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

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

If you have sold or transferred all your shares in **CSPC PHARMACEUTICAL GROUP LIMITED**, you should at once hand this circular with the accompanying proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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**CSPC**

**石藥集團有限公司**

**CSPC PHARMACEUTICAL GROUP LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 1093)**

**PROPOSALS FOR  
GENERAL MANDATES TO BUY-BACK SHARES  
AND TO ISSUE SHARES,  
RE-ELECTION OF THE RETIRING DIRECTORS,  
ADOPTION OF NEW ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of CSPC Pharmaceutical Group Limited to be held at Regus Business Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong on Tuesday, 26 May 2015 at 10:00 a.m. is set out on pages 45 to 50 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of a proxy form will not prevent you from attending and voting in person at the meeting should you so desire.

Hong Kong, 20 April 2015

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Regus Business Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong on Tuesday, 26 May 2015 at 10:00 a.m., notice of which is set out on pages 45 to 50 of this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Buy-back Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to buy-back during the period as set out in the Buy-back Resolution
“Buy-back Resolution”	the proposed ordinary resolution as referred to in resolution no. 5 of the notice of the Annual General Meeting
“Companies Ordinance”	the new Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	CSPC Pharmaceutical Group Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	13 April 2015, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“New Articles of Association”	the new articles of association of the Company proposed to be adopted by the Company at the Annual General Meeting
“Predecessor Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong) which was in force immediately prior to 3 March 2014
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of the Company with no par value
“Share Buy-back Rules”	the relevant rules set out in the Listing Rules to regulate the buy-back by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange
“Shareholder(s)”	registered holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollars, the lawfully currency of Hong Kong

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LETTER FROM THE BOARD

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**CSPC**

石藥集團有限公司

**CSPC PHARMACEUTICAL GROUP LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 1093)**

*Executive Directors:*

Mr. CAI Dongchen (*Chairman and CEO*)  
Mr. FENG Zhenying  
Mr. CHAK Kin Man  
Mr. PAN Weidong  
Mr. ZHAO John Huan  
Mr. WANG Shunlong  
Mr. WANG Huaiyu  
Mr. LU Jianmin  
Mr. WANG Zhenguo  
Mr. WANG Jinxu

*Registered Office:*

Suite 3206  
32nd Floor  
Central Plaza  
18 Harbour Road  
Wan Chai  
Hong Kong

*Non-executive Director:*

Mr. LEE Ka Sze, Carmelo

*Independent Non-executive Directors:*

Mr. CHAN Siu Keung, Leonard  
Mr. WANG Bo  
Mr. LO Yuk Lam  
Mr. YU Jinming  
Mr. CHEN Shilin

Hong Kong, 20 April 2015

*To the Shareholders,*

Dear Sir or Madam,

**PROPOSALS FOR  
GENERAL MANDATES TO BUY-BACK SHARES  
AND TO ISSUE SHARES,  
RE-ELECTION OF THE RETIRING DIRECTORS,  
ADOPTION OF NEW ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**GENERAL MANDATE TO BUY-BACK SHARES**

At the annual general meeting of the Company held on 20 May 2014, a general mandate was given to the Directors to exercise the powers of the Company to buy-back Shares.

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## LETTER FROM THE BOARD

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Such mandate will lapse at the conclusion of the forthcoming Annual General Meeting. The Directors propose to seek your approval of the Buy-back Resolution to be proposed at the Annual General Meeting. An explanatory statement as required under the Share Buy-back Rules to provide the requisite information of the Buy-back Proposal is set out in Appendix I hereto.

### GENERAL MANDATE TO ISSUE SHARES

It will also be proposed at the Annual General Meeting two ordinary resolutions respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the issued Shares as at the date of passing the resolution (i.e. not exceeding 1,181,603,680 Shares based on the issued Shares of 5,908,018,403 as at the Latest Practicable date and assuming that such number of issued Shares remains the same as at the date of passing the resolution) and adding to such general mandate so granted to the Directors any Shares representing the aggregate number of the Shares bought-back by the Company after the granting of the general mandate to buy-back up to 10% of the issued Shares of the Company as at the date of passing the Buy-back Resolution.

### RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the executive Directors are Mr. CAI Dongchen, Mr. FENG Zhenying, Mr. CHAK Kin Man, Mr. PAN Weidong, Mr. ZHAO John Huan, Mr. WANG Shunlong, Mr. WANG Huaiyu, Mr. LU Jianmin, Mr. WANG Zhenguo and Mr. WANG Jinxu; the non-executive Director is Mr. LEE Ka Sze, Carmelo and the independent non-executive Directors are Mr. CHAN Siu Keung, Leonard, Mr. WANG Bo, Mr. LO Yuk Lam, Mr. YU Jinming and Mr. CHEN Shilin.

Pursuant to Article 92 of the Articles of Association, Mr. LO Yuk Lam, Mr. YU Jinming and Mr. CHEN Shilin, who are newly appointed Directors, shall hold office until the Annual General Meeting and, being eligible, offer themselves for re-election.

In addition, pursuant to Article 101 of the Articles of Association, Mr. CAI Dongchen, Mr. CHAK Kin Man, Mr. PAN Weidong, Mr. ZHAO John Huan, Mr. WANG Shunlong and Mr. WANG Huaiyu, shall retire by rotation from office at the Annual General Meeting and, being eligible, offer themselves for re-election.

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

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## LETTER FROM THE BOARD

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### ADOPTION OF NEW ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 13 April 2015, whereby it was announced that the following major statutory changes (collectively, the “Statutory Changes”) which came into operation on 3 March 2014 may have impact on the provisions contained in the Articles of Association:

- (a) the Companies Ordinance has replaced the Predecessor Companies Ordinance, and the major changes include, inter alia, abolishing the par value for shares, abolishing the memorandum of association and regarding conditions in the memorandum of association of existing companies as provisions of the articles of association, removing the power to issue warrants to bearer, removing the power to convert shares into stock, requiring the company to give reasons for declining to register a transfer of shares upon request, reducing the threshold for demanding a poll, making the keeping and use of a common seal optional and deeming consent from members to receive corporate communications via the company’s website; and
- (b) the Predecessor Companies Ordinance has been retitled as Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) which retains the provisions dealing with company winding-up and insolvency, disqualification of directors as well as prospectus related matters.

In order to bring the Articles of Association in line with the Statutory Changes, the Board proposes to make amendments to the existing Articles of Association including, inter alia, the following:

- 1. migrating the mandatory clauses from the memorandum of association of the Company (the “Memorandum”) regarding company name and member’s limited liabilities into the Articles of Association and the Articles of Association will become the single constitutional document of the Company due to the abolition of the Memorandum under the Companies Ordinance;
- 2. not having objects clause provisions in the New Articles of Association but giving the Company the capacity, rights, powers and privileges of a natural person of full age;
- 3. amending the definition of “Companies Ordinance” in the existing Articles of Association to make reference to the Companies Ordinance and where appropriate, to make references to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);

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## LETTER FROM THE BOARD

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4. deleting, adding or modifying certain definitions as appropriate;
5. amending the provisions relating to various ways to alter the Company's capital in light of the abolishment of the par value for shares;
6. deleting references relating to "memorandum", "nominal value", "nominal amount of the shares", "premium", "share premium account" and "capital redemption reserve" or similar wordings in the existing Articles of Association and where applicable, replacing references to nominal value of shares with total voting rights;
7. broadening the disclosure of interest by Directors to include the disclosure of interests of the Directors' "connected entity" (within the meaning given under Section 486 of the Companies Ordinance);
8. requiring the Board to give the reasons for declining to register a share transfer if requested by the transferor or transferee;
9. removing the Company's power to convert any paid up shares into stock (or vice versa);
10. reducing the threshold for demanding a poll such that Shareholders holding at least 5% (instead of one-tenth) of the total voting rights of all the Shareholders having the right to vote at the meeting can demand a poll;
11. allowing any document signed by any two Directors or any of the Directors and the secretary of the Company and expressed to be executed by the Company to have the effect as if such document had been executed under the Company's common seal; and
12. removing the Company's power to issue warrants to bearer.

The Board also proposes to make certain housekeeping amendments to the existing Articles of Association at the same time for the purpose of bringing the Articles of Association in line with the Listing Rules and improving on the drafting and to correct typographical errors.

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## **LETTER FROM THE BOARD**

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In view of the amount of amendments proposed to be made to the existing Articles of Association, the Board proposes that the New Articles of Association with all proposed amendments to the existing Articles of Association incorporated be adopted to replace the existing Articles of Association. Please refer to Appendix III of this circular for further particulars and details relating to the changes to the existing Articles of Association brought about by the adoption of the New Articles of Association. The Chinese translation of the New Articles of Association is for reference only. In case of inconsistency between the Chinese and English versions of the New Articles of Association, the English version shall prevail.

A copy of the New Articles of Association showing all changes made to the existing Articles of Association will be available for inspection during normal business hours on any weekday (except public holidays) at the registered office of the Company in Hong Kong at Suite 3206, 32nd Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong from the date of this circular up to and including the date of the Annual General Meeting and at the Annual General Meeting.

The proposed adoption of the New Articles of Association is subject to the approval of the Shareholders by way of a special resolution at the Annual General Meeting.

### **ANNUAL GENERAL MEETING**

Set out on pages 45 to 50 of this circular is the notice convening the Annual General Meeting.

At the Annual General Meeting, resolutions will be proposed to the Shareholders in respect of ordinary business to be considered at the Annual General Meeting, including re-election of Directors, and special business to be considered at the Annual General Meeting, being the ordinary resolutions proposed to approve the Buy-back Proposal, the general mandate for Directors to issue new Shares and the extension of the general mandate to issue new Shares and the special resolution relating to the adoption of the New Articles of Association.

### **ACTION TO BE TAKEN**

A proxy form for use at the Annual General Meeting is enclosed herein. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the proxy form and return it to the Company's share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of a proxy form will not prevent you from attending and voting in person at the meeting should you so desire.

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## LETTER FROM THE BOARD

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### VOTING BY WAY OF POLL

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 chairman, 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. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### RECOMMENDATION

The Directors believe that all the above-mentioned resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions set out in the notice of Annual General Meeting.

Yours faithfully,  
By Order of the Board  
**CSPC Pharmaceutical Group Limited**  
**CAI Dongchen**  
*Chairman*

This appendix serves as an explanatory statement, as required by the Share Buy-back Rules, to provide requisite information to you for your consideration of the proposal to permit the buy-back of Shares up to a maximum of 10% of the issued Shares as at the date of the Buy-back Resolution.

This appendix also constitutes the memorandum required under Section 239(2) of the Companies Ordinance.

## **1. ISSUED SHARES**

As at the Latest Practicable Date, the number of issued Shares is 5,908,018,403 Shares.

Subject to the passing of the Buy-back Resolution and on the basis that no further Shares are issued or bought-back prior to the Annual General Meeting, the Company would be allowed under the Buy-back Resolution to buy-back a maximum of 590,801,840 Shares representing not more than 10% of the issued Shares at the Latest Practicable Date (subject to adjustment in the case of subdivision or consolidation of Shares).

## **2. REASONS FOR BUY-BACK**

The Directors believe that the Buy-back Proposal is in the best interests of the Company and its shareholders. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and its Shareholders.

## **3. FUNDING OF BUY-BACK**

Any buy-backs will only be funded out of funds of the Company legally available for such purpose in accordance with its Articles of Association and the Companies Ordinance. The Companies Ordinance provides that payment in respect of a share buy-back may be made out of the Company's distributable profit and/or out of the proceeds of a new issue of Shares made for the purpose of the buy-back.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2014 in the event that the Buy-back Proposal was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the Buy-back Proposal

to such 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. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date and for the month of April 2015 up to the Latest Practicable Date were as follows:

	Shares Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2014</b>		
April	7.40	6.15
May	6.74	5.84
June	6.43	5.93
July	6.58	5.32
August	7.17	5.83
September	7.04	6.17
October	7.30	6.28
November	7.63	6.80
December	6.98	6.25
<b>2015</b>		
January	6.98	6.45
February	6.60	5.81
March	6.90	6.20
April (Up to Latest Practicable Date)	7.72	6.54

#### 5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make buy-backs pursuant to the Buy-back Resolution and in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, their close associates, have any present intention to sell any Shares to the Company or its subsidiaries under the Buy-back Proposal if such is approved by the Shareholders.

No core connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Buy-back Proposal is approved by the Shareholders.

## **6. TAKEOVERS CODE**

If on the exercise of the power to buy-back Shares pursuant to the Buy-back Proposal, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Mr. ZHAO John Huan was interested in 2,426,160,635 Shares through controlled corporations, representing approximately 41.07% of the issued Shares. Based on such shareholdings and in the event that the Directors exercised in full the power to buy-back Shares pursuant to the Buy-back Proposal, the interest of Mr. ZHAO John Huan would be increased to approximately 45.63% of the issued Shares.

In the event that the Buy-back Proposal is exercised in full, an obligation to make a general offer to the Shareholders under Rules 26 and 32 of the Takeovers Code may arise. The Directors have no present intention to exercise the power to buy back Shares pursuant to the Buy-back Proposal to such an extent as to result in takeover obligations. The Company will not buy-back Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

## **7. SHARES BUY-BACK MADE BY THE COMPANY**

The Company had not bought-back any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

*The following are the particulars of the retiring Directors proposed to be re-elected at the Annual General Meeting in accordance with the Articles of Association:*

**Mr. LO Yuk Lam**

Mr. LO Yuk Lam, aged 66, was appointed as an independent non-executive Director in 2014. Mr. LO is currently the President of Saitai Biotechnology Research Institute, Vice-Chairman of Santai Eco Fishery Limited, Chairman of Lo & Associates Limited, Senior Director of Questmark Asia Limited and Senior Advisor of Questmark Capital Management Sdn. Bhd. Mr. LO is also an independent director of Sinovac Biotech Limited (listed on NASDAQ), an independent non-executive director of Luye Pharma Group Ltd. (listed on the Stock Exchange), a former independent non-executive director of South East Group Limited (listed on the Stock Exchange) and a former independent director of ShangPharma Corporation (listed on New York Stock Exchange).

Mr. LO is also involved in public services, currently serving as a member of the Advisory Council on Food and Environmental Hygiene of the Food and Health Bureau of the HKSAR, a member of the Advisory Committee of the Vocational Training Council, a general committee member of The Chinese Manufacturers' Association of Hong Kong ("CMA"), Chairman of the Innovation and Technology Committee of the CMA and a consultant of the Chinese Centre for Disease Control and Prevention. Mr. LO is also an Adjunct Professor of The Chinese University of Hong Kong, a Fellow of The Hong Kong University of Science and Technology and an Honorary Professor of several universities in China. Mr. LO holds a bachelor's degree in science from the University of Waterloo and an honorary doctorate of philosophy science from York University in the United States.

Mr. LO has entered into a service contract as an executive Director for a term of three years from 1 June 2014. Mr. LO is also subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association. His director's fee is to be determined by the Board and to be authorized by the Shareholders at the annual general meeting of the Company with reference to his performance and responsibilities, performance of the Group and prevailing market practices. Mr. LO received a director's fee of HK\$70,000 for the year ended 31 December 2014.

Save as disclosed above, Mr. LO (i) has not held any other positions with any members of the Group; (ii) is not related to any Director, senior management, substantial Shareholders or controlling Shareholders or other members of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, Mr. LO has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

**Mr. YU Jinming**

Mr. YU Jinming, aged 57, was appointed as an independent non-executive Director in 2014. Mr. YU is an Academician of Chinese Academy of Engineering and is currently the Honorary President of Shandong Academy of Medical Sciences and the President of Shandong Cancer Hospital. Mr. YU holds a bachelor's degree in medicine from Changwei Medical College and a doctorate in radiology from Shandong University. Mr. YU is a former independent director of Shinva Medical Instrument Co., Ltd (listed on Shanghai Stock Exchange).

Mr. YU has entered into a service contract as an executive Director for a term of three years from 1 June 2014. Mr. YU is also subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association. His director's fee is to be determined by the Board and to be authorized by the Shareholders at the annual general meeting of the Company with reference to his performance and responsibilities, performance of the Group and prevailing market practices. Mr. YU received a director's fee of HK\$46,667 for the year ended 31 December 2014.

Save as disclosed above, Mr. YU (i) has not held any other positions with any members of the Group; (ii) is not related to any Director, senior management, substantial Shareholders or controlling Shareholders or other members of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, Mr. YU has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

**Mr. CHEN Shilin**

Mr. CHEN Shilin, aged 53, was appointed as an independent non-executive Director in 2014. Mr. CHEN is currently the Director and Chief Researcher of the Institute of Chinese Materia Medica China Academy of Chinese Medical Science. Mr. CHEN holds a bachelor's degree in medicine from Hubei College of Traditional Chinese Medicine, a master's degree and a doctorate in medicine from Chengdu University of Traditional Chinese Medicine.

Mr. CHEN has entered into a service contract as an executive Director for a term of three years from 1 June 2014. Mr. CHEN is also subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association. His director's fee is to be determined by the Board and to be authorized by the Shareholders at the annual general meeting of the Company with reference to his performance and responsibilities, performance of the Group and prevailing market practices. Mr. CHEN received a director's fee of HK\$46,667 for the year ended 31 December 2014.

Save as disclosed above, Mr. CHEN (i) has not held any other positions with any members of the Group; (ii) is not related to any Director, senior management, substantial Shareholders or controlling Shareholders or other members of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, Mr. CHEN has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

**Mr. CAI Dongchen**

Mr. CAI Dongchen, aged 61, Chairman and Chief Executive Officer of the Company, was appointed as an executive Director in 1998. Mr. CAI is also the Chairman of the Nomination Committee of the Company and a director of certain subsidiaries of the Group. Mr. CAI holds a MBA degree from Nankai University and has extensive technical and management experience in the pharmaceutical industry.

Mr. CAI has entered into a service contract as an executive director with the Company for a term of 3 years commencing from 1 April 2015. Mr. CAI is also subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association. His director's fee is to be determined by the Board and

to be authorised by the Shareholders at the annual general meeting of the Company with reference to his performance and responsibilities, performance of the Group and prevailing market practices. Mr. CAI received a director's fee of HK\$60,000 and other remuneration of HK\$33,135,000 for the year ended 31 December 2014.

As at the Latest Practicable Date, Mr. CAI has personal interests in 7,438,000 Shares and share options granted under the Company's share option scheme to subscribe for 80,000,000 Shares in the Company and Mr. CAI is also deemed to be interested in 707,809,500 shares through controlled corporations within the meanings of Part XV of the SFO.

Save as disclosed above, Mr. CAI (i) has not held any other positions with any members of the Group; (ii) is not related to any Director, senior management, substantial Shareholders or controlling Shareholders or other members of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, Mr. CAI has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

#### **Mr. CHAK Kin Man**

Mr. CHAK Kin Man, aged 49, was appointed as an executive Director in 2005. He is also a director of certain subsidiaries of the Group. Mr. CHAK is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He holds a bachelor of social sciences degree from The University of Hong Kong and has extensive experience in financial, accounting and investor relation.

Mr. CHAK has entered into a service contract as an executive director with the Company for a term of 3 years commencing from 1 April 2015. Mr. CHAK is also subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association. His director's fee is to be determined by the Board and to be authorised by the Shareholders at the annual general meeting of the Company with reference to his performance and responsibilities, performance of the Group and prevailing market practices. Mr. CHAK received a director's fee of HK\$60,000 and other remuneration of HK\$3,299,000 for the year ended 31 December 2014.

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**APPENDIX II      DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED**

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As at the Latest Practicable Date, Mr. CHAK has personal interests in 4,000 Shares and share options granted under the Company's share option scheme to subscribe for 3,000,000 Shares in the Company within the meanings of Part XV of the SFO.

Save as disclosed above, Mr. CHAK (i) has not held any other positions with any members of the Group; (ii) is not related to any Director, senior management, substantial Shareholders or controlling Shareholders or other members of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, Mr. CHAK has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

**Mr. PAN Weidong**

Mr. PAN Weidong, aged 45, was appointed as an executive Director in 2006. He is also a director of certain subsidiaries of the Group. Mr. PAN holds an EMBA degree from Tsinghua University and has extensive experience in finance and accounting.

Mr. PAN has entered into a service contract as an executive director with the Company for a term of 3 years commencing from 1 April 2015. Mr. PAN is also subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association. His director's fee is to be determined by the Board and to be authorised by the Shareholders at the annual general meeting of the Company with reference to his performance and responsibilities, performance of the Group and prevailing market practices. Mr. PAN received a director's fee of HK\$60,000 and other remuneration of HK\$4,396,000 for the year ended 31 December 2014.

As at the Latest Practicable Date, Mr. PAN has personal interests in share options granted under the Company's share option scheme to subscribe for 10,000,000 Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. PAN (i) has not held any other positions with any members of the Group; (ii) is not related to any Director, senior management, substantial Shareholders or controlling Shareholders or other members of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed public companies in the last three years.

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**APPENDIX II      DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED**

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Save as disclosed above, Mr. PAN has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

**Mr. ZHAO John Huan**

Mr. ZHAO John Huan, aged 52, was appointed as an executive Director in 2008. Mr. ZHAO holds a MBA degree from Kellogg School of Management at Northwestern University, master's degree in science from Northern Illinois University and a bachelor's degree in physics from Nanjing University. Mr. ZHAO has extensive experience in senior management positions at several companies in the United States and the People's Republic of China. Mr. ZHAO is also a director and an executive vice president of Legend Holdings Corporation, and the chief executive officer of Hony Capital Limited.

Mr. ZHAO is a non-executive director of China Glass Holdings Limited (listed on the Stock Exchange), Chinasoft International Limited (listed on the Stock Exchange), Lenovo Group Limited (listed on the Stock Exchange) and the vice chairman of Shanghai Chengtuo Holdings Co., Ltd (Listed on Shanghai Stock Exchange). Mr. ZHAO is also a former non-executive director of Wumart Stores, Inc. (listed on the Stock Exchange), a former non-executive director of New China Life Insurance Company Ltd. (listed on the Stock Exchange and Shanghai Stock Exchange), a former independent director of Gemdale Holdings Co. Limited (listed on Shanghai Stock Exchange), a former non-executive non-independent director of Biosensors International Group Ltd. (listed on Singapore Exchange Limited) and a former director of Simcere Pharmaceutical Group (formerly listed on New York Stock Exchange).

Mr. ZHAO has entered into a service contract as an executive Director for a term of three years from 1 April 2015. Mr. ZHAO is also subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association. His director's fee is to be determined by the Board and to be authorized by the Shareholders at the annual general meeting of the Company with reference to his performance and responsibilities, performance of the Group and prevailing market practices. Mr. ZHAO did not receive any director's fee or other emoluments for the year ended 31 December 2014.

As at the Latest Practicable Date, Mr. ZHAO is deemed to be interested in 2,426,160,635 Shares through controlled corporations within the meanings of Part XV of the SFO.

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**APPENDIX II      DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED**

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Save as disclosed above, Mr. ZHAO (i) has not held any other positions with any members of the Group; (ii) is not related to any Director, senior management, substantial Shareholders or controlling Shareholders or other members of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, Mr. ZHAO has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

**Mr. WANG Shunlong**

Mr. WANG Shunlong, aged 50, was appointed as an executive Director in 2008. Mr. WANG holds a doctorate in engineering from Tsinghua University and has spent three years as a visiting researcher at Eindhoven University of Technology in the Netherlands. Mr. WANG has extensive experience in corporate management and investment planning. Mr. WANG is also a managing director of Hony Capital Limited. He is also a non-executive director of Consun Pharmaceutical Group Limited (listed on the Stock Exchange).

Mr. WANG has entered into a service contract as an executive Director for a term of three years from 1 April 2015. Mr. WANG also subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association. His director's fee is to be determined by the Board and to be authorized by the Shareholders at the annual general meeting of the Company with reference to his performance and responsibilities, performance of the Group and prevailing market practices. Mr. WANG did not receive any director's fee or other emoluments for the year ended 31 December 2014.

Save as disclosed above, Mr. WANG (i) has not held any other positions with any members of the Group; (ii) is not related to any Director, senior management, substantial Shareholders or controlling Shareholders or other members of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, Mr. WANG has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

**Mr. WANG Huaiyu**

Mr. WANG Huaiyu, aged 51, was appointed as an executive Director in 2010. Mr. WANG is also a director of certain subsidiaries of the Group. Mr. WANG holds a bachelor degree in microbiology and biochemistry from Hebei University and has extensive technical and management experience in the pharmaceutical industry.

Mr. WANG has entered into a service contract as an executive director with the Company for a term of 3 years commencing from 1 April 2015. Mr. WANG is also subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association. His director's fee is to be determined by the Board and to be authorised by the Shareholders at the annual general meeting of the Company with reference to his performance and responsibilities, performance of the Group and prevailing market practices. Mr. WANG received a director's fee of HK\$60,000 and other remuneration of HK\$6,171,000 for the year ended 31 December 2014.

As at the Latest Practicable Date, Mr. WANG has personal interests in share options granted under the Company's share option scheme to subscribe for 15,000,000 Shares in the Company.

Save as disclosed above, Mr. WANG (i) has not held any other positions with any members of the Group; (ii) is not related to any Director, senior management, substantial Shareholders or controlling Shareholders or other members of the Group; (iii) is not interested in the Shares within the meaning of Part XV of the SFO; and (iv) has not held any other directorships in any other listed public companies in the last three years.

Save as disclosed above, Mr. WANG has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.



<u>“electronic communication” shall mean a communication sent by electronic transmission in any form through any medium;</u>	<u>electronic communication.</u>
<u>“newspaper” shall mean a newspaper published <del>daily</del> 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 Secretary for administrative service and information;</u>	newspaper.
<u>“reporting documents” shall have the meaning attributed to it in the Companies Ordinance;</u>	<u>reporting documents.</u>
<u>“Secretary” shall mean the person <del>or corporation</del> for the time being performing the duties of that office;</u>	Secretary.
<u>“share(s)” shall mean share(s) in the capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied;</u>	share.
<u>“shareholder(s)” or “member(s)” shall mean the duly registered holder(s) from time to time of the share(s) in the capital of the Company;</u>	shareholders. members.
<u>“writing” <del>and</del> “printing” shall <del>mean include writing, printing, lithography, photography, typewriting and every other mode of representing words of figures in a legible and non-transitory form</del> written or printed or printed by lithography or printed by photography or typewritten or produced by any other mode of representing words in a visible form or, to the extent permitted by, and in accordance with the Companies Ordinance and other applicable laws, rules and regulations, any visible substitute for writing (including an electronic communication), or partly in one visible form and partly in another visible form;</u>	writing. printing.
words importing person shall include partnerships, firms, companies and corporations.	persons. <del>companies.</del>
<u>References to a document being executed include references to it being executed under hand or under seal or, to the extent permitted by, and in accordance with the Companies Ordinance and other applicable laws, rules and regulations, by electronic signature or by any other method. Reference to a document, to the extent permitted by, and in accordance with the Companies Ordinance and other applicable laws, rules and regulations, include references to any information in visible form whether having physical substance or not.</u>	

Immediately  
preceding  
Article 3(a)

### SHARES

- |        |  |                                       |
|--------|--|---------------------------------------|
| 3. (b) | 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. <del>Where share 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.</del>   | Warrants.                             |
| 4.     | If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders <del>of three-fourths in nominal value representing at least seventy five per cent. of the total voting rights of holders of the issued</del> shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these regulations relating to general meetings shall <i>mutatis mutandis</i> apply, but so that the necessary quorum shall be 2 persons at least holding or representing by proxy or by authorised representative one-third <del>in nominal value of the issued</del> <u>total voting rights of holders of</u> shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, that any holder of shares | How rights of shares may be modified. |

of the class present in person or by proxy or by authorised representative may demand a poll and that at any adjourned meeting of such holders one holder present in person or by proxy or by authorised representative (whatever the number of shares held by him) shall be a quorum.

Immediately  
preceding  
Article 5

### ~~SHARES AND INCREASE OF CAPITAL~~

5. The Company may exercise any powers conferred or permitted ~~by or not prohibited~~ by the Ordinance or any other ordinance applicable from time to time to ~~acquire~~buy back its own shares 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 made or to be made by any person of any shares in the Company and should the Company ~~acquire~~buy back its own shares neither the Company nor the Board shall be required to select the shares to be ~~acquired~~bought back rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such ~~acquisition~~buy back or financial assistance shall only be made or given in accordance with any relevant rules or regulations issued by The Stock Exchange of Hong Kong Limited or the Securities and Futures Commission of Hong Kong or any other relevant regulatory authorities from time to time.
6. ~~Deleted. The Company in general meeting may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not, 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.~~
8. ~~Subject to the provisions of the Companies Ordinance, 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 proportions 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 the new shares, but in default of any such determination, or so far as the same shall not extend, the new shares may be dealt with as if they formed part of the shares in the capital of the Company existing prior to the issue of the new shares.~~
10. Subject to the provisions of the Companies Ordinance (and in particular Section ~~57B~~141 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 (with or without conferring a right of renunciation), 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.~~
11. ~~The Company may at any time pay a commission not exceeding ten per cent. 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 if the commission shall be paid or payable out of capital the conditions and requirements of the Ordinance shall be observed and complied with, and the commission shall not exceed ten per cent, in each case, of the price at which the shares are issued in connection with the issue of any shares exercise all powers of paying commission conferred or permitted by the Companies Ordinance.~~
- Company to finance purchase-  
buy back of own shares.
- Power to—  
increase capital.
- When to be offered to existing members.
- Shares at the disposal of the Board.
- Company may pay commission.

16. Every certificate for shares or warrants or debentures or representing any other form of securities of the Company shall be issued under the seal of the Company in accordance with Article 137, which for this purpose may be any official seal as permitted by Section ~~73A~~126 of the Ordinance or be executed under signature of appropriate officials with statutory authority or, subject to compliance with the Listing Rules and the Ordinance, in such other manner as the Board may decide. Share certificates to be sealed.
17. Every share certificate hereafter issued shall specify the number and class 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. Particulars to be specified in certificate.
18. (a) ~~—~~The Company shall not be bound to register more than four persons as joint holders of any share. Joint holders.
- (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 regards 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.
19. If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, not exceeding HK\$2.50 (or such other amount as shall for the time being be approved by The Stock Exchange of Hong Kong Limited) 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. As regards the loss of share certificate(s), compliance shall be made in accordance with Sections 162 to 169 of the Companies Ordinance with respect to replacement certificate(s). Replacement of share certificates.
27. In addition to the giving of notice in accordance with Article 25, Nnotice of the person appointed to receive payment of every call and of the times and places appointed for payment may, if required by any applicable laws, rules or regulations, or determined by the Board to be appropriate, be given to the members by notice to be inserted ~~once in The Hongkong Government Gazette and once at least in both an English language the newspaper in English and a Chinese language newspaper in Chinese~~ or by any means and in such manner as may be accepted by The Stock Exchange of Hong Kong Limited. Notice of call may be advertised.
34. 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 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. Sums payable on allotment deemed a call.
38. The Board may, in its absolute discretion, ~~and without assigning any reason~~, refuse to register a transfer of any share (not being a fully paid up 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 any 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. Board may refuse to register transfers.
41. 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, as required by Section 69151 of the Ordinance. If the Board declines to register a transfer, the transferee or transferor may request a Notice of refusal.

statement of the reasons for the refusal. If such request is made, the Board shall, within 28 days after receiving the request.

(a) send the person who made the request a statement of the reasons; or

(b) register the transfer.

42. 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~~ with a fee not exceeding the maximum amount as may from time to time be prescribed by The Stock Exchange of Hong Kong Limited 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~~ with a fee not exceeding the maximum amount as may from time to time be prescribed by The Stock Exchange of Hong Kong Limited. ~~The Company shall also retain the transfer.~~ Certificate on transfer.
43. The registration of transfers may, on giving notice in accordance with the Listing Rules or by advertisement in a newspaper, be suspended and the register closed at such times and for such periods as the Board may from time to time determine and either generally or in respect of any class of shares, 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. When transfer books and register may be closed.
52. 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 their 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. Amounts to be paid notwithstanding forfeiture.
57. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, ~~whether on account of the nominal value of the share or by way of premium,~~ as if the same had been payable by virtue of a call duly made and notified. Forfeiture for non-payment of any sum due on shares.

Immediately preceding Article 58

### STOCK

58. ~~Deleted. The Company may by ordinary resolution convert any paid up shares into stock, and may from time to time by like resolution reconvert any stock into paid up shares of any denomination.~~ Power to convert shares into stock.
59. ~~Deleted. 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~~ Transfer of stock.

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.

60. ~~60. Deleted.~~ 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 right, privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right, privilege or advantage. Rights of stockholders.
61. ~~61. Deleted.~~ All 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.
62. (a) Subject to the provisions of the Companies Ordinance, tThe Company may from time to time by ordinary resolution alter its share capital in any one or more of the ways set out below :- Consolidation and division of capital and sub-division and cancellation of shares. Alteration of capital.
- ~~(i) consolidate and 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 persons 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 rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;~~
- (i) increase its share capital by allotting and issuing new shares;
- (ii) increase its share capital without allotting and issuing new shares, if the funds or other assets for the increase are provided by the members;
- (iii) capitalise its profits, with or without allotting and issuing new shares;
- (iv) allot and issue bonus shares with or without increasing its share capital;
- (v) convert all or any of its shares into a larger or smaller number of shares;
- ~~(ii)vi) cancel any shares that :- 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; and~~
- (aa) at the date of the resolution for cancellation is passed, have not been taken or agreed to be taken by any person; or
- (bb) have been forfeited.
- ~~(iii) 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 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 sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with, the others as the Company has power to attach to unissued or new shares.~~

- ~~(b) On any consolidation of fully paid shares, 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 rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit.~~
- ~~(bc) Subject to the provisions of the Companies Ordinance, the Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner authorised and subject to any conditions prescribed by law.~~ Reduction of capital.
63. ~~Subject to the provisions of the Companies Ordinance, the Company shall in respect of each of its 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 notices calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next in that year and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place(s) as the Board shall appoint.~~ When annual general meeting to be held.
66. An annual general meeting and a meeting called for the passing of a special resolution shall be called by 21 days' notice in writing at the least, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by 14 days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place ~~(and if the meeting is to be held in two or more places, the principal place of the meeting and the other place or places of the meeting),~~ the day and the hour of meeting and, ~~in case of special business, the general nature of that~~ the business to be dealt with, and in the case of a notice calling an annual general meeting, shall state ~~that meeting is an annual general meeting,~~ and shall be given, in the 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 and also to the Auditors, 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:-
- (a) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
- (b) in the case of any other general meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representing at least ninety-five per cent. of the total voting rights at the meeting of

all the members.

71. The Chairman of the Board shall take the chair at every general meeting, or, if there be no such Chairman or, if at any general meeting such Chairman shall not be present within fifteen minutes after the time appointed for holding such meeting or declines to take the chair of such meeting, the Directors present shall elect one of their number present as Chairman and, if there is only one Director present and willing to act, he shall be Chairman, and if no Director be present, or if all the Directors present decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members present and entitled to vote shall choose one of their own number to be Chairman. Chairman of general meeting.
72. 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 the meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for fourteen days or more, at least seven clear days' notice, specifying the place(s), the day and the hour 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. Power to adjourn general meeting. Business of adjourned meeting.
73. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is taken as may from time to time be required under the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or under any other applicable laws, rules or regulations or unless a poll is (before or on the declaration of the result of the show of hands) demanded:— How questions to be decided.
- (a) by the Chairman; or
- (b) by at least ~~three~~ five members present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) by any member or members present in person or by proxy and representing not less than ~~one tenth~~ five per cent of the total voting rights of all the members having the right to vote at the meeting; ~~or~~
- ~~(d) by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right.~~
- Unless a poll is taken as may from time to time be required under the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or under any other applicable laws, rules or regulations or unless a poll be so demanded and the demand is not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution. The demand for a poll may be withdrawn.
78. Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a ~~representative~~ duly authorised representative ~~under Section 115 of the Ordinance~~, shall have one vote, and on a poll every member present in person or by proxy Votes of members.

or by duly authorised representative shall have one vote for every fully paid share of which he is the holder and have for every partly paid share of which he is the holder the fraction of one vote equal to the proportion which the ~~nominal~~ amount due and paid up thereon bears to the ~~nominal value~~ subscription price of the share, but no amount paid 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. Where more than one proxy is appointed by a member of the Company, the proxies so appointed are not entitled to vote on the resolution on a show of hands provided that where more than one proxy is appointed pursuant to Article 89(b), each such proxy shall have one vote on a show of hands. On a poll a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

82. (a) Save as herein expressly provided, no person other than a member duly registered and who shall have paid everything for the time being due from him and payable to the Company in respect of his shares ~~and is entitled to attend and vote~~ shall be entitled to be present or to vote (save as proxy for another member) either personally or by proxy, or to be reckoned in a quorum ~~(save as proxy for another member)~~, at any general meeting. Qualification for voting.
83. Any member of the Company entitled to attend and vote at a meeting of the Company or a meeting of the holder of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and to 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. Proxies.
85. 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 (i) 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 or (ii) if an electronic address is specified by the Company, in the notice of meeting or in the instrument of proxy issued by the Company, specifically for the purpose of receiving such instruments and the aforesaid authorities and documents for that meeting, sent or transmitted by electronic means to such electronic address subject to any conditions or limitations imposed by the Company, in each case, not less than forty-eight hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote or, in the case of a poll taken more than forty-eight hours after it was demanded, not less than twenty-four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. In calculating the periods mentioned above, no account is to be taken of any part of a day that is a public holiday. 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 on a poll demanded at a meeting or an adjourned 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. Appointment of proxy must be deposited.
89. (b) Where that shareholder and/or warrant holder is a recognized clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong) or its nominee(s), it may authorize such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any shareholders' meetings or any meetings of any class of shareholders and/or warrant holders provided that, if more than one person is so authorized, the authorization or proxy form must specify the number and class of shares and/or warrants in respect of which each such person is so authorized. The person so authorized will be deemed to have been duly authorized without the need of producing any documents of title, notarized authorization and/or further evidence for substantiating the facts that it is duly Recognised clearing house acting by representative at meetings.

authorized and will be entitled to exercise the same power on behalf of the recognized clearing house as that clearing house or its nominee(s) could exercise if it were an individual shareholder and/or warrant holder of the Company.

99. (a) A Director shall vacate his office:—
- When office of  
Director to be  
vacated.
- (i) If he becomes bankrupt or has a receiving order made against him or suspends payment, or compounds with his creditors.
  - (ii) If he becomes 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 ceases to be a Director or becomes prohibited from being a Director by reason of any provision of the Companies Ordinance or any ordinance or any rule of law.
  - (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.
  - (vii) If, having been appointed to an office under Article 114 hereof, he is dismissed or removed therefrom by the Board under Article 115.
100. (e) ~~Subject to paragraph (h) of this Article, w~~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 each 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.~~
- (f) Subject to the Ordinance and to the next paragraph of this Article, no Director or proposed or intending Director shall be disqualified ~~by from~~ his office ~~from by~~ 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 whatsoever, 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.
- (g) ~~If a A~~Director or his connected entity, who to the Director's his knowledge (whether he being aware or ought reasonably to be aware) is in any way, whether directly or indirectly, interested in a transaction, contract or arrangement or a proposed transaction, contract or arrangement with the Company, ~~the Director~~ shall

declare the nature ~~and extent of his~~such interest at the meeting of the Board at which the question of entering into the transaction, contract or arrangement is first taken into consideration if he knows ~~his~~such interest then exists, or in any other case at the first meeting of the Board after he knows that he or his connected entity is or has become so interested. For this purpose, a general notice to the Board by a Director to the effect that:—

- (i) he ~~(and where applicable, his connected entity)~~ is a member, director, executive, officer, employee or otherwise of a specified company or firm and is to be regarded as interested in any transaction, contract or arrangement which may after the effective date of the notice be made with that company or firm; or
- (ii) he ~~(and where applicable, his connected entity)~~ is connected with a person, body corporate or firm specified in the notice and is to be regarded as interest in any transaction, contract or arrangement which may after the effective date of the notice be made with ~~a that specified person, body corporate or firm who is connected with him,~~

shall be deemed to be a sufficient declaration of interest in relation to any such transaction, contract or arrangement; provided that such notice must state the nature and extent of the interest of the Director (and where applicable, his connected entity) in the specified body corporate or firm or the nature of the Director's (and where applicable, his connected entity's) connection with the specified person and no such notice shall be effective unless either it is given at a meeting of the Board or in writing and sent to the Company (in which case such notice will take effect on the twenty-first day after the day on which it is sent to the Company) and the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

- (h) A Director shall not vote on any Board resolution approving any transaction, contract or arrangement or any other proposal in which he or to his knowledge any of his close associate(s) has a material interest nor shall he be counted in the quorum present at the meeting, but this prohibition shall not apply to any of the following matters:—
  - (i) the giving of any security or indemnity either:—
    - (a) to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
    - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
  - ~~(iii) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his~~

~~associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associate(s) are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;~~

- (~~iv~~iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:—
- (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or
  - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director, or his close associate(s) as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (iv) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

The references to “close associate” in this paragraph (h) shall be changed to “associate” where the transaction or arrangement is a connected transaction under Chapter 14A of the Listing Rules.

- (i) A company shall be deemed to be a company in which a Director and/or his ~~associate(s) own 5 per cent. or more~~ close associates or associates (as the case may be) or connected entities has shareholding interest if and so long as (but only if and so long as) he and/or his ~~associate(s)~~ close associates or associates (as the case may be) or connected entities is/are (either directly or indirectly) the holder(s) of or beneficially interested in ~~5 per cent. or more of~~ any class of the equity share capital of such company (or of any third company through which his interest or that of his close associate(s) or associates (as the case may be) or connected entities is derived) 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 close associates or associates (as the case may be) or connected entities ~~associate(s)~~ as bare or custodian trustee and in which he or ~~his associate(s)~~ any of them has/have no beneficial interest, any shares comprised in a trust in which the interest of the Director's or his associates' close associates or associates (as the case may be) or connected entities ~~interest~~ is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his ~~associate(s)~~ close associates or associates (as the case may be) or connected entities is/are interested only as a unit holder.
- (j) ~~Deleted. Where a company in which a Director and/or his associate(s) hold 5 per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.~~
- (k) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director ~~and/or his associate(s)~~ (other than the Chairman of meeting) and/or his close associates or associates (as the case may be) 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 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 and/or his ~~associate(s)~~ close associates or associates (as the case may be) 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.

- (l) In so far as it is required by the Listing Rules, a Director shall not vote (nor be counted in the quorum) on any resolution of the shareholders in respect of any transaction, contract or arrangement or any other proposal in which he or ~~is~~ to his knowledge any of his close associates or associates (as the case may be) is materially interested provided that this prohibition (a) shall not apply to any of the matters specified in as-(i) to (iv) inclusive of ~~in~~-Article 100 (h) above; and (b) is also subject to any waiver which may be granted by The Stock Exchange of Hong Kong Limited.
- (m) Subject to the provisions of the Companies Ordinance, tThe Company may by ~~O~~rdinary ~~R~~esolution ratify any transaction not duly authorised by reason of a contravention of these Articles provided that no Director who is or whose close associates or associates (as the case may be) materially interested in such transaction, together with any of his close associates or associates (as the case may be), shall vote upon such ~~O~~rdinary ~~R~~esolution in respect of any shares in the Company in which they are interested.
102. (a) The Company at any general meeting at which any Directors retire in manner aforesaid, may fill up the vacated offices by electing a like number of persons to be Directors. Meeting to fill up vacancies.
- (b) 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. Appointment of Directors.
106. The Company shall keep at its office a register containing all such particulars of its Directors as are required by the Ordinance to be kept therein ~~and shall send to the Registrar of Companies a copy of such register~~ and shall from time to time notify to the Registrar of Companies any change that takes place in such Directors or their particulars as required by the Ordinance. Register of Directors and notification of changes to Registrar.
118. (b) Subject to the provisions of the Companies Ordinance, wWithout 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~~ such consideration as may be agreed.
- (ii) To give 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.

132. A resolution in writing signed by all the Directors ~~in Hong Kong~~ except such as are temporarily unable to act through ill-health or disability, and all the alternate Directors ~~in Hong Kong~~ whose appointors are absent from Hong Kong or are temporarily unable to act as aforesaid shall (so long as they constitute a quorum as provided in Article 123) be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and may consist of several documents in like form each signed by one or more of the Directors or alternate Directors. Directors' resolutions in writing.
134. 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 by the 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 on that behalf by the Board. ~~In the event that 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.~~ Appointment of Secretary.
135. The Secretary ~~shall (a), must be~~ if an individual, and ordinarily reside in Hong Kong, ~~and (b), if a body corporate, have its registered office or a place of business in Hong Kong.~~ Residence.
137. (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 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.
- ~~(c) Subject to the Companies Ordinance, any document signed by any two of the Directors, or any of the Directors and the Secretary and expressed (in whatever words) to be executed by the Company has effect as if the document had been executed under the Company's common seal.~~
142. (a) Subject to the provisions of the Companies Ordinance, ~~t~~The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution (and not required for the payment or provision of the dividend on any shares with a preferential right to dividend) and accordingly that such sums be set free for distribution amongst the members holding ordinary shares in proportion to the number of ordinary shares (whether or not fully paid) held by them respectively 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 of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportions aforesaid, or partly in the one Power to capitalise.

way and partly in the other, and the Board shall give effect to such resolution; Provided that a share premium account and a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid up shares.

Immediately  
preceding  
Article 143

### **SUBSCRIPTION RIGHTS RESERVE**

143. Deleted.

Subscription-  
Rights Reserve.

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

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

- ~~(iv) if upon the exercise of the subscription rights represented by any warrant the amount standing to the credit of the Subscription Rights 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 such time no dividend or other distributions shall be paid or made on the shares. Pending such payment up and allotment the exercising warrant holder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Board may think fit and adequate particulars thereof shall be made known to each relevant exercising warrant holder upon the issue of such certificate.~~
- ~~(b) Shares allotted pursuant to the provisions of this Article shall rank *pari passu* in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned.~~
- ~~(c) Notwithstanding anything contained in paragraph (a) of this Article no fraction of a share shall be allotted on exercise of the subscription rights.~~
- ~~(d) The provisions of this Article as to the establishment and maintenance of the Subscription Rights Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating, the provisions for the benefit of any warrant holder or class of warrant holders under this Article without the sanction of a special resolution of such warrant holders or class of warrant holders.~~
- ~~(e) A certificate or report by the Auditors as to whether or not the Subscription Rights 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 Rights Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to an exercising warrant holder credited as fully paid and as to any other matter concerning the Subscription Rights Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and shareholders.~~

145. (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 profits 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

Board's power to pay interim dividends.

damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights.

147. 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, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue fractional certificates, disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest 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 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.
148. (a) Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve:— Scrip dividends.
- (i) That such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid provided that the 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:—
- (aa) the basis of any such allotment shall be determined by the Board;
- (bb) the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the holders of the relevant shares 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;
- (cc) the right of election may be exercised in whole or in part;
- (dd) 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 satisfaction thereof shares shall be allotted credited as fully paid 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 (including profits carried and standing to the credit of any reserve or reserves or other special account ~~other than the Subscription Rights Reserve or Conversion Rights Reserve or Capital Redemption Reserve Fund (if there be any such Reserves)~~) as the Board may determine, such sum as may be required to pay 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 the shareholders entitled to such dividend be entitled to elect to receive

an allotment of shares credited as fully paid in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:-

- (aa) the basis of any such allotment shall be determined by the Board;
  - (bb) the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the holders of the relevant shares 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;
  - (cc) the right of election may be exercised in whole or in part;
  - (dd) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash 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 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 (including profits carried and standing to the credit of any reserve or reserves or other special account ~~other than the Subscription Rights Reserve or Conversion Rights Reserve or Capital Redemption Reserve Fund (if there be any such Reserves)~~) as the Board may determine, such sum as may be required to pay 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) (i) The shares allotted pursuant to the provisions of paragraph (a) shall rank *pari passu* in all respects with the shares of the same class (if any) then in issue save only as regards participation in the relevant dividend.
  - (ii) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (a), 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 be effective and binding on all concerned.
- (c) The Company may upon the recommendation of the Board by ~~ordinary~~<sup>special</sup> resolution resolve in respect of any particular dividend of the Company that notwithstanding the provisions of paragraph (a) of this Articles a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Immediately  
preceding  
Article 158

### UNTRACEABLE MEMBERS

163. (a) The Board shall from time to time in accordance with the provisions of the Ordinance lay before the Company at its annual general meeting ~~such profit and loss accounts, balance sheets, group accounts (if any) and reports~~the reporting documents –as are so required by the Ordinance.
- ~~Annual profit and loss account and balance sheet.~~Reporting documents and summary financial report to be sent to members.
- (b) ~~Subject to paragraph (c) of this Article, the Company shall in accordance with the Ordinance and other applicable laws, rules and regulations, deliver or send to every member of, or every holder of debentures of, the Company and to every other person who is entitled to receive notices of general meetings of the Company under the provisions of the Ordinance or of these presents, a copy of the reporting documents or a copy of the summary financial report in place of a copy of the reporting documents from which the report is derived, not less than twenty-one days before the date of general meeting of the Company concerned (or such other time as is permitted under the Ordinance and other applicable laws, rules and regulations) provided that this Article shall not require a copy of these documents to be sent to more than one of the joint holders of any shares or debentures of the Company who is not entitled to receive notices of general meetings of the Company or to any member of, or any holder of debentures of, the Company whose address is unknown to the Company, but any member or holder of debentures of the Company to whom a copy of these documents has not been sent, shall be entitled to receive a copy of these documents free of charge on application at the registered office of the Company.~~
- (b) ~~Every balance sheet of the Company shall be signed pursuant to the provisions of the 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 at its annual general meeting, together with a printed copy of the Directors' report and a copy printed 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 debenture of, the Company and every person registered under Article 45 and every other person entitled to receive notices of general meetings of the Company provided that this Article shall not require a printed 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.~~
- ~~Annual report of Directors and balance sheet to be sent to members.~~
- (c) ~~Where any member has, in accordance with the Ordinance and other applicable laws, rules and regulations, agreed or is deemed to have agreed to his having access to the reporting documents and/or the summary financial report of the Company on the Company's website as mentioned in Article 167(d) or, to the extent permitted by, and in accordance with the Ordinance and other applicable laws, rules and regulations, in any other manner (including any other form of electronic communication) instead of being sent the documents or report, as the case may be (an "assenting person"), the publication or making available by the Company, in accordance with the Ordinance and other applicable laws, rules and regulations, on the Company's website referred to above of the reporting documents and/or the summary financial report throughout the period beginning not less than twenty-one days before the date of the general meeting of the Company concerned and ending on such date in accordance with the Ordinance and other applicable laws, rules and regulations (or such other period or time as is permitted under the Ordinance and other applicable laws, rules and regulations) or in such other manner, shall be treated as having sent a copy of the reporting documents or a copy of the summary financial report to an assenting person in satisfaction of the Company's obligations under paragraph (b) of this Article.~~

167. ~~Any notice or document to be given or issued under these Articles shall be in writing, and may be served by the Company on any member either personally or by sending it through the post in a prepaid letter, envelope or wrapper addressed to such member at his registered address as appearing in the register or by delivering or leaving it at such registered address as aforesaid or (in the case of a notice) by advertisement in both an English language newspaper in English and a Chinese language newspaper in Chinese. 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 sufficient notice to all the joint holders. Any notice or document (including any “corporate communication” as defined in the Listing Rules), whether or not to be given or issued under the Ordinance and other applicable laws, rules and regulations or these presents from the Company, may be served or delivered by the Company upon any member of, and any holder of debentures of, the Company and to any other person who is entitled to receive notices of general meetings of the Company under the provisions of the Ordinance or of these presents in the following manner:-~~ Service of notices.
- (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 any equivalent service that is no slower) in a prepaid envelope or wrapper addressed to, the member’s address as shown in the register;
- (b) by advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper, and for such period as the Directors shall think fit to the extent permitted by, and in accordance with the Ordinance and other applicable laws, rules and regulations;
- (c) 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 as an electronic communication to the member at any telex or facsimile transmission number or electronic number or electronic address supplied by such member to the Company for the giving of notice or document from the Company to him;
- to the extent permitted by, and in accordance with the Ordinance and other applicable laws, rules and regulations;
- (d) by publishing it on the Company’s website and giving to the member a notice in accordance with the Ordinance and other applicable laws, rules and regulations stating that the notice or other document is available there (a “notice of publication”) to the extent permitted by, and in accordance with the Ordinance and other applicable laws, rules and regulations. The notice of publication may be given to such member by any of the means set out in paragraph (a), (b), (c)(iii) or (e) of this Article; or

- (e) by sending or otherwise making available to such member through such means to the extent permitted by, and in accordance with, the Ordinance and other applicable laws, rules and regulations.

Subject to the Listing Rules, the Ordinance and other applicable laws, rules and regulations, any notice or other document (including “corporate communications” abovementioned) may be given by the Company in the English language only, in the Chinese language only or in both. Where a person has in accordance with the Listing Rules, the Ordinance and other applicable laws, rules and regulations consented to receive notices and other documents (including corporate communications abovementioned) from the Company in English language only or the Chinese language only but not both, it shall be sufficient for the Company to serve on or deliver to him any such notice or document in such language only in accordance with these Articles unless and until there is a notice of revocation or amendment of such consent given or deemed to have been given by such person to the Company in accordance with the Listing Rules, the Ordinance and other applicable laws, rules and regulations which shall have effect in respect of any notice or document to be served on or delivered to such person subsequent to the giving of such notice of revocation or amendment.

168. (a) A member shall be entitled to have notices served on him at any address within Hong Kong. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who does not notify the Company of an address in Hong Kong may notify the Company of an address outside Hong Kong and the Company may serve notices on him at such overseas address. In the absence of notification by a member of an address in Hong Kong or overseas for the purpose of service of notice, notice may be given to such member by sending the same to his address as shown in the register or to his address last known to the Company.~~such member 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.~~
- Members out of  
Hong Kong.
- (b) Subject to the Listing Rules and unless these Articles otherwise provide,
- Notice to joint  
holders.
- (i) 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
- (ii) 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).
169. ~~Any notice sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly prepaid (and in the case of an address outside Hong Kong where airmail service can be extended thereto airmail postage prepaid), addressed and put into such post office and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice~~
- ~~When notice by-  
post-deemed to be  
served.~~

was so addressed and put into such post office shall be conclusive evidence thereof.

Any notice or document (including any “corporate communication” referred to in Article 167) given or issued by or on behalf of the Company :

- (a) if served or delivered in person, shall be deemed to have been served or delivered at the time of personal service or delivery, and in proving 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) that the notice or document was so served or delivered shall be conclusive evidence thereof;
- (b) if served or delivered by post, shall be deemed to have been served or delivered on the second business day following that on which the envelope or wrapper containing the same is posted, and, in proving such service or delivery, it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into the post. 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 prepaid, addressed and put into the post shall be conclusive evidence thereof;
- (c) if sent or transmitted as an electronic communication in accordance with Article 167(c)(iii) or through such means in accordance with Article 167(e), shall be deemed to have been served or delivered at the expiration of twenty-four hours after the relevant despatch or transmission. A notice or document published on the Company’s website in accordance with Article 167(d) shall be deemed to have been served or delivered after the expiration of twenty-four hours after the later of (i) the time when the member receives or is deemed to have received the notice of publication and (ii) the time when the notice or document is first made available on the Company’s website. In calculating a period of hours mentioned in this paragraph, any part of a day that is not a business day is to be disregarded. 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, despatch, transmission or publication shall be conclusive evidence provided that no notification that the electronic communication has not reached its recipient has been received by the sender, except that any failure in transmission beyond the sender’s control shall not invalidate the effectiveness of the notice or document being served; and
- (d) if served by advertisement in newspapers in accordance with Article 167(b), shall be deemed to have been served on the day on which such notice or document is first published.

For the purpose of this Article, “business day” has the meaning given by Section 821 of the Companies Ordinance.

172. Any notice or document served or delivered or made available to any member by any of the means as provided in these presents, sent by post or left at the registered address of any member in pursuance of these presents, shall notwithstanding that such member be then deceased and whether or not the Company has notice of his decease 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 though Member deceased.

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

How notice to be

- such other manner as permitted under the Companies Ordinance. signed.
176. If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may with the authority of a special resolution, and any other sanction required by the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other assets in respect of which there is a liability. Division of assets in liquidation.
178. (a) Subject to the provisions of the Companies Ordinance and so far as may be permitted by the Companies Ordinance, Every Director, manager, Secretary and/or other officer and every person employed by the Company as Auditor of the Company shall be entitled to be indemnified out of the assets of the Company against any losses or liability (except for any liability in relation to the Auditors as mentioned in Section 415 of the Ordinance and any liability in relation to a Director as mentioned in Section 469(2) of the 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, manager, Secretary or other officer or Auditor shall be liable for any loss, damage or misfortune which may happen to or be 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 Ordinance. ~~incurred by him:—~~ Indemnity.
- (i) ~~in defending any proceedings whether civil or criminal, in which judgment is given in his favour or in which he is acquitted; or~~
- (ii) ~~in connection with any application under section 358 in which relief is granted to him by the court.~~
- (b) Subject to 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 Board 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.
- (c) Subject to the provisions of the Companies Ordinance, t~~The~~ Company may from time to time or at any time purchase and maintain for any Director, manager, Secretary and other officer of the Company, or any person employed by the Company as Auditor:—
- (i) insurance against any liability to the Company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or a related company; and
- (ii) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.

For the purpose of this Article, related company means any company which is the Company's subsidiary or holding company or a subsidiary of the Company's holding company.

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

Names, Addresses and Descriptions of Subscribers	<u>Numbers of Shares Taken by each Subscriber</u>
<p>For and on behalf of  <b>GOLD VERGE LIMITED</b>  <b>SO KAM HUNG, Director</b>            G47 Ground Floor,            Midland Centre,            328 Queen's Road, C.,            Hong Kong.            Corporation</p> <p>For and on behalf of  <b>GOLD FOND LIMITED</b>  <b>SO KAM HUNG, Director</b>            G47 Ground Floor,            Midland Centre,            328 Queen's Road, C.,            Hong Kong.            Corporation</p>	<p style="text-align: center;"><u>One</u></p> <p style="text-align: center;"><u>One</u></p>
<u>Total Number of Shares Taken ....</u>	<u>Two</u>

Dated the 2nd day of January, 1992  
 WITNESS to the above signatures:-

**SUM LAI LING**  
*Secretary*  
 G47 Ground Floor,  
 Midland Centre,  
 328 Queen's Road, Central,  
 Hong Kong.

(Note: The names and other particulars of subscribers and related content appearing on this page originally formed part of the Memorandum of Association of the Company before Part 3 of the Ordinance came into effect on 3rd March, 2014, and are now reproduced here for reference only.)

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## NOTICE OF ANNUAL GENERAL MEETING

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**CSPC**

石藥集團有限公司

**CSPC PHARMACEUTICAL GROUP LIMITED**

(“the Company”)

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 1093)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an annual general meeting of the Company will be held at Regus Business Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong on Tuesday, 26 May 2015 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements, the report of the directors and the independent auditor’s report for the year ended 31 December 2014.
2. To declare a final dividend of HK10 cents per share for the year ended 31 December 2014.
3. (a) To re-elect the following directors:
  - (i) Mr. LO Yuk Lam as independent non-executive director;
  - (ii) Mr. YU Jinming as independent non-executive director;
  - (iii) Mr. CHEN Shilin as independent non-executive director;
  - (iv) Mr. CAI Dongchen as executive director;
  - (v) Mr. CHAK Kin Man as executive director;
  - (vi) Mr. PAN Weidong as executive director;
  - (vii) Mr. ZHAO John Huan as executive director;
  - (viii) Mr. WANG Shunlong as executive director; and
  - (ix) Mr. WANG Huaiyu as executive director; and
- (b) To authorise the board of directors to fix the remuneration of directors.

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## NOTICE OF ANNUAL GENERAL MEETING

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4. To re-appoint Messrs. Deloitte Touche Tohmatsu as auditor and to authorise the board of directors to fix the remuneration of auditor.
5. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to 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 buy-back shares of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong 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 of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company which the directors of the Company are authorised to buy-back pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate number of issued shares of the Company (subject to adjustment in the case of subdivision or consolidation of shares) as at the date of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution,

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier 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 law or the articles of association of the Company to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below and pursuant to Sections 140 and 141 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants 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 aggregate number of shares 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 paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants, bonds and debentures of the Company or any securities which carry rights to subscribe for or are convertible into shares of the Company; (iii) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time; shall not exceed 20% of the aggregate number of issued shares of the Company (subject to adjustment in the case of subdivision or consolidation of shares) as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution,

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

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

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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares (including bonds, warrants and debentures convertible into shares of the Company) open for a period fixed by the directors of the Company to the holders of shares of the Company on the register 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 laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

7. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** subject to the passing of the resolution nos. 5 and 6 set out in the notice convening the meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to resolution no.6 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate number of the shares of the Company bought-back by the Company under the authority granted pursuant to resolution no. 5 set out in the notice convening this meeting, provided that such amount of shares so bought-back shall not exceed 10% of the aggregate number of issued shares of the Company (subject to adjustment in the case of subdivision or consolidation of shares) as at the date of the said resolution.”

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## NOTICE OF ANNUAL GENERAL MEETING

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8. As special business to consider and, if thought fit, pass the following resolution as a special resolution of the Company:

“**THAT** the new articles of association of the Company (the “New Articles of Association”), a copy of which has been produced to this meeting marked “A” and for identification purpose signed by the Chairman of the meeting, be and is hereby approved and adopted in substitution for and to the exclusion of the existing articles of association of the Company with immediate effect after the close of this meeting and that the directors of the Company be and are hereby authorised to do all things necessary to implement the adoption of the New Articles of Association.”

By Order of the Board  
**CSPC Pharmaceutical Group Limited**  
**CAI Dongchen**  
*Chairman*

Hong Kong, 20 April 2015

*Notes:*

1. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company but must attend the meeting in person to represent you.
2. To be valid, the proxy form together with any power of attorney or other authority (if any) under which it is signed or a notorially certified copy of that power or authority must be deposited to the Company’s share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time for holding the meeting or any adjournment thereof.
3. The register of members of the Company will be closed from Wednesday, 20 May 2015 to Tuesday, 26 May 2015 both days inclusive, during which period no transfer of shares of the Company will be effected. In order to determine the identity of members who are entitled to attend and vote at the annual general meeting to be held on Tuesday, 26 May 2015, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 19 May 2015.
4. The register of members of the Company will be closed from Monday, 1 June 2015 to Tuesday, 2 June 2015 both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for the proposed final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 29 May 2015.

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## NOTICE OF ANNUAL GENERAL MEETING

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5. With regard to item no. 3 in this notice, the Board proposes that the retiring directors, namely Mr. LO Yuk Lam, Mr. YU Jinming, Mr. CHEN Shilin, Mr. CAI Dongchen, Mr. CHAK Kin Man, Mr. PAN Weidong, Mr. ZHAO John Huan, Mr. WANG Shunlong and Mr. WANG Huaiyu be re-elected as directors of the Company. Details of such retiring directors are set out in Appendix II to the circular to shareholders dated 20 April 2015.
6. All votes of shareholders at the general meeting will be taken by poll except where the Chairman, 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.

*As at the date of this announcement, the Board comprises Mr. CAI Dongchen, Mr. FENG Zhenying, Mr. CHAK Kin Man, Mr. PAN Weidong, Mr. ZHAO John Huan, Mr. WANG Shunlong, Mr. WANG Huaiyu, Mr. LU Jianmin, Mr. WANG Zhenguo and Mr. WANG Jinxu as executive Directors; Mr. LEE Ka Sze, Carmelo as non-executive Director and Mr. CHAN Siu Keung, Leonard, Mr. WANG Bo, Mr. LO Yuk Lam, Mr. YU Jinming and Mr. CHEN Shilin as independent non-executive Directors.*