

HONGKONG JINGANG TRADE HOLDING CO., LIMITED

香港金港商贸控股有限公司

Ordinary Resolution

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Passed on 8 March, 2013

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We hereby inform all the shareholders of our company that, by resolution in writing dated hereinabove, the following resolution was duly passed as an ordinary resolution:

Increase the nominal capital of the company by HKD 93,600,000.00, i.e. from HKD 166,000,000.00 to HKD 259,600,000.00. The details of the shares so added are as follows:

Class of shares: Ordinary shares

Par value of each share: HKD 1.00

Number of shares: 93,600,000

The above shares will have equal rights and interests as the other shares already issued.

For and on behalf of the company:

Inner Mongolia Yili Industrial Group Co., Ltd.

(Signature) Wang Ruisheng

Authorized Representative

(Sole Shareholder)

Companies Ordinance

(Cap. 32)

HONGKONG JINGANG TRADE HOLDING CO., LIMITED

Ordinary Resolution

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Passed on 1 August, 2012

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We hereby inform all the shareholders of our company that, by resolution in writing dated hereinabove, the following resolution was duly passed as an ordinary resolution:

Increase the nominal capital of the company by HKD 156,000,000.00, i.e. from HKD 10,000,000.00 to HKD166,000,000.00. The details of the shares so added are as follows:

Class of shares: Ordinary shares

Par value of each share: HKD 1.00

Number of shares: 156,000,000

The above shares will have equal rights and interests as the other shares already issued.

For and on behalf of the company:

Inner Mongolia Yili Industrial Group Co., Ltd.

(Signature) Zhao Chengxia

Authorized Representative

(Sole Shareholder)

No. 1552599



COMPANIES REGISTRY  
CERTIFICATE OF CHANGE OF NAME

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I hereby certify that

HONGKONG JINGANG TRADE HOLIDNG CO., LIMITED

香港金港商贸控股有限公司

having by special resolution changed its name, is now incorporated under then Companies Ordinance (Chapter 32 of the Laws of Hong Kong) in the name of

HONGKONG JINGANG TRADE HOLDING CO., LIMITED

香港金港商贸控股有限公司

Issued on 25 August 2011 .

Ms Ada LL CHUNG

Registrar of Companies

Hong Kong Special Administrative Region

香港特别行政区公司注册处处长钟丽玲

Note:

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

Companies Ordinance  
(Cap. 32)

HONGKONG JINGANG TRADE HOLDING CO., LIMITED

香港金港商贸控股有限公司

Special Resolution

Passed on 22 August, 2011

By resolution in writing signed by the sole member of the company pursuant to Article 24 of its Articles of Association and Section 116B of the Companies Ordinance, the following special resolution was duly passed to:

**Change of Company Name**

“The name of the company be changed to HONGKONG JINGANG TRADE HOLDING CO., LIMITED 香港金港商贸控股有限公司.”

For and on behalf of the company:

Inner Mongolia Yili Industrial Group Co., Ltd.

(Signature) Pan Gang

Authorized Representative

(Sole Shareholder)

Companies Ordinance (Cap. 622)  
Articles of Association  
of  
Private Company Limited by Shares  
HONGKONG JINGANG TRADE HOLDING CO., LIMITED  
香港金港商贸控股有限公司

**Part A Essential Articles of the Articles of Association**

**1. Name of company** The name of the company is:  
HONGKONG JINGANG TRADE HOLIDNG CO., LIMITED  
香港金港商贸控股有限公司

**2. Legal responsibilities of the members**

The legal responsibilities of the members are limited.

**3. Legal responsibilities of the members and assumption thereof**

The legal responsibilities of the members are limited to the outstanding amount for the shares held a member.

**4. Share capital and initial shareholding (when the company is incorporated)**

Total shares of proposed issuance	10,000,000
Total shares subscribed by the founding members of the company	HKD 10,000,000
(i) Total amount to be paid or deemed paid	HKD 10,000,000
(ii) Total amount not yet paid or deemed not yet paid	HKD 0.00

Class of shares	Ordinary
Total shares of the class to be issued as proposed by the company	HKD 10,000,000
Total shares of the class subscribed by the founding members of the company	HKD 10,000,000
(i) Total amount to be paid or deemed paid	HKD 10,000,000
(ii) Total amount not yet paid or deemed not yet paid	HKD 0.00

\*The name of the company was changed to "HONGKONG JINGANG TRADE HOLDING CO., LIMITED 香港金港商贸控股有限公司" on 8 July, 2008.

I/we, the undersigned, are desired of being formed into company and adopt the Articles of Association attached hereto. I/we respectively agree to take the number of share(s) in the capital of the company set opposite to my/our respective name(s).

Name of Founding Member	Number of Shares and Total Share Capital
<p>For and on behalf of the company:                      Inner Mongolia Yili Industrial Group Co., Ltd.                      (Signature) Authorized Representative                      1 Jinshan Avenue, Jinshan Development Zone, Huhehaote, Inner Mongolian Autonomous Region, the People's Republic of China                      Body corporate</p>	<p>10,000,000 ordinary shares                      HKD10,000,000.00</p>
<p>Total number of shares taken:</p>	<p>10,000,000 ordinary shares                      HKD10,000,000.00</p>



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**Part 1**

**Definitions**

**1. Definitions**

(1) In these Articles of Associations:

“Paid” means the shares have been paid or entered into account as having been paid;

“Fully paid” means, in respect of a share, that the issue price of the share has been paid to the company in full;

“Distribution recipient”, in respect of a share and subject to payment of dividends or other amounts for the share—

(a) means the holder of the share;

(b) means the holder whose name is first entered into the Register of Members (if the share has 2 or more co-shareholders); or

(c) means a transmittee (if the holder no longer holds the share due to decease, bankruptcy or otherwise by operation of law);

“Proxy Notice”— See Article 49(1);

“Articles of Associations” (“Articles”) mean the Articles of this Company;

Register of Members(register of members) means the Register of Members of this Company;

“Associated Company” means —

(a) An affiliated company of this Company;

(b) A company controlled by this Company; or

(c) An affiliate company of the above controlled company;

“Appointer” — See Article 28(1);

“Transmittee” means a person who owns a share due to the decease or bankruptcy of a member (or otherwise by operation of law);

“Holder”, in respect of a share, means a person whose name is entered into the Register of Members as holder of the share;

“Alternates”, in respect of an alternate director (V), means a person appointed as an alternate by a director under Article 28(1);

“Ordinance” means the Companies Ordinance (Cap. 622);

“Mental incapacity” has the meaning given to the term by Article 2(1) of Mental Health Ordinance (Cap. 136). A mentally incapacitated person is defined as follows: A person is mentally incapacitated if he/she cannot handle and manage his/her properties and affairs because of the mental incapacity referred to by the Mental Health Ordinance (Cap. 136).

(2) The meanings of the other terms used herein have the same meanings given to such terms in the Ordinance that is in force as of the date when this Company starts to be bound by these Articles.

(3) If a document is certified with the method of certifying documents or information prescribed by Article 828(5) or Article 829(3) of the Ordinance for implementation thereof, the document has been certified for purpose of these Articles.

## **Part 2**

### **Private Company**

#### **2. Ours is a private company.**

(1) Ours is a private company. Accordingly,

(a) the right of the members to transfer shares is restricted in manner indicated herein;

(b) The upper limit of the members is 50; and

(c) No one may invite any public figures to subscribe to any shares or debentures of this Company.

(2) Directors may use their discretionary powers to decline to register the transfer of a share.

(3) In Article (1)(b),

Members do not include:

(a) the members who are employees of this Company; and

(b) those who are members and the employees of this Company, but remain members after they are no longer the employees of this Company.

(4) For purpose of this article, 2 or more persons who jointly hold the shares of this Company shall be deemed to be a single member.

## **Part 3**

### **Directors and Corporate Secretary**

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

#### **3. General powers of the directors**

(1) All powers of the Company;

- (2) If, before a certain revision is made to these Articles, a director takes an action that would be valid but for the revision, such revision will not render the action invalid;
- (3) The powers granted herein are immune to the limitation of any other powers granted by these Articles to the directors;
- (4) A certain power that can be exercised by the directors can be exercised by a board meeting if it is attended by the directors reaching the quorum;

#### **4. Reserve Powers of Members**

- (1) Members may by a special resolution instruct the directors to take or not take an indicated action;
- (2) The above special resolution will not render invalid any action taken by the directors before the resolution is passed.

#### **5. Powers Sub-granted by Directors:**

- (1) Subject to the restrictions of these Articles, directors may sub-grant any power granted to them by these Articles as stipulated below if they deem it appropriate:
  - (a) The object of the sub-granting can be anyone or committee;
  - (b) The sub-granting may use any method (including a certificate of authorization);
  - (c) The power may be sub-granted to any extent and without regional limitation;
  - (d) The sub-granting may occur in relation to any matter;
  - (e) The sub-granting may be subject to any terms and conditions.
- (2) If so indicated by the directors, the object of above sub-granting of power by the directors may further sub-grant the power.
- (3) Directors may:
  - (a) cancel the above sub-granting of power in whole or in part; or
  - (b) cancel or change its terms and conditions.

#### **6. Committee**

- (1) If the directors have sub-granted any power to a committee, they may make the rules for the committee to handle affairs.
- (2) The above committee shall observe these rules.

#### Division 2 —Decisions Made by Directors

#### **7. Decisions Made Jointly by Directors**

- (1) The decisions of the directors may only be made:
  - (a) through the majority of votes cast by the directors at a meeting; or
  - (b) as stipulated in Article 8.
- (2) If:
  - (a) this Company has only 1 director; and
  - (b) these Articles contain nothing stipulating that this Company shall have more than 1 director,

Paragraph (1) is inapplicable.

- (3) If Paragraph (1) is inapplicable, the directors may make decisions in disregard of the

content of these Articles about matters related to directors' decision making.

## **8. Written Resolution**

(1) Any written resolution that is signed or approved in writing by every director (or his/her proxy) who has the right to vote on the resolution at a board meeting shall have the same force and effect as the resolutions adopted at a formally convened board meeting, but the precondition is that the signing or approving directors must meet the requirement for quorum at the board meeting;

(2) A signed resolution may include multiple documents of a similar format that have been signed by one or multiple directors or their agents. Under such circumstance, resolution shall be deemed as having been passed once the fact of signing is notified (in any way) to the registered office or the Corporate Secretary;

(3) If the Company has only one director, in such period, the written resolution signed by the director or the decision of the director proven by the written record signed by the director under the Companies Ordinance shall have the same force and effect as the resolutions adopted at a formally convened board meeting.

## **9. Convening a Board Meeting**

(1) Any director may convene a board meeting by issuing a notice of the meeting to the other directors or authorizing the Corporate Secretary to issue such notice;

(2) The notice of a board meeting shall display:

- (a) The proposed date and time of the meeting; and
- (b) Where the meeting will be held.

(3) The notice of a board meeting shall be issued to every director, but need not be in written form.

## **10. Attending a board meeting**

(1) Except as otherwise stipulated in these Articles, a director shall be deemed as having attended a board meeting or a part thereof, if:

- (a) the meeting is convened and held according to these Articles; and
- (b) every director can transmit any data he/she holds or express his/her views to other directors in respect of any particular item in the matters handled at the meeting.

(2) Where a director is located and how the directors communicate with each other is insignificant in judging whether a director has attended a board meeting.

(3) If the directors attending a board meeting are not in the same place, they can deem the location of any one of them as the venue where the meeting is held.

## **11. Quorum of board meeting**

(1) Unless a board meeting is attended by the directors reaching the quorum, no proposal may be voted upon at the meeting, excluding the proposal about convening another meeting;

(2) The quorum of a board meeting may be fixed by the directors from time to time. Unless otherwise fixed, the above quorum is 2.

## **12. Meeting held when the total number of directors is less than the quorum**

If, at the time, the total number of the directors is less than the quorum of a board meeting, the directors may decide only upon the following matters:

- (a) Appoint more directors; or
- (b) Convene a Members' Meeting so that the members can appoint more directors.

### **13. Presiding over a board meeting**

- (1) The directors may appoint one director to preside over a board meeting;
- (2) The director who is so appointed is known as the chairperson;
- (3) The directors may terminate the appointment of the chairperson at any time;
- (4) If the chairperson does not attend or is unwilling to preside over a board meeting 10 minutes after the designated start time, the directors present at the meeting may appoint one of them to preside over the meeting.

### **14. Decisive Vote of the Chairperson at a Board Meeting**

- (1) If the votes for and against a proposal are equal, the chairperson (or another director presiding over the board meeting) has the right to cast a decisive vote;
- (2) Paragraph (1) is inapplicable if, according to these Articles, the chairperson (or another director described above) shall not be counted as part of the decision-making process of in the quorum or voting procedure.

### **15. Voting by Alternates at a Board Meeting**

If a director doubles as an alternate director, the director has the right to additionally represent an appointer in the voting under the precondition that the appointer:

- (a) Does not attend the board meeting; and
- (b) Would have voting right if he/she attended the board meeting.

### **16. Conflict of Interests**

- (1) If:
  - (a) a director holds any (direct or indirect) interests in any transaction, arrangement or contract concluded with this Company in any way, the transaction, arrangement or contract is significant for the business of this Company; and
  - (b) this Article is applicable when the interests of the director have a considerable weight.
- (2) A related director shall declare the nature and scope of his/her interests to the other directors according to Section 536 of the Ordinance.
- (3) The directors and their alternates:
  - (a) shall not vote on a transaction, arrangement or contract if the directors hold the above interests therein; and
  - (b) shall not be included into the quorum if the transaction, arrangement or contract is involved.
- (4) Paragraph (3) does not exclude a related alternate from:
  - (a) representing another appointer in voting on the transaction, arrangement or contract when the appointer does not have the above interests; and
  - (b) being included into the quorum if the transaction, arrangement or contract is involved.
- (5) If director or his/her alternate violates Paragraph (3)(a), the related vote shall not be counted.



- (6) Paragraph (3) is inapplicable to:
- (a) an arrangement made for the following purpose: the guarantee or compensation given to a director for the amount he/she lends to this Company or the obligations he/she bears in the interest of this Company;
  - (b) the arrangement guaranteed by this Company to a third party for its debts or obligations under the precondition that the directors assume responsibility, in whole or in part, for the debts or obligations on the basis of a security, compensation or guarantee;
  - (c) an arrangement that meets the following descriptions: this Company and any of its affiliated companies do not provide special interests for the directors or former directors. But, under the arrangement, the employees and directors (or former employees and directors) of this Company or the affiliated company can receive interests; and
  - (d) an arrangement for subscribing or underwriting shares.
- (7) In this article (excluding Paragraphs (6)(d) and (8)), the transaction, arrangement or contract that has been mentioned includes a proposed transaction, arrangement or contract.

(8) In this article,

The arrangement for subscribing or underwriting shares means the:

- (a) Subscription or proposed subscription;
- (b) The subscription agreement or proposed subscription agreement; or
- (c) The underwriting agreement or proposed underwriting agreement, of the shares of this Company or other securities.

## **17. Supplementary Articles about Conflict of Interests**

- (1) In addition to their directorship, any director can concurrently hold any other position or a paid post of this Company (excluding the post of auditor and the post of Corporate Secretary, if this Company has only 1 director). The tenure of the position or post and the appoint clauses (about remuneration or other aspects) shall be decided by the directors.
- (2) A director or a quasi-director is not disqualified from taking the following actions because of his/her directorship:
  - (a) conclude a contract with this Company in relation to the tenure of other positions or paid posts described in Paragraph (1); or
  - (b) conclude a contract with this Company in the capacity of seller, buyer or other capacities.
- (3) The contract described in Paragraph (2) or any transaction, arrangement or contract concluded by this Company (or on behalf of this Company) in which any director is interested in any way shall not be rendered invalid.
- (4) A director who concludes a contract described in Paragraph (2) or holds interests in the transaction, arrangement or contract described in Paragraph (3) has no legal liability to hand over to the Company any interests obtained from such transaction, arrangement or contract because of:
  - (a) his/her directorship; or
  - (b) the fiduciary established due to the position.

- (5) The precondition for application of Paragraphs (1), (2), (3) or (4) is that the related director has declared (as defined in the following section) to the other directors the nature and scope of his/her interests according to Section 536 of the Ordinance.
- (6) The directors of this Company can be the directors or other senior executives of the following companies and can hold interests therein under other circumstances:
  - (a) a company launched by this Company; or
  - (b) a company where this Company has interests as a shareholder or in other capacity.
- (7) Unless otherwise stipulated in the Ordinance or otherwise instructed by this Company, no such director shall be accountable to the Company for any remuneration or other benefits received as a director or senior executive of another company or sourced from another company where the director has interests.

#### **18. Validity of the Actions of a Board Meeting**

The validity of the actions of a board meeting or a meeting of a committee of directors, or the validity of the actions taken by anyone in the capacity of director shall be as if the actions were taken by the directors or persons who had been duly appointed as director and are qualified to act as such, even though it is found afterwards that:

- (a) the appointment of any director or the appointment of anyone who acts in the capacity of a director is improper;
- (b) Any one or more than one of them does not have the qualifications for serving as a director or has lost the qualifications at the time;
- (c) Any one or more than one of them no longer serves a director at the time; or
- (d) Any one or more than one of them has no right to vote on the relevant matters at the time.

#### **19. Record of Reserve Decisions**

The directors shall make sure that the written record of every decision made by the alternate director(s) of this Company under Article 7(1) is kept for at least 10 years starting from the date when the decision is made.

#### **20. Written Record of the Decisions Made by the Sole Director**

- (1) If this Company has only 1 director, this article shall be applicable when the decision of the director:
  - (a) is made at a board meeting;
  - (b) is valid as if it was approved at the meeting.
- (2) The director shall provide this Company with a written record of the decision within 7 days after it is made;
- (3) If the above decision is made in the form of a written resolution, the director need not observe Paragraph (2);
- (4) If the above decision is made in the form of a written resolution, this Company shall keep the resolution for at least 10 years starting from the date when the decision is made;
- (5) This Company shall also keep the written record provided to the Company under Paragraph (2) for at least 10 years starting from the date when the relevant decision is made.

## **21. Discretion of the Directors to Make More Rules**

Subject to these Articles, the directors may:

- (a) make the rules they think fit in respect of how they make decisions; and
- (b) make the rules they think fit in respect of how they record or pass on the rules to the directors.

### **Division 3 Appointment and Departure of Directors**

## **22. Appointment and Departure of Directors**

- (1) If a person wishes to become a director and laws allow the person to become a director, the person may be appointed as such via:
  - (a) an ordinary resolution; or
  - (b) a decision made by the directors.
- (2) Unless otherwise indicated by the relevant appointment, the tenure of the directors appointed under Paragraph (1)(a) shall be unlimited.
- (3) The appointment under Paragraph (1)(b) can be made only to:
  - (a) fill a mid-term vacancy; or
  - (b) appoint a director in addition to the incumbent directors under the precondition that the total number of directors does not exceed the number fixed herein.
- (4) A director appointed under Paragraph (1)(b) shall:
  - (a) depart at the Members' Meeting at the first anniversary of the appointment; or
  - (b) depart within 9 months after the end of the related accounting reference period of this Company (if this Company has canceled the anniversary Members' Meeting or it is unnecessary to hold it). The "related accounting reference period" means one that is relied upon to judge the fiscal year of the appointment of the director.
- (5) A director need not hold qualification shares.

## **23. Qualifications of a Departing Director for Reappointment**

A director who departed is qualified to be reappointed as a director. Unless a director departed as required by Article 22(4), other directors can hold the post of director continuously without departure until appearance of the conditions set out in Article 25 for suspending a director from office.

## **24. Compound Resolution**

- (1) This article is applicable if a proposal under consideration concerns the appointment or employment of 2 or more than 2 directors by this Company or any other body corporate.
- (2) The above proposal can be separated for individual treatment and consideration in relation to each director.
- (3) Every related director has the right to vote (under the precondition that no other reasons prevent a director from voting) and the director has the right to be included into the quorum in respect of every resolution, excluding a resolution that concerns the appointment of a director himself/herself.

## **25. Termination of a Director from Office**

A person shall be terminated from directorship, if the person:

- (a) is terminated from directorship by the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) or prohibited by laws from serving as a director;
- (b) becomes bankrupt or reaches an arrangement for debt repayment or an agreement for debt reorganization resumptively with his/her creditors;
- (c) becomes a person of mental incapacity;
- (d) resigns from directorship by a written resignation notice under Section 464(5) of the Ordinance;
- (e) has been absent from all board meetings for more than 6 months without the approval of the directors; or
- (f) is removed from directorship by an ordinary resolution of this Company.

## **26. Remuneration of Directors**

- (1) The remuneration of directors shall be determined by this Company at Members' Meeting;
- (2) The remuneration of directors can:
  - (a) be paid in any form;
  - (b) include the arrangements related to the following matters: pay retirement benefits to or involving the directors;
- (3) The remuneration of the directors shall be calculated on a daily basis.

## **27. Expenses of Directors**

- (1) The travel, lodging and other expenses incurred by the directors through the following acts can be paid by this Company:
  - (a) attending:
    - (i) a board meeting or a meeting of a committee of directors;
    - (ii) a Members' Meeting; or
    - (iii) a meeting held separately for those holding any class of shares or debentures of this Company; or
  - (b) exercising the powers and performing the responsibilities of this Company.

### **Division 4 Alternate Directors**

## **28. Appointment and Dismissal of Alternates**

- (1) A director (appointer) can appoint another director as alternate or appoint as alternate any other persons approved by the directors through a resolution.
- (2) When the directors make a decision in the absence of the appointer of an alternate, the alternate may exercise the powers and perform the responsibilities of the appointer in relation to the making of the decision.
- (3) The appointment or dismissal of an alternate by an appointer is valid only if:
  - (a) a notice is issued to this Company; or
  - (b) it takes any other form approved by the directors.
- (4) The above notice shall be certified by the appointer.
- (5) The above notice:

- (a) shall identify a proposed alternate; and
  - (b) shall include the representations certified by the proposed alternate indicating that the person is willing to serve as the alternate of a related appointer, in the case of an appointment notice.
- (6) If the directors dismiss an alternate by a resolution, this Company shall issue a dismissal notice to the appointer of the alternate as soon as practically possible.

## **29. Rights and Responsibilities of Alternate Directors**

- (1) In respect of the decisions made by the directors under Article (1), an alternate director enjoys the same rights as his/her appointer.
- (2) Unless otherwise indicated herein, an alternate director shall:
  - (a) be deemed as a director in all aspects;
  - (b) bear legal responsibilities for his/her own acts and omissions;
  - (c) be subject to the same restrictions as his/her appointer; and
  - (d) be deemed as an agent of his/her appointer.
- (3) Except as otherwise stipulated in Article 16(3), if a person is an alternate director, but not a director,
  - (a) the person may be regarded as attending a meeting (under the precondition that his/her appointer is absent from the meeting) when judging whether the directors attending the meeting meet the quorum); and
  - (b) the person may sign a written resolution (under the precondition that his/her appointer did not or will not sign the resolution).
- (4) An alternate director shall not be counted or deemed as more than 1 director when:
  - (a) judging whether the directors attending a meeting meet the quorum; or
  - (b) judging whether a written resolution of the directors has been adopted.
- (5) An alternate director has no right to collect remuneration from this Company for serving as such.
- (6) However, the appointer of an alternate may, by a written notice given to this Company, instruct that any part of the remuneration of appointer be paid to the alternate.

## **30. Termination of an Alternate Director from Office**

- (1) For an alternate director appointed by an appointer, the appointment shall terminate if:
  - (a) the appointer gives a written notice to this Company indicating when the appointment will terminate to cancel the appointment;
  - (b) an event has taken place to an alternate, which will cause an appointer's appointment of a director to terminate if it takes place to the appointer;
  - (c) the appointer has passed away; or
  - (d) the appointment of the appointer as directors terminates.
- (2) If a person who is not a director is appointed as an alternate, such appointment shall terminate when:
  - (a) the approval referred to in Article 28(1) is withdrawn or canceled; or
  - (b) this Company passed an ordinary resolution at its Members' Meeting to

terminate the appointment.

## **Division 5 Compensation and Insurance of Directors**

### **31. Compensation**

- (1) The assets of this Company may be used to compensate for the legal responsibility of the directors, if any act of negligence, breach, dereliction of duty or violation of trust involves this Company or its Associated Company, while the directors or former directors of this Company are related to such act, thereby causing anyone other than this Company or the Associated Company (as the case may be) to bear legal responsibility.
- (2) The precondition for application of Paragraph (1) is that the relevant compensation shall not cover:
  - (a) the legal responsibility of the directors for payment of any:
    - (i) penalty imposed in criminal proceedings; or
    - (ii) amount that shall be paid in the form of penalty for nonobservance of the provisions with a regulatory nature; or
  - (b) any of the following legal responsibilities of a director:
    - (i) the legal responsibility resulting from the defense put up by the director in criminal proceedings (if the director is convicted in the proceedings);
    - (ii) the legal responsibility resulting from the defense put up by the director in civil proceedings (if the director is judged to lose the case in the proceedings initiated by this Company or its Associated Company);
    - (iii) the legal responsibility resulting from the defense put up by the director in civil proceedings (the director is judged to lose the case in the proceedings initiated by the members of this Company or by the members of its Associated Company on behalf thereof);
    - (iv) the legal responsibility resulting from the defense put up by the director in civil proceedings (if the director is judged to lose the case in the proceedings initiated by the members of an Associated Company (former) of this Company or by the members of an Associated Company of the former on behalf thereof); or
    - (v) the legal responsibility resulting from circumstances related to an application filed by the director (if the director applies for relief under Section 903 or 904 of the Ordinance, but the original court of justice refused to grant the relief to the director).
- (3) Any reference to conviction, judgment or refused granting of relief in Paragraph (2)(b) shall be the reference to the final decision in the related legal proceedings.
- (4) To implement Paragraph (3), any conviction, judgment or refused granting of relief shall be a final decision:
  - (a) if no appeal is lodged at the end of the time limit for lodging appeal; or
  - (b) if the appeal or any further appeal is settled in case of any lodged appeal.
- (5) To implement Paragraph (4)(b), an appeal shall be concluded, if:
  - (a) a judgment is handed down and the time limit for further appeal has come to an end; or
  - (b) the case has been waived or otherwise become invalid.

## **32. Insurance**

The directors may decide to take out insurance for the directors of this Company or its Associated Company against the following legal responsibilities and keep the insurance valid at the expense of this Company:

- (a) the legal responsibility borne by the directors for anyone under circumstances related to any act of negligence, breach, dereliction of duty or violation of trust that involves this Company or its Associated Company (as the case may be); or
- (b) the legal responsibility resulting from the defense put up by the directors in the civil or criminal proceedings initiated against them for any act of negligence, breach, dereliction of duty or violation of trust that is committed by the directors and involves this Company or its Associated Company (as the case may be).

### **Division 6 — Corporate Secretary**

#### **33.Appointment and Dismissal of Corporate Secretary**

- (1) The directors may appoint the Corporate Secretary according to the conditions they think fit, including tenure and remuneration;
- (2) The directors may dismiss the Corporate Secretary they appoint.

### **Part 4**

#### **Members Decisions**

##### **Division 1 - Organization of General Meeting**

#### **34. General Meeting**

- (1) Subject to Article 611, 612 and 613 of the Ordinance, the Company shall, in accordance with Article 610 of the Ordinance, hold a general meeting for each financial year as the annual general meeting.
- (2) The directors may call a general meeting if they have the need.
- (3) If the directors are required to call a general meeting under Article 566 of the Ordinance, they are required to do such act in accordance with Article 567 of the Ordinance.
- (4) If the directors fail to call a general meeting in accordance with Article 567 of the Ordinance, the members requesting the meeting, or those of them having more than half of the total voting rights of all of them, may call a general meeting in accordance with Article 568 of the Ordinance.

#### **35. Notice of General Meeting**

- (1) Notice of the holding of annual general meeting shall be given at least 21 days in advance.
- (2) Notice of the holding of general meeting other than annual general meeting shall be given at least 14 days in advance.
- (3) Notice period -
  - (a) Does not include the day on which the notice is served or deemed to be served; and
  - (b) Excluding the day on which the notice is given.
- (4) The notice shall -
  - (a) Specify the date and time of the general meeting;

(b) Specify the place of the meeting (or, if the meeting is held in 2 or more places, the main venue and other venues of the meeting); and;

(c) Specify the general nature of the event to be dealt with at the general meeting;

(d) (if the notice is for the annual general meeting) Clearly state the meeting to be held is an annual general meeting;

(e) (If to table a resolution, whether special or not) -

(i) Contain the resolution; and

(ii) contain or be accompanied by a statement containing any information or explanation reasonably necessary to show the purpose of the resolution;

(f) (If a special resolution is to be tabled at the meeting) Specify the intention and include a copy of the resolution; and

(g) Contains a statement specifying the rights of a member to appoint a representative under Article 596 (1) and (3) of the Ordinance.

(5) If the notice of the resolution -

(a) Has been included in the notice of the relevant general meeting under section Article 567 (3) or 568 (2) of the Ordinance; or

(b) Has been issued under Article 615 of the Ordinance, Article (4) (e) does not apply in relation to the resolution.

(6) A general meeting shall be deemed to have been duly convened if it is agreed by -

(a) (If the general meeting is an annual general meeting) All members entitled to attend and vote at the meeting; or

(b) (If the meeting is not an annual general meeting) A majority of the Members entitled to attend and vote at the meeting, provided that they together represent at least 95% of the total voting rights of all members at the meeting.

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

(1) Notice of a general meeting shall be given to -

(a) Each member; and

(b) Each director.

(2) If the Company has been given the notice of the transmittee's right to shares, a reference including the member and his transmittee shall be included in In Article (1).

(3) If the Company is required to give notice of a general meeting of the Company or any other document relating to the meeting to a member, it shall, at the same time as giving the notice or document to the member, give a copy of the notice or document to the auditor of the Company or, if there is more than one auditor, to each auditor.

### **37. Accidental Omission of Notice of General Meeting**

If notice of a general meeting is not given to any person entitled to receive it due to accidental omission, it shall not invalidate the proceedings of the meeting.

### **38. Attending and Speaking at General Meeting**

(1) A person is allowed to exercise his right to speak at a general meeting if, during the period of the meeting, he is able to properly communicate to all the persons present at the meeting his information or opinions on the business at the meeting.



- (2) A person is allowed to vote at a general meeting if -
  - (a) The person is able to vote on the resolution of the general meeting; and
  - (b) In determining whether the resolution has been passed, the vote of that person can be counted at the same time as that of all other persons present at the meeting.
- (3) The directors may make arrangements to enable persons present at a general meeting to exercise their right to speak and to vote at the meeting.
- (4) Whether or not any two or more members present at a general meeting are in the same place is immaterial in determining the attendance of the meeting.
- (5) If two or more persons, though in different places, are able to exercise their right to speak and vote at a general meeting, they are deemed to present at the meeting.

### **39. Quorum for General Meeting**

- (1) The quorum for all general meetings shall be two members personally present and holding either in his own right or by proxy.
- (2) If attendee fails to constitute the quorum for general meeting, no business shall be dealt at any general meeting unless appointing the Chairman.

### **40. Preside over the General Meeting**

- (1) If the Chairman (if any) of the board of directors is present at a general meeting and is willing to preside the meeting as Chairman, the Chairman shall be the President of the meeting.
- (2) If -
  - (a) There is no Chairman of the board of directors;
  - (b) The Chairman of the board of directors fails to attend the meeting within 15 minutes after the time arranged for the meeting;
  - (c) The Chairman of the board is unwilling to chair a general meeting; or
  - (d) If the Chairman of the board has given notice to the Company that he has no intention of attending the general meeting, the directors present at the meeting shall elect one of them to be the President of the meeting.
- (3) If -
  - (a) No director is willing to act as chairman; or
  - (b) If no director is present within 15 minutes after the time for holding the meeting, the present members shall elect one of them to be the President of the meeting.
- (4) A representative may be elected President of the general meeting by resolution of the company passed at the meeting.

### **41. Attendance and Speeches by Non-members**

- (1) A director, whether or not a member of the Company, may attend and speak at general meetings.
- (2) Even if any other person -
  - (a) Is not a member of the Company; or
  - (b) Is a member of the Company, but he has no right to exercise his membership rights in respect of general meetings, nevertheless the President of general meetings may allow him to attend and speak at the meeting.

## **42. Postponement**

(1) If attendee fails to match the quorum within half an hour of the time arranged for holding the general meeting -

(a) (If the meeting is called at the request of a member) The meeting shall be dissolved; or

(b) (In any other case) The meeting is postponed to the same day of the next week, at the same time and place, or to other day, time and place determined by the directors.

(2) If attendee fails to match the quorum within half an hour of the time arranged for the postponed general meetings, the number of members present in person or by proxy shall constitute a quorum.

(3) The President may postpone a general meeting with the specified quorum, if -

(a) Attendee agrees to postpone the meeting; or

(b) The President reckons that it's necessary to postpone the meeting in order to protect the safety of any members or to ensure that the business of the meeting was handled in an orderly manner.

(4) If the general meeting gives an order to postpone, the President shall postpone the meeting.

(5) When the President postpones a general meeting, he shall specify the date, time and place of the meeting.

(6) A postponed general meeting may only deal with the business unfinished before the postponement.

(7) If a general meeting is postponed for 30 days or more, notice of the postponed meeting shall be given as notice of the original version.

(8) If a general meeting is postponed for less than 30 days, notice of the postponed meeting need not be given.

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

### **43. General Rules for Voting**

(1) A resolution put to the vote of general meetings shall be voted on by a show of hands unless a poll is duly required in accordance with these Articles.

(2) If there is an equality of votes at general meetings, the President of the meeting shall vote for a second time or casting vote, whether on a show of hands or on a poll.

(3) In the case of a resolution that is determined by a show of hands of President at general meetings -

(a) Means a declaration that the resolution has been passed or not; or

(b) Means the resolution is passed by a mast majority, it's the conclusive evidence , the conclusive evidence. No more proof is needed to show the number or ratio of pros and cons of the resolution.

(4) The meeting minutes relating to the resolution is also conclusive evidence for the fact. No more proof is needed.

### **44. Errors and Disputes**

(1) Where a person votes at a general meeting, the objection to that person's eligibility to vote shall not be raised unless it is raised at that meeting (or at a postponed general meeting). A vote is valid if it is not negated at a general meeting.

- (2) Any objection shall be referred to the President of the meeting, whose decision shall be final.

#### **45. Call for a Vote**

- (1) A demand for a vote on a resolution may be made -
  - (a) Before the general meeting at which the resolution is to be voted; or
  - (b) On or before the announcement of the result of a vote on the resolution by a show of hands at a general meeting.
- (2) A poll on a resolution may be asked by -
  - (a) President of the meeting;
  - (b) At least 2 members present in person or by proxy; or
  - (c) Any member who holds at least 5% of the total voting rights of all the Members entitled to vote at the general meeting and attends the meeting in person or by proxy.
- (3) The appointment document for a representative shall include related requirements and requirements on voting on a resolution.
- (4) A demand for vote on a resolution may be withdrawn.

#### **46. Votes Held by Members**

- (1) On a show of hands on a resolution at a general meeting, there is 1 vote for each of the following -
  - (a) Members present in person; and
  - (b) A representative duly appointed and present in person by the Members entitled to vote on the resolution.
- (2) If a member appoints more than one representative, they are not entitled to vote on the resolution on a show of hands.
- (3) On a vote on a resolution at a general meeting -
  - (a) Each member present in person has one vote for each share held by him; and
  - (b) A representative duly appointed by a member and present in person has 1 vote for each share to which the appointment relates.
- (4) The effect of this Article shall not be inconsistent with any rights or restrictions attached to any shares or share types.

#### **47. Voting of Joint Holders of Shares**

- (1) In the case of joint holders of shares, only the vote of the holder who has voted first (and any vote of his duly authorized representative) shall be taken into account.
- (2) For all the purposes of this Article, the order in which the holders of shares are ranked depends on the order in which the associated holders are ranked in the register of members.

#### **48. Voting of Mentally Incapacitated Members**

- (1) If a member is mentally incapacitated, he may vote, whether on a show of hands or on a vote, by his trustee, receiver or guardian or by such other person as the court of first instance may appoint to be a trustee, receiver or guardian.
- (2) Any such trustee, receiver, guardian or other person may vote on a show of hands or by proxy.

#### **49. Contents of Proxy Notice**

- (1) The appointment of a representative shall be effective only by notice in writing (proxy notice) that -
  - (a) The notice shall state the name and address of the representative;
  - (b) The notice shall identify the person appointed as the member's representative and the general meeting to which the appointment relates;
  - (c) The notice is authenticated by or signed on behalf of the member; and
  - (d) The notice is delivered to the Company in accordance with these Articles and the instructions contained in the notice of the meeting.
- (2) The Company may require a proxy notice to be delivered in a particular form and may specify different forms for different purposes.
- (3) If the Company requires or allows the delivery of proxy notices in electronic form, it may require that be properly protected in accordance with the security arrangements specified.
- (4) A proxy notice appointing a proxy may specify how the proxy will vote on (or shall not vote on) one or more resolutions relating to the conduct of business at a general meeting.
- (5) Unless the proxy notice appointing a representative otherwise States, the notice shall be treated as
  - (a) Allow the representative the discretion to decide how to vote on any resolution on an incidental or procedural matter put to the vote of the relevant general meeting; and
  - (b) Appoint that person as a representative not only for the general meeting but also the postponed the general meeting.

#### **50. On Behalf of the Member to appoint a Proxy to sign the Proxy Notice**

If the proxy notice is not authenticated, it shall be accompanied by documentary evidence that the person who executed the instrument of proxy appointment has the right to execute the instrument on behalf of the member who made the appointment.

#### **51. Delivery of Proxy Notice and Revocation of Proxy Appointment**

- (1) A proxy notice is valid unless it has arrived at the Company before -
  - (a) (A general meeting or a postponed general meeting) 48 hours before the time appointed for holding the meeting; and
  - (b) (If a poll is demanded 48 hours after the demand is made) 24 hours before the time appointed for the vote.
- (2) An appointment made under a proxy notice can be revoked. The method of revocation is to deliver a written notice to the Company, which shall be given by or on behalf of the person who gave the representative notice.
- (3) A notice revoking such appointment shall be void unless it has been delivered to the company before -
  - (a) (A general meeting or a postponed general meeting) 48 hours before the time appointed for holding the meeting; and
  - (b) (If a poll is demanded 48 hours after the demand is made) 24 hours before the time appointed for the vote.

## **52. Member Personally Votes Affects the Rights of Proxy**

- (1) The power of proxy in respect of a resolution shall be deemed to have been revoked if the proxy in respect of a share does the following actions-
  - (a) Attend in person the meeting at which the resolution was decided; and
  - (b) Exercise the voting rights attached to those shares in respect of the resolution.
- (2) Even if a valid proxy notice has been delivered to the Company by or on behalf of a member who is entitled to attend, speak or vote at a general meeting, the member shall have the right to attend, speak or vote in respect of the meeting or the meeting as extended.

## **53. Effect of Proxy Voting in the Event of Death or Mental Incapacity of the Proxy**

- (1) Although -
  - (a) the proxy dies or becomes mentally incapacitated before voting;
  - (b) The appointment is revoked or the power to sign the appointment is revoked;or
  - (c) If the shares to which the proxy appointment relates are transferred, a vote in accordance with the terms of the proxy notice shall remain valid.
- (2) Article (1) does not apply if a notice of such death, mental incapacity, revocation or transfer arrives at the Company before -
  - (a) (A general meeting or a postponed general meeting) 48 hours before the time appointed for holding the meeting; and
  - (b) (If a poll is demanded 48 hours after the demand is made) 24 hours before the time appointed for the vote.

## **54. Amendments to Proposed Resolutions**

- (1) An ordinary resolution to be proposed at a general meeting may be amended by an ordinary resolution if -
  - (a) Written notice of the proposed amendment has been given to the Company secretary; and
  - (b) The President of the general meeting reasonably believes that the proposed amendments have not caused significant changes in the scope of the relevant resolutions.
- (2) If the ordinary resolution is to be proposed at a general meeting, such notice shall be given by the person entitled to vote at the meeting 48 hours before the time of the meeting (or such later time as the chairman may determine).
- (3) A special resolution to be proposed at general meetings may be amended by an ordinary resolution if -
  - (a) At the meeting, the President proposed amendments; and
  - (b) The amendment only corrects grammatical errors in the resolution, or other irrelevant errors.
- (4) If the President of general meetings, acting in good faith, wrongly determines that any amendment to a resolution is improper, the vote on the resolution shall remain valid unless the court of first instance orders otherwise.

### **Division 3- Rules Apply to Meetings for Certain Members**

## **55. Meetings of Certain Members**

The Articles of the Ordinance relating to general meetings shall apply, mutatis mutandis, to meetings of the holders of any class of shares.

### **Part 5**

#### **Shares and Distributions**

##### **Division 1 - Issue of Shares**

## **56. All Shares shall be Fully Paid**

No shares shall be issued unless they are fully paid up.

## **57. Power to Issue Shares of Different Types**

1) Shares issued by the Company may be accompanied by a

(a) Priority, deferral or other special rights; or

(b) Restrictions on dividends, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine without prejudice to any special rights previously conferred on the holders of any original shares or class of shares.

(2) Subject to Division 4 of Part 5 of the Ordinance, the company may issue shares on the following terms: the shares shall be or may be redeemed at the option of the company or the holders of the shares.

(3) The directors may determine the terms, conditions and manner of redemption of shares.

##### **Division 2 - Interests in Shares**

## **58. The company is Subject to Absolute Equity Only**

(1) Except as required by law, the Company does not recognize any person holding shares on trust.

(2) Except as otherwise provided by law or the Ordinance, the Company shall not be bound by or recognize any interest in a share other than the holder's absolute ownership and all rights attached to it.

(3) Article (2) still applies even if the company is aware of the above-mentioned interest.

##### **Division 3 - Share Certificates**

## **59. Certificates Required Subject to Certain Circumstances**

(1) The Company is required to

(a) Within 2 months after the allotment of shares or the filing of a proper instrument of transfer of shares; or

(b) Within such other period as may be specified in the conditions of issue of shares, one or more certificates shall be issued free of charge to each member in respect of the shares held by him.

(2) If a share belongs to more than one type, no certificate shall be issued in respect of that share.

(3) If a share is held by more than one person, only one certificate shall be issued.

## **60. Contents and Execution of Share Certificates**

(1) A share certificate shall specify -

- (a) The number of shares and the class of shares in respect of which it is issued;
  - (b) The shares are fully paid; and
  - (c) Any identification number assigned to the shares.
- (2) A share certificate shall -
- (a) Bear the common seal of the company or the official seal of the company (within the meaning of Article 126 of the Ordinance); or
  - (b) Otherwise executed in accordance with the Ordinance.

#### **61. Consolidated Share Certificate**

- (1) A member may make a written request to the company that -
- (a) Replace the member's separate certificate with a consolidated certificate; or
  - (b) Replace the member's consolidated certificate with two or more separate certificates representing the proportion of Shares specified by the member.
- (2) No certificate to be replaced by a composite certificate shall be issued unless it has been returned to the company for cancellation.
- (3) No separate certificate shall be issued unless the composite certificate to be replaced by a separate certificate has been returned to the company for cancellation.

#### **62. Substituted Share Certificate**

- (1) If a certificate is issued in respect of shares held by a member and the certificate is defaced, damaged, lost or destroyed, the member is entitled to be issued a certificate in lieu of the certificate in respect of the same shares.
- (2) If a member is entitled to a replacement certificate and exercises that right -
- (a) The right to a single certificate, a separate certificate or a combined certificate may be exercised at the same time;
  - (b) Return to the company the certificate to be replaced which has been defaced or damaged; and
  - (c) Subject to such conditions of evidence, indemnity and payment as the directors may determine.

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

#### **63. Transfer of Shares**

- (1) A share may be transferred by an instrument of transfer in the ordinary form or by such other form as the directors may approve. The instrument shall be executed by or on behalf of the transferor and the transferee.
- (2) The company shall not charge for the registration of any instrument of transfer or other document relating to or affecting the ownership of shares.
- (3) The company may retain any registered instrument of transfer.
- (4) The transferor remains the holder of a share until the name of the transferee is entered in the register of members as the holder of the share.

#### **64. Power of Directors to Refuse Transfer of Shares**

- (1) Without limiting Article 2 (2), the directors may refuse to register a transfer of a share if
- (a) The instrument of transfer has not been delivered to the registered office of the

company or to such other place as the directors may direct;

- (b) The instrument of transfer is not accompanied by a certificate of the shares to which it relates or such other evidence as the directors may reasonably require to prove the right of the transferor to make the transfer or the right of another person to make the transfer on behalf of the transferor; or
  - (c) The transfer involves more than one class of shares.
- (2) If a director refuses to register a transfer of a share under Article (1) or Article 2 (2) -
- (a) The assignor or the assignee may require a statement of the reasons for the refusal; and
  - (b) The instrument of transfer must be returned to the transferor or transferee presenting it unless the directors suspect that the proposed transfer may be fraudulent.
- (3) Where an instrument of transfer is delivered to the company on a date, it shall be returned in accordance with Article (2) (b) together with a notice of refusal to register the transfer within 2 months after that date.
- (4) If the transferor or the transferee makes a request under Article (2) (a), the directors shall, within 28 days after receiving the request -
- (a) Send a statement of the reasons for the refusal to that person; or
  - (b) Register the transfer.

#### **65. Transmission of Shares**

If a member die -

- (a) If the member is a joint holder of the shares, the company may only recognize the ownership of the shares by the surviving of such joint holders; and
- (b) If the member is the sole holder of the shares, the company can only recognize that the legal personal representative of the member has the ownership of the shares.

#### **66. Rights of Transmittees**

- (1) A transmittee may, subject to these articles, elect to be the holder of the share or to transfer the share to another person if he produces such evidence as the directors may properly require to prove his right to the share.
- (2) The directors have the same right to refuse or suspend the registration of the transfer of shares as if the relevant holder had transferred the relevant shares before the relevant transmission.
- (3) A transmittee is entitled to a dividend or other benefit equal to what he would have been entitled if he were the holder of the share, but he is not entitled to exercise any of the rights conferred by membership in relation to meetings of the company in respect of the share before he has been registered as a member.
- (4) The directors may at any time give notice requiring the transmittee to choose to be the holder of the share or to transfer the share to another person.
- (5) If the transmittee fails to comply with the notice within 90 days from the giving of the notice, the directors may, until the requirements of the notice are complied with, suspend payment of all dividends, or other sums payable in respect of the share.



## **67. Exercise of Rights of Transmittees**

- (1) If the transmittee elects to become the holder of a share, he shall give notice in writing to the company.
- (2) Within 2 months after receiving such notice, the directors shall -
  - (a) Register the transmittee as the holder of the share; or
  - (b) Send the notice of refusal to register to the relevant transmittee.
- (3) If the director refuses to register, the transmittee may request a statement stating the reasons for the refusal.
- (4) If the transmittee makes a request under subsection (3), the directors shall, within 28 days after receiving the request -
  - (a) Send a statement of the reasons for the refusal to the transmittee; or
  - (b) Register the transmittee as the holder of the share.
- (5) If the transmittee chooses to transfer the share to another person, he shall execute an instrument of transfer in respect of the share.
- (6) All the restrictions and other provisions in these articles relating to the right to transfer shares and the registration of transfer of shares shall apply to a notice under subsection (1) and to a transfer under subsection (5) as if the transfer had not occurred and the transfer had been made by the holder of the shares before the transfer.

## **68. The Transmittee bounded by Prior Notice**

If a notice is given to a member in respect of shares to which a transmittee is entitled and is given to the member before the name of the transmittee is entered in the register of members, the transmittee is bound by the notice.

## **Division 5 - Alteration and Reduction of Share Capital, Share Repurchase and Allotment**

### **69. Change of Share Capital**

The company may by ordinary resolution vary its share capital in one or more of the ways listed in section 170 (2) (a), (b), (c), (d), (E) and (f) (I) of the Ordinance, and section 170 (3), (4), (5), (6), (7) and (8) of the Ordinance shall apply accordingly.

### **70. Reduction of Share Capital**

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

### **71. Share Repurchase**

The company may repurchase its shares (including any redeemable shares) in accordance with division 4 of Part 5 of the Ordinance.

### **72. Allotment of Shares**

A director shall not exercise his power to allot shares in the company until he has obtained the prior approval of the company by resolution in accordance with section 140 of the Ordinance.

## **Division 6 - Distribution**

### **73. Procedure for Declaration of Dividends**

- (1) The company may, in general meeting, declare a dividend not exceeding the amount recommended by the directors.

- (2) The directors may from time to time pay an interim dividend to a member if it appears to the directors that the interim dividend is justified in terms of the profits of the company.
- (3) No dividend shall be paid otherwise than out of profits in accordance with Part 6 of the Ordinance.
- (4) Unless otherwise specified by the resolution of the members declaring the dividend, the decision of the directors to pay the dividend or the terms of issue of the shares, the payment of the dividend shall be based on the shares held by each member on the date of the resolution or decision declaring the dividend.
- (5) Before recommending any dividend, the directors may set aside from the profits of the company such sum as they think fit as a reserve.
- (6) The directors may apply the reserve as follows -
  - (a) Where the profits of the company are properly applied for a particular purpose, the directors may apply the reserves for that purpose; and
  - (b) Before applying such reserves as aforesaid, the directors may apply such reserves to the business of the company or to such investments, not including shares in the company, as they think fit.
- (7) If the directors consider it prudent not to distribute a certain profit, they may carry it forward instead of allocating the profit to the reserve.

#### **74. Payment of Dividends and Other Distributions**

- (1) If a dividend or other distribution is payable in respect of a share, it shall be paid by one or more of the following methods -
  - (a) Transfer to a bank account specified in writing (or in such manner as the directors may determine) by the distribution recipient;
  - (b) Send by post a check made payable to the distribution recipient (if the distribution recipient is a holder of shares) at the distribution recipient's registered address or (if the distribution recipient is not a holder of shares) at such address as the distribution recipient may specify in writing (or in such manner as the directors may determine); and;
  - (c) Send by post a check payable to the specified person at the address specified in writing (or in such manner as the directors may determine) by the distribution recipient;
  - (d) Any other method of payment agreed in writing (or in such manner as the directors may determine) between the directors and the distribution recipient.
- (2) In this section -

Specified person means a person specified by the distribution object in writing (or as determined by the directors).

#### **75. No Interest shall be Paid on Distributions**

Unless -

- (a) The terms of issue of a share; or
- (b) Subject to the provisions of another agreement between the holder of a share and the company, the company shall not pay interest on any dividend or other sum payable in respect of the share.

## **76. Distribution Unclaimed**

- (1) If a dividend or other sum payable in respect of a share has not been claimed after it has been declared or become payable, the directors may use the dividend or other sum for investment purposes or for the benefit of the company before it is claimed.
- (2) Payment of a dividend or other sum into another account does not make the company a trustee for that dividend or sum.
- (3) If -
  - (a) 12 years from the date on which the dividend or other sum becomes due; and
  - (b) If a distribution object has not claimed the dividend or payment, the distribution object is no longer entitled to receive the dividend or payment and the company no longer owes the dividend or payment.

## **77. Non-cash Distribution**

- (1) Subject to the terms of issue of the shares, the company may, on the recommendation of the directors, by ordinary resolution, decide to pay all or part of the dividends or other distributions payable in respect of the shares by transferring non-cash assets of equal value (including but not limited to shares or other securities of any company).
- (2) The directors may make any arrangements they think fit for a non-cash distribution, including, in the event of difficulty in the distribution -
  - (a) Determining the value of any asset;
  - (b) Pay cash to a distribution recipient based on that value to adjust the rights of the distribution recipient; and
  - (c) Vesting any assets in the trustee.

## **78. Waiver of Distribution**

- (1) A distribution recipient may give up the right to receive a dividend payable in respect of a share or any other distribution to be made in respect of a share by executing a deed to that effect to the company.
- (2) However, if there is more than one holder of the share or more than one person is entitled to the share (whether by reason of the death or bankruptcy of one or more joint holders or otherwise), the deed shall be void unless it is expressly stated that it is executed by all the holders or other persons entitled to the share.

### **Division 7 - Capitalization of Profits**

## **79. Capitalization of Profits**

- (1) The company may, on the recommendation of the directors, capitalize profits by ordinary resolution.
- (2) Where capitalization is accompanied by the issue of shares or debenture, the directors may apply the capitalized sum in proportion to the amount to which the member would have been entitled if the sum had been distributed by way of dividend.
- (3) The directors may make such arrangements as they think fit, including the issue of certificates for less than one share, the making of cash payments, or the adoption of a rounding policy to adjust the rights of the members in the event that less than one share or unit of debenture may be issued, provided that such arrangements are necessary to make such adjustment.

## **Clause 1**

### **Division 1 - Communications between Companies and the Outside World**

#### **80. Communication Methods to be Used**

- (1) Subject to these articles, anything sent or supplied by (or to) the company under these articles may be sent or supplied in a way in which documents or information are required to be sent or supplied by (or to) the company under Part 18 of the ordinance for the purposes of the Ordinance.
- (2) Subject to these articles, any notice or document sent or provided to a director in respect of a decision of the director may also be sent or provided in such manner as the director has requested and for the time being sent or provided to the director.
- (3) A director may agree with the company that a notice or document sent to him in a particular manner shall be deemed to have been received by him within a specified period of time after it has been sent, which shall be less than 48 hours.

### **Division 2 - Administrative Arrangements**

#### **81. Company Seal**

- (1) The use of the common seal may only be made in accordance with the authority granted by the directors.
- (2) The common seal shall be a metal seal bearing the name of the company in legible characters.
- (3) Subject to subsection (2), the directors may determine how the common seal or the official seal shall be used and the form in which the common seal or the official seal shall be used (whether the official seal is for use outside Hong Kong or for stamping securities).
- (4) Unless otherwise required by the directors, if the company has a common seal and the seal is used for stamping a document, the document must also be signed by at least one director and one authorized person.
- (5) For the purposes of this section, an authorized person is -
  - (a) Any director of the company;
  - (b) The company secretary; or
  - (c) A person authorized by the directors to sign an instrument under the common seal.
- (6) If the company has an official seal for use outside Hong Kong, the directors must decide to authorize the use of the official seal on a document (or a document of the class to which the document belongs) before the official seal can be affixed to the document.
- (7) If the company has an official seal for the purpose of affixing it to securities, only the company secretary or a person authorized by the company secretary to affix the seal to securities may affix the seal to securities.

#### **82. No Right of Access to Accounts and Other Records**

No person shall have any right to inspect any account or other record or document of the company solely as a member, but if -

- (a) Statute law;
- (b) An order made under section 740 of the Ordinance;
- (c) A director; or

- (d) An exception is the right of inspection granted by an ordinary resolution of the company.

### **83. Auditor's Insurance**

- (1) The directors may decide to take out and keep in force insurance for the auditors of the company or associated companies of the company at the expense of the company in respect of the following liabilities:
  - (a) The auditor's liability to any person in connection with any negligence, default, breach of duty or breach of trust (other than fraud) relating to the company or the associated company, as the case may be, in the course of performing his duties as an auditor; or
  - (b) Liability incurred by the auditor in defending civil or criminal proceedings against the auditor for negligence, default, breach of duty or breach of trust (including fraud) committed by the auditor in the performance of his duties in relation to the company or the associated company, as the case may be.
- (2) In this section, a reference to the performance of the duties of an auditor includes the performance of the duties specified in Article 415 (6) (a) and (b) of the Ordinance.

### **84. Liquidation**

- (1) If the company is wound up and there is a balance after payment of the debts proved in the winding up, the liquidator shall -
  - (a) May, with the required sanction, divide among the members the whole or any part of the assets of the company, whether they consist of property of the same kind or not, in their original form or in their original form, and for that purpose may set such value as the liquidator thinks just for the property to be so divided; and
  - (b) You can decide how to make the distribution among members or between different categories of members.
- (2) The liquidator may, with the prescribed sanction, vest the whole or any part of the said assets in the trustees for the benefit of the contributories under such trust arrangements as the liquidator (with the prescribed sanction) thinks fit, but no member shall be compelled to accept any shares or other securities liable.
- (3) In this section -

Required sanction refers to the sanction made by the company by special resolution and the sanction required by the Ordinance

Any other approval of.

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