
Articles of Association
OF

STANDARD CHARTERED BANK (HONG KONG) LIMITED

渣打銀行(香港)有限公司

No. 875305

編號

CERTIFICATE OF CHANGE OF NAME
公司更改名稱證書

I hereby certify that
本人謹此證明

STANDARD CHARTERED BANK (HONG KONG) LIMITED

having by special resolution changed its name, is now Incorporated under the name of
經通過特別決議, 已將其名稱更改, 該公司的註冊名稱現為

STANDARD CHARTERED BANK (HONG KONG) LIMITED

渣打銀行(香港)有限公司

Issued by the undersigned on 23 February 2004.

本證書於二 00 四年二月廿三日簽發

(Sd.) MISS R. CHEUNG

for Registrar of Companies
Hong Kong

香港公司註冊處處長

(公司註冊主任張潔心代行)

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STANDARD CHARTERED BANK (HONG KONG) LIMITED

Issued by the undersigned on 4 February 2004.
本證書於二 00 四年二月四日簽發

(Sd.) MISS R. CHEUNG

for Registrar of Companies
Hong Kong
香港公司註冊處處長
(公司註冊主任張潔心代行)

No. 875305

編號

CERTIFICATE OF INCORPORATION
公司註冊證書

I hereby certify that
本人謹此證明

STANDARD CHARTERED (HONG KONG) LIMITED

(渣打(香港)有限公司)

is this day Incorporated in Hong Kong under the Companies Ordinance,
於本日在香港依據公司條例註冊成為

and that this company is limited
有限公司.

Issued by the undersigned on 12 December 2003.
本證書於二 00 三年十二月十二日簽發

(Sd.) MISS R. CHEUNG

for Registrar of Companies
Hong Kong

香港公司註冊處處長

(公司註冊主任張潔心代行)

ARTICLES OF ASSOCIATION

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The Companies Ordinance, Chapter 622

A COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

(Adopted by written Special Resolution passed by the Shareholders on 28 June 2004. Amended by written Special Resolutions of the Shareholders on 29 December 2014, 8 February 2019 and 26 September 2019.)

of

STANDARD CHARTERED BANK (HONG KONG) LIMITED

渣打銀行(香港)有限公司

I PRELIMINARY

1 Exclusion of Model Articles

No regulations set out in any schedule to any Ordinance concerning companies shall apply as regulations or articles of the Company.

2 Definitions

In these Articles, if not inconsistent with the subject or context, the words standing in the first column of the following table shall bear the meanings set opposite to them respectively in the second column thereof:

Words	Meaning
"A Shares"	The Class A Ordinary Shares in the capital of the Company.
"Annual General Meeting"	A General Meeting held in accordance with Article 61.
"Auditor"	The auditor of the Company, as appointed from time to time.
"B Shares"	The Class B Ordinary Shares in the capital of the Company.
"Banking Ordinance"	The Banking Ordinance (Cap. 155 of the Laws of Hong Kong) as from time to time amended, replaced or re-enacted.

"Board"	The Board of Directors from time to time of the Company or the Directors present at a meeting of the Directors at which a quorum is present and includes any committee of the Board duly constituted for the purposes relevant in the context in which any relevant reference to the Board appears or the members of such committee present at a meeting thereof at which a quorum is present.
"C Shares"	The Class C Ordinary Shares in the capital of the Company
"Business Day"	A day (other than Saturday or Sunday) on which commercial banks are open for business in Hong Kong and New York.
"clear days"	In relation to the period of a notice means that period excluding the day on which the notice is served or deemed to be served and the day for which it is given or on which it is to take effect.
"Companies Ordinance"	The Companies Ordinance (Cap. 622 of the Laws of Hong Kong) as from time to time amended, replaced or re-enacted and every other statute (including any orders, regulations or other subordinate legislation made pursuant thereto) incorporated therewith or substituted thereof, and in the case of any such substitution the references in these Articles to the provisions of the Ordinance shall be read as references to the provisions substituted therefor in the new ordinance.
"Company"	Standard Chartered Bank (Hong Kong) Limited (渣打(香港)有限公司).
"D Shares"	The Class D Ordinary Shares in the capital of the Company
"Director"	A director of the Company.
"Dividend Payment Date"	Has the meaning ascribed to it in Article 14 in relation to the Tier 1 Preference Shares.
"Executive Director"	A Director of the Company who is employed under a service contract with the Company or with another member of the Company's group.
"General Meeting"	A general meeting of shareholders of the Company, either in the form of an Annual General Meeting or a general meeting.
"HK dollars" or "HK\$"	The lawful currency of Hong Kong.
"Hong Kong"	The Hong Kong Special Administrative Region of the People's Republic of China.
"in writing"	Written or produced by any substitute for writing (including by way of electronic communications where the person to whom the communication is given consents to it being given to him in that form) or partly one and partly another.

"Liquidation Preference"	Has the meaning ascribed to it in the definition "Tier 1 Preference Shares".
"London Business Day"	A day (other than Saturday or Sunday) on which commercial banks are open for business in London.
"Manager"	Any person to whom the powers of the Board have been delegated in accordance with Article 101.
"Office"	The registered office of the Company for the time being.
"Ordinary Shares"	The A Shares, B Shares, C Shares and D Shares.
"Register of Members"	The register of members of the Company.
"Register of Transfers"	The register of transfers of the Company.
"Seal"	The common seal of the Company.
"Secretary"	Includes a temporary or deputy or assistant Secretary or (if there are joint secretaries) any one of the joint secretaries and any person appointed by the Directors to perform any of the duties of the Secretary.
"Succeeding Business Day"	The next Business Day following a day specified pursuant to the Articles which is not a Business Day.
"these Articles"	These Articles of Association as originally framed or as from time to time altered in accordance with the Companies Ordinance and the expression "this Article" shall be construed accordingly.
"Tier 1 Preference Shares"	The 10 perpetual non-cumulative convertible preference shares of the Company, having an aggregate issue price of US\$500,000,000 and an aggregate liquidation preference ("Liquidation Preference") of US\$500,000,000.
"US dollars" or "US\$"	The lawful currency of the United States of America.

Any words or expressions defined in the Companies Ordinance in force at the date when these Articles are adopted shall bear the same meaning in these Articles.

3 Name

The name of the company is "Standard Chartered Bank (Hong Kong) Limited 渣打銀行(香港)有限公司".

4 Registered Office

The Company's registered office will be situated in Hong Kong. The Office shall be at such place in Hong Kong as shall from time to time be determined by the Board.

5 Objects

The objects for which the Company is established are:

- (A) To carry on the business of a banker in any part of the world
- (B) To make, issue, re-issue and circulate legal tender notes in Hong Kong and to keep deposited in manner hereinafter provided coin or bullion or legal tender notes or

securities or certificates of indebtedness or other direct obligations of the Government of Hong Kong equal in value to the whole of the legal tender notes issued by the Company and actually in circulation and to carry out any other business in connection with the issue of legal tender notes.

- (C) To enter into any arrangements with any Government or authority, supreme, municipal, local or otherwise that may seem conducive to the Company's objects, or any of them; and to obtain from any such Government or authority any rights, privileges, and concessions which the Company may think it desirable to obtain; and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
- (D) In connection with the matters aforesaid, to promote or join in promoting companies or associations in any part of the world for the purpose of carrying on any part of the business or exercising any of the powers of the Company or for the purpose of carrying on or exercising any business or power which the Company is authorised to carry on or exercise or which in the opinion of the Company may conveniently and advantageously be combined with any business which the Company is authorised to carry on and to enter into arrangements for sharing profits, joint adventure, amalgamation and other like matters.
- (E) To subscribe, support or become a member of any Chamber of Commerce or other institution or association having among its objects the promotion or protection of the interests of persons engaged in banking, commerce or industry.
- (F) To purchase or otherwise acquire for such consideration as may be thought fit (including the issue of shares, securities or other obligations of the Company credited as fully or partly paid up) the whole or any part of the business, property and liabilities of any person or company carrying on any business which the Company has power to carry on or any shares, securities or other obligations of any company carrying on any such business.
- (G) To carry on in any part of the world trustee and executor business, including to act as executors and administrators and trustees and to undertake and execute trusts of all kinds, whether private or public including religious and charitable trusts and to transfer all kinds of trust and agency business either with or if the Company so desires without remuneration and in particular and without limiting the generality of the above to act wherever the Company may lawfully do so as judicial and custodian trustees, trustees for the holders of debentures and debenture stock, administrators of the property of convicts, receivers, managers and liquidators and to perform and discharge the duties and functions incident thereto.
- (H) To carry on all or any of the businesses of financiers, underwriters, auctioneers, insurance and mercantile brokers, and general agents.
- (I) To purchase, take, hold and enjoy as well in Hong Kong as in any other part of the world such houses, offices, buildings, lands and other property without restriction as to the value or annual value thereof as shall or may from time to time be actually and bona fide necessary and proper for the purpose of managing, conducting and carrying on the business of the Company but not for any other purpose (except as hereinafter specified) and to sell, manage, develop, grant, demise, exchange, convey and dispose of the same or any of them respectively.
- (J) To manage, demise and let and receive the rents and profits of such portions of any houses, offices, buildings, lands and other property now owned or from time to time acquired by it as for the time being it may not actually occupy for the purposes of its business.
- (K) Notwithstanding any other provision hereof, to accept any lands, houses or other real or any personal estate in satisfaction, liquidation or payment of any debt absolutely and

bona fide due and owing to the Company and also to take any mortgage or other security on real or personal property as aforesaid as a security for any moneys due, owing or payable or to become due, owing or payable to the Company or for the due performance or discharge of any other liabilities or obligations whether arising or incurred before or after the taking of such security and the Company may hold such

lands, houses and other property for such reasonable time (but for such reasonable time only) after the Company shall have acquired an absolute interest therein as shall be necessary for selling and disposing of and converting the same into money.

- (L) To sell or otherwise convert into money any goods, wares or merchandise which shall or may be taken by it in satisfaction, liquidation or payment of any debt and to sell and convey any lands, houses and other real property whatsoever or any goods, wares or merchandise which it may acquire in manner aforesaid.
- (M) To give pensions and gratuities to directors, officers or servants of the Company or to persons who have been directors, officers or servants of the Company and to the wives, families or dependants of any such persons and to establish, maintain, support or subscribe to pension, superannuation and other funds for the benefit or advantage of any such directors, officers, servants or other such persons and the Company may also make payments towards insurance and may make contributions to national, educational, scientific, benevolent, religious or charitable institutions or objects and may subscribe towards or guarantee the expense of or otherwise take part in the promotion of any exhibition and may give or contribute to any testimonial, gift or fund whether in Hong Kong or any other part of the world.
- (N) To enter into arrangements for sharing profits or joint adventure amalgamation with any company carrying on the business of banking or any other business which the Company has power to carry on or which can in the opinion of the Company conveniently and advantageously be combined with any business which the Company has power to carry on and to subscribe for or otherwise acquire for such consideration as may be thought fit any shares, stock or other securities of any such company or of an amalgamating company.
- (O) To invest and deal with the money of the Company not immediately required in such manner as may from time to time be thought fit.
- (P) To lend and advance money or give credit to any person, business or company, to guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person, business or company, to secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person, business or company, and otherwise to assist any person, business or company.
- (Q) To borrow or raise or secure the payment of money in such manner as the Company may think fit and to secure the same or the repayment or performance of any debt, liability, contract, guarantee or other engagement incurred or to be entered into by the Company in any way and in particular by the issue of debentures perpetual or otherwise, charged upon all or any of the Company's property (both present and future), including its uncalled capital; and to purchase, redeem or pay off any such securities.
- (R) To remunerate any person or company for services rendered, or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital or any debentures or other securities of the Company, or in or about the organisation, formation or promotion of the Company or the conduct of its business.
- (S) To draw, make, accept, endorse, discount, execute and issue:

- (a) promissory notes, bills of exchange, bills of lading and other negotiable or transferable instruments;
 - (b) prescribed instruments within the meaning of section 137B of the Banking Ordinance.
- (T) To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the Company.
- (U) To distribute any of the property of the Company among the members in kind or otherwise but so that no distribution amounting to a reduction of capital shall be made without the sanction required by law.
- (V) To carry out all or any of the objects of the Company and do all or any of the above things in any part of the world and either as principal, agent, contractor or trustee, or otherwise, and by or through trustees or agents or otherwise, and either alone or in conjunction with others.
- (W) To do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the Company.

6 Liability of members

The liability of the members is limited.

7 Form of resolution

Where for any purpose an ordinary resolution of the Company is required, a special resolution shall also be effective. A resolution in writing signed or approved (including in electronic form) by or on behalf of all the members for the time being entitled to receive notice of and to attend and vote at General Meetings shall be treated as a resolution duly passed at a General Meeting of the Company duly convened and held and, where relevant, as a special resolution so passed. Any such resolution in writing may consist of several documents in like form each signed or approved (including in electronic form) by or on behalf of one or more members.

II - SHARE CAPITAL

8 Numbering of shares

The shares in the capital of the Company shall be numbered, each share being distinguished by its appropriate number.

9 Rights attached to shares

Subject to the provisions of the Companies Ordinance and to any special rights conferred on the holders of any shares or class of shares, any of the shares of the Company created may be issued with such preferred, deferred or other special rights or restrictions, whether in regard to dividend, return of capital, voting or otherwise as the Company may from time to time by ordinary resolution determine, but so that the special rights attached to any shares conferring preferred or other special rights shall not be varied or abrogated except with such sanction as is provided by these Articles.

10 Unissued shares

Subject to the provisions of these Articles, the Board may allot the unissued shares of the Company or grant rights to subscribe for, or to convert any security into shares in the

Company, at such times and for such consideration and upon such terms and conditions as the Board may decide provided that the Board shall not exercise any of its powers to allot shares, grant rights to subscribe for, convert securities into, or otherwise deal with or dispose of the same without the prior approval of the Company in General Meeting where such approval is required by the Companies Ordinance.

11 Redeemable shares

Subject to sections 234 to 235 of the Companies Ordinance, the Company may issue shares on the terms that they are, or at the option of the Company or the holder of the shares are liable, to be redeemed on such terms and in such manner as may be provided by these Articles.

12 Tier 1 Preference Shares, A Shares, B Shares, C Shares and D Shares

All Tier 1 Preference Shares shall rank pari passu with each other in all respects. All A Shares shall rank pari passu with each other in all respects. All B Shares shall rank pari passu with each other in all respects. All C Shares shall rank pari passu with each other in all respects. All D Shares shall rank pari passu with each other in all respects.

13 Tier 1 Preference Shares, A Shares, B Shares, C Shares and D Shares

The Tier 1 Preference Shares shall rank in priority to the Ordinary Shares with respect to the payment of dividends and any return of capital by the Company as provided in these Articles. The Ordinary Shares shall rank pari passu with each other with respect to the payment of dividends by the Company as provided in these Articles. The B Shares, the C Shares and the D Shares shall rank pari passu with each other, but in priority to the A Shares, with respect to any return of capital by the Company as provided in these Articles.

14 Tier 1 Preference Shares

The rights and restrictions attaching to the Tier 1 Preference Shares are as follows:

(A) Dividends

- (i) Subject to sub-paragraph (ii) below and the other limitations, discretions, and qualifications set out herein, each Tier 1 Preference Share shall entitle the holder thereof to receive out of the Distributable Items of the Company, in priority to the payment of any dividend to the holders of Ordinary Shares, a non-cumulative preferential dividend at a rate equal to 6.25 per cent. per annum on their prevailing Liquidation Preference.

Such dividend will be non-cumulative and payable semi-annually in arrears on 30 June and 30 December in each year, commencing 30 June 2015 (each a "Dividend Payment Date").

Payment will be made to those holders of Tier 1 Preference Shares whose names appear on the Register of Members of the Company on the fifteenth calendar day preceding such Dividend Payment Date. The amount of dividend payable per Tier 1 Preference Share for any period shall be calculated by applying the Dividend Rate to the prevailing Liquidation Preference and calculated on the basis of a 360 day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed (rounded to the nearest cent with half a cent being rounded upwards).

"Distributable Items" means the amounts available to the Company for distribution as a distribution or dividend to its shareholders as at the Company's latest audited balance sheet (which shall include, without limitation, net profits,

retained earnings from prior years and reserves which may be distributed to shareholders), and subject to the Monetary Authority's then current capital conservation requirements as applicable to the Company on the relevant Dividend Determination Date (the "Available Amount"); provided that if the Company reasonably determines that the Available Amount as at any Dividend Determination Date is lower than the Available Amount as at the date of the Company's latest audited balance sheet and is insufficient to pay the dividends on the Tier 1 Preference Shares and any payments on Parity Obligations (as defined in Article 14(B)) on the relevant Dividend Payment Date, then on certification by two Directors and the auditors of the Company of such revised amount, the Distributable Items shall for the purposes of the dividends on the Tier 1 Preference Shares mean the Available Amount as set forth in such certificate.

"Dividend Determination Date" means two Business Days prior to each Dividend Payment Date.

"Monetary Authority" means the Monetary Authority appointed under section 5A of the Exchange Fund Ordinance (Cap. 66 of the Laws of Hong Kong) or any successor thereto or such other authority having primary bank supervisory authority with respect to the Company.

- (ii) (a) Dividends shall not be paid in respect of the Tier 1 Preference Shares on the applicable Dividend Payment Date, in whole or in part as applicable, if and to the extent that:
 - (aa) the dividend scheduled to be paid, together with any dividends, distributions or other payments scheduled to be paid or made on such Dividend Payment Date on any Parity Obligations or any instruments which effectively rank pari passu with any Parity Obligations, shall exceed Distributable Items as at the Dividend Determination Date; or
 - (bb) the Monetary Authority directs the Company to cancel such dividend.
- (b) Unless a dividend in respect of the Tier 1 Preference Shares has been cancelled in full pursuant to sub-paragraph (ii)(a) above, the Company may, at its sole discretion, taking into account its specific financial and solvency condition, elect to cancel any payment of dividend on the Tier 1 Preference Shares, in whole or in part, on a non-cumulative basis.

Any dividend that has been duly cancelled for the reasons specified in subparagraph (ii) is no longer due and payable at any time by the Company, whether in a Winding Up (as defined in Article 14(B)) or otherwise. Cancellation of a dividend payment does not constitute an event of default and does not entitle holders to petition for the insolvency or winding up of the Company.

- (iii) In the event that the Company has not made a full payment of any Tier 1 Preference Share dividend on a Dividend Payment Date due to cancellation pursuant to Article 14(A)(ii)(a) or Article 14(A)(ii)(b), then:
 - (a) the Company shall not pay any dividends (other than any dividend declared by the Company before the Company gives notice that payment of such Tier 1 Preference Share dividend is not to be made in full) on any Junior Obligations (as defined in Article 14(B)) (the "Dividend Stopper"); and

- (b) the Company shall not redeem, purchase, reduce or otherwise acquire any Junior Obligations (the “Capital Stopper”).

Save with the approval of the holders of the Tier 1 Preference Shares by Extraordinary Resolution, the Dividend Stopper and Capital Stopper shall continue to apply, as the case may be, until the next Dividend Payment Date on which the Company makes a dividend payment on the Tier 1 Preference Shares in full.

(B) Rights on a Winding Up etc.

- (i) In the event of a Winding Up of the Company, the rights to repayment under the Tier 1 Preference Shares, and payment of dividend and any additional amounts payable on, and all claims in respect of, the Tier 1 Preference Shares will be (a) subordinated in right of payment to the prior payment in full of, and to claims in respect of, all the Company’s other liabilities (including all deposits, other liabilities of the Company to general creditors and liabilities of all offices and branches of the Company wherever located and any subordinated term debt instruments of the Company that rank, by their terms or by operation of law, senior to the Tier 1 Preference Shares), (b) pari passu in right of payment with, and with all claims in respect of, Parity Obligations and (c) senior in right of payment to, and to all claims in respect of, Junior Obligations.
- (ii) The balance (if any) of the assets of the Company available to shareholders on a Winding Up shall be applied in payment to the holders of the Tier 1 Preference Shares (on a pari passu basis) in a sum equal to the aggregate of:
 - (a) an amount equal to any dividend thereon which had not been cancelled pursuant to Article 14(A)(ii) and which is payable in respect of a Dividend Period ending on or before the date of commencement of the Winding Up or other return of capital; and
 - (b) the prevailing Liquidation Preference.
- (iii) Proceedings for Winding-Up the Company may only be instituted by the holders of the Tier 1 Preference Shares in the event the Company fails to pay when due any dividend or Redemption Amount in respect of the Tier 1 Preference Shares and such failure continues for a period of 14 Business Days (in the case of dividend) or 7 Business Days (in the case of the Redemption Amount), provided that any dividend that has been duly cancelled for the reasons specified in Article 14(A) is no longer due and payable at any time by the Company, whether in a Winding Up or otherwise. Cancellation of a dividend payment does not constitute an event of default and does not entitle holders to petition for the insolvency or winding up of the Company. There shall be no other non-payment remedies, including no rights of set-off available to holders of the Tier 1 Preference Shares.

“Capital Regulations” means the capital regulations applicable to the regulatory capital of Authorized Institutions incorporated in Hong Kong as published by the Monetary Authority.

“Junior Obligations” means any Ordinary Share.

“Parity Obligations” means any instrument, security or other obligation issued, entered into, or guaranteed by the Company that constitutes or qualifies as Additional Tier 1 capital (or its equivalent) under the Capital Regulations or that ranks or is expressed to rank, by its terms or by operation of law, pari passu with the Tier 1 Preference Shares.

“Winding Up” means a final and effective order or resolution for the bankruptcy, winding up, liquidation, receivership or similar proceedings in respect of the Company.

(C) Loss Absorption due to Non-Viability

If a Non-Viability Event occurs and is continuing, the Company shall, upon the provision of a Non-Viability Event Notice, irrevocably (without the need for the consent of the holders of the Tier 1 Preference Shares) cancel any uncanceled but unpaid dividends on, each Tier 1 Preference Share (in whole or in part) and convert each Tier 1 Preference Share into 12,500,000 A Shares at the Conversion Price (such conversion and any other conversion of Tier 1 Preference Shares into A Shares being referred to as the “Conversion”, and “Converted” shall be construed accordingly). Once a Tier 1 Preference Share has been Converted, and any previously uncanceled but unpaid dividends under the Tier 1 Preference Shares have been cancelled, they will not be restored in any circumstances, including where the relevant Non-Viability Event ceases to continue.

A Conversion that is duly effected pursuant to a Non-Viability Event does not constitute an event of default and does not entitle holders to petition for the insolvency or winding up of the Company.

Following the giving of a Non-Viability Event Notice which specifies a Conversion of the Tier 1 Preference Shares, the Company shall procure that a similar notice is, or has been, given in respect of each Additional Tier 1 capital instrument (in accordance with its terms), and the prevailing amount of each Additional Tier 1 instrument outstanding (if any) is written down (or, where the terms of an Additional Tier 1 instrument provide for conversion of such instrument into Ordinary Shares upon the occurrence of a Non-Viability Event or equivalent, converted) on a pro rata basis with the outstanding Tier 1 Preference Shares, as soon as reasonably practicable following the giving of such Non-Viability Event Notice.

“Conversion Price” means US\$4.00 per A Share.

“Non-Viability Event” means the earlier of:

- (a) the Monetary Authority notifying the Company in writing that the Monetary Authority is of the opinion that a write down or conversion is necessary, without which the Company would become non-viable; and
- (b) the Monetary Authority notifying the Company in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public

sector injection of capital or equivalent support is necessary, without which the Company would become non-viable.

“Non-Viability Event Notice” means the notice which shall be given by the Company not more than two Business Days after the occurrence of a Non-Viability Event, to the holders of the Tier 1 Preference Shares, and which shall state with reasonable detail the nature of the relevant Non-Viability Event.

(D) Redemption

- (i) The Company may, at its option and subject to the Redemption Conditions being satisfied, redeem the Tier 1 Preference Shares (in whole but not in part) on any Optional Redemption Date at their Redemption Amount.

“Optional Redemption Date” means 31 December 2019 and each Dividend Payment Date thereafter.

“Redemption Amount” means an amount equal to 100 per cent. of the prevailing Liquidation Preference together with uncanceled but unpaid dividends (if any) up to (and excluding) the date on which the Tier 1 Preference Shares are redeemed.

“Redemption Conditions” means, if required pursuant to the relevant regulations at the relevant time:

- (a) the Company is solvent at the time of any redemption of the Tier 1 Preference Shares and immediately thereafter;
 - (b) the Company is not in breach of the Monetary Authority’s minimum capital adequacy ratio requirements applicable to the Company;
 - (c) the Company has obtained the written approval of the Monetary Authority prior to redemption of the Tier 1 Preference Shares;
 - (d) the redemption is permitted under the Companies Ordinance; and
 - (e) either (aa) the Company replaces the Tier 1 Preference Shares with capital of the same or better quality and the replacement of the capital is effected on conditions that are sustainable for the income capacity of the Company; or (bb) the Company demonstrates that its capital position is above the minimum capital requirements applicable to it, and will remain above those requirements after the call option is exercised.
- (ii) If, in the opinion of the Company it has or will become obliged to pay Additional Amounts or any taxes other than the Additional Amounts (if any), in relation to the Tier 1 Preference Shares as a result of a change in, or amendment to, the laws or regulations of Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 30 December 2014, then the Company may, at its option, redeem the Tier 1 Preference Shares (in whole, but not in part) at their Redemption Amount, subject to the Redemption Conditions being satisfied.

“Additional Amounts” means the additional amounts that may be necessarily payable in order that the net amounts received by the holders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Tier 1 Preference Shares in the absence of the withholding or deduction.

- (iii) If, as a result of a change in, or amendment to, the laws or regulations of Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 30 December 2014, the Tier 1 Preference Shares cease to be (i) eligible to qualify (in whole or in part) as Additional Tier 1 capital (or equivalent) of the Company for the purposes of the Capital Regulations and/or (ii) included in the calculation of the Company’s capital adequacy ratio, then the Company may, at its option, redeem the Tier 1 Preference Shares (in whole, but not in part) at their Redemption Amount, subject to the Redemption Conditions being satisfied.

(E) Withholding Taxes

All payments in respect of the Tier 1 Preference Shares made by or on behalf of the Company shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or government charges of whatever nature imposed, levied, collected, withheld or assessed by or within any relevant jurisdiction, unless the withholding or deduction of the taxes is required by law. In the event such taxes are imposed, the Company will have to pay Additional Amounts.

(F) Payment

If any day for payment in respect of any Tier 1 Preferred Shares is not a Business Day, the payment will be made on the next Succeeding Business Day. Holders will not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date not falling on a Business Day.

Payments in respect of amounts payable by way of dividend and on redemption on the Tier 1 Preference Shares will be subject in all cases to any applicable fiscal or other laws and other regulations, including provisions of the Companies Ordinance.

(G) Voting

- (i) The holders of Tier 1 Preference Shares shall not be entitled to receive notice of, or to attend or vote at, any General Meeting of the Company.
- (ii) The Tier 1 Preference Shareholders shall be entitled to attend class meetings of the Tier 1 Preference Shareholders. Every Tier 1 Preference Shareholder who is present in person at such class meetings shall have on a show of hands one vote and on a poll one vote for every Tier 1 Preference Share of which he is the holder. The quorum at such class meetings shall be two Tier 1 Preference Shareholders holding or representing not less than two-thirds of the outstanding Tier 1 Preference Shares, provided that where a single entity holds all of the outstanding Tier 1 Preference Shares, a quorum of one Tier 1 Preference Shareholder shall be sufficient.
- (iii) Whenever holders of Tier 1 Preference Shares are entitled to vote on a resolution, on a show of hands every such holder who is present in person shall have one vote and on a poll every such holder who is present in person or by proxy shall have one vote in respect of each Tier 1 Preference Share held by him.
- (iv) An "Extraordinary Resolution" means, in relation to the Tier 1 Preference Shares, a resolution passed at a class meeting of the Tier 1 Preference Shareholders duly convened and held by a majority of not less than three-quarters of the votes cast.

(H) Variation of Rights and Further Issues

- (i) Save with the written consent of the holders of not less than three-quarters of the Tier 1 Preference Shares then in issue, or with the sanction of an Extraordinary Resolution passed at a separate class meeting of the holders of Tier 1 Preference Shares then in issue, the Board shall not authorise or create, or increase the amount of, any shares of any class or any security convertible into shares of any class ranking as regards participation in the profits or assets of the Company (other than on a redemption or purchase by the Company of any such share) in priority to the Tier 1 Preference Shares.
- (ii) The Company shall be entitled at any time and from time to time and without any consent or sanction of the holders of the Tier 1 Preference Shares to create and issue further preference share capital ranking as regards participation in the profits and assets of the Company after or pari passu with the Tier 1 Preference Shares. Such creation and issue shall be deemed not to alter, vary, affect, modify

or abrogate any of the rights attaching to the Tier 1 Preference Shares and for the avoidance of doubt such rights shall not be deemed to be varied by the alteration of any of the provisions, other than provisions as to pari passu ranking, set out in these Articles in respect of any unissued preference shares. Any further series of preference shares ranking, as regards participation in profits or assets, pari passu with the Tier 1 Preference Shares may, without their creation or issue being deemed to vary the special rights attaching to the Tier 1 Preference Shares, either carry identical rights in all respects with the Tier 1 Preference Shares or carry rights differing therefrom in any respect including, but without prejudice to the foregoing, in that:

- (ii) the rate and/or basis of calculating dividends may differ and the dividend may be cumulative or non-cumulative;
- (iii) such shares may rank for dividends as from such date as may be provided by the terms of issue thereof and the dates for payment of dividend may differ; and
- (iv) such shares may be denominated in any currency or, if permitted by law, any basket of currencies;
- (v) a premium may be payable on return of capital or there may be no such premium;
- (vi) such shares may be redeemable at the option of the Company or may be non-redeemable;
- (vii) such shares may carry a right to additional shares by way of capitalisation of profits or reserves similar to that attaching to the Tier 1 Preference Shares; and
- (viii) such shares may be convertible into Ordinary Shares or any other class of shares ranking as regards participation in the profits and assets of the Company pari passu with or after the Tier 1 Preference Shares, in each case on such terms and conditions as may be prescribed by the terms of issue thereof.

15 A Shares

The rights and restrictions attaching to the A Shares are as follows:

(A) Distributions

Subject to Article 14(A), the balance of the profits of the Company available for distribution, permitted by law to be distributed and resolved to be distributed shall be distributed by way of dividend among the holders of the Ordinary Shares (on a pari passu basis) as if the same constituted one class of share in proportion to the amounts paid up or credited as paid up thereon.

(B) Rights on a Winding-up etc.

- (i) On a winding-up or other return of capital (other than a redemption or purchase by the Company of any of its issued shares), the balance (if any) of the assets of the Company available to the holders of the Tier 1 Preference Shares in accordance with Article 14(B)(i) and to the holders of the B Shares and the C Shares and the D Shares in accordance with Articles 16(B)(i), 16X(B)(i) and 16Y(B)(i) respectively shall be applied in payment to the holders of the A Shares (on a pari passu basis) of a sum equal to the amount paid up or credited as paid up thereon in respect of such A Shares.

- (ii) Subject to Article 14(B)(i) and Articles 16(B)(i), 16X(B)(i) and 16Y(B)(i), the balance (if any) of the assets of the Company available to shareholders on a winding-up or other return of capital (other than a redemption or purchase by the Company of any of its issued shares) after payment to the holders of the Tier 1 Preference Shares in accordance with Article 14(B)(ii) shall be applied in payment to the holders of the Ordinary Shares (on a pari passu basis) as if the same constituted one class of share in proportion to the amounts paid up or credited as paid up thereon in respect of the Ordinary Shares held by them.

(C) Voting

- (i) The A Shares shall confer on the holders thereof the right to receive notice of, attend, speak and vote at any General Meeting of the Company and each holder of A Shares shall have one vote for every A Share that he/she holds.
- (ii) Whenever the holders of the A Shares are entitled to vote at a General Meeting of the Company, upon any resolution proposed at such a General Meeting, on a show of hands every holder of such A Share who is present in person or (being a corporation) by a representative shall have one vote and on a poll every holder of A Shares who is present in person or by proxy or (being a corporation) by a representative shall have one vote in respect of each A Share held by him/her.

(D) Variation of Rights and Further Issues

- (i) Save with the written consent of the holders of not less than three-quarters of the A Shares then in issue, or with the sanction of a special resolution passed at a separate General Meeting of the holders of the A Shares then in issue, the Board shall not authorise or create, or increase the amount of, any shares of any class or any security convertible into shares of any class ranking as regards participation in the profits or assets of the Company in priority to the A Shares.
- (ii) The Company shall be entitled at any time and from time to time and without any consent or sanction of the holders of the A Shares to create and issue further share capital ranking as regards participation in the profits and assets of the Company after or pari passu with the A Shares. Such creation shall be deemed not to alter, vary, affect, modify or abrogate any of the rights attaching to the A Shares and for the avoidance of doubt such rights shall not be deemed to be varied by the alteration of any of the provisions, other than provisions as to pari passu ranking, set out in these Articles in respect of any unissued ordinary shares.

16 B Shares

The rights and restrictions attaching to the B Shares are as follows:

(A) Distributions

Subject to Article 14(A), the balance of the profits of the Company available for distribution, permitted by law to be distributed and resolved to be distributed shall be distributed by way of dividend among the holders of the Ordinary Shares (on a pari passu basis) as if the same constituted one class of share in proportion to the amounts paid up or credited as paid up thereon.

(B) Rights on a Winding-up etc.

- (i) On a winding-up or other return of capital (other than a redemption or purchase by the Company of any of its issued shares), the balance (if any) of the assets of the Company available to the holders of the Tier 1 Preference Shares in accordance with Article 14(B)(i) shall be applied, in priority to the holders of A Shares, in payment to the holders

of the B Shares, the C Shares and the D Shares (on a pari passu basis) of a sum equal to the amount paid up or credited as paid up thereon in respect of such B Shares, C Shares and D Shares.

- (ii) Subject to Article 14(B)(i) and Article 15(B)(i), the balance (if any) of the assets of the Company available to shareholders on a winding-up or other return of capital (other than a redemption or purchase by the Company of any of its issued shares) after payment to the holders of the Tier 1 Preference Shares in accordance with Article 14(B)(ii) shall be applied in payment to the holders of the Ordinary Shares (on a pari passu basis) as if the same constituted one class of share in proportion to the amounts paid up or credited as paid up in respect of the Ordinary Shares held by them.

(C) Voting

- (i) The B Shares shall confer on the holders thereof the right to receive notice of, attend, speak and vote at any General Meeting of the Company and each holder of B Shares shall have one vote for every B Share that he/she holds.
- (ii) Whenever the B Shareholders are entitled to vote at a General Meeting of the Company, upon any resolution proposed at such a General Meeting, on a show of hands every holder of such B Share who is present in person or (being a corporation) by a representative shall have one vote and on a poll every holder of B Shares who is present in person or by proxy or (being a corporation) by a representative shall have one vote in respect of each B Share held by him/her.

(D) Variation of Rights and Further Issues

- (i) Save with the written consent of the holders of not less than three-quarters of the B Shares then in issue, or with the sanction of a special resolution passed at a separate General Meeting of the holders of the B Shares then in issue, the Board shall not authorise or create, or increase the amount of, any shares of any class or any security convertible into shares of any class ranking as regards participation in the profits or assets of the Company in priority to the B Shares other than the Preference Shares authorised to be issued.
- (ii) The Company shall be entitled at any time and from time to time and without any consent or sanction of the holders of the B Shares to create and issue further share capital ranking as regards participation in the profits and assets of the Company after or pari passu with the B Shares. Such creation shall be deemed not to alter, vary, affect, modify or abrogate any of the rights attaching to the B Shares and for the avoidance of doubt such rights shall not be deemed to be varied by the alteration of any of the provisions, other than provisions as to pari passu ranking, set out in these Articles in respect of any unissued ordinary shares.

16X C Shares

The rights and restrictions attaching to the C Shares are as follows:

(A) Distributions

Subject to Article 14(A), the balance of the profits of the Company available for distribution, permitted by law to be distributed and resolved to be distributed shall be distributed by way of dividend among the holders of the Ordinary Shares (on a pari passu basis) as if the same constituted one class of share in proportion to the amounts paid up or credited as paid up thereon.

(B) Rights on a Winding-up etc.

- (i) On a winding-up or other return of capital (other than a redemption or purchase by the Company of any of its issued shares), the balance (if any) of the assets of the Company available to the holders of the Tier 1 Preference Shares in accordance with Article 14(B)(i) shall be applied, in priority to the holders of A Shares, in payment to the holders of the B Shares, the C Shares and the D Shares (on a pari passu basis) of a sum equal to the amount paid up or credited as paid up thereon in respect of such B Shares, C Shares and D Shares.
 - (ii) Subject to Article 14(B)(i) and Article 15(B)(i), the balance (if any) of the assets of the Company available to shareholders on a winding-up or other return of capital (other than a redemption or purchase by the Company of any of its issued shares) after payment to the holders of the Tier 1 Preference Shares in accordance with Article 14(B)(ii) shall be applied in payment to the holders of the Ordinary Shares (on a pari passu basis) as if the same constituted one class of share in proportion to the amounts paid up or credited as paid up in respect of the Ordinary Shares held by them.
- (C) Voting
- (i) The C Shares shall confer on the holders thereof the right to receive notice of, attend, speak and vote at any General Meeting of the Company and each holder of C Shares shall have one vote for every C Share that he/she holds.
 - (ii) Whenever the C Shareholders are entitled to vote at a General Meeting of the Company, upon any resolution proposed at such a General Meeting, on a show of hands every holder of such C Share who is present in person or (being a corporation) by a representative shall have one vote and on a poll every holder of C Shares who is present in person or by proxy or (being a corporation) by a representative shall have one vote in respect of each C Share held by him/her.
- (D) Variation of Rights and Further Issues
- (i) Save with the written consent of the holders of not less than three-quarters of the C Shares then in issue, or with the sanction of a special resolution passed at a separate General Meeting of the holders of the C Shares then in issue, the Board shall not authorise or create, or increase the amount of, any shares of any class or any security convertible into shares of any class ranking as regards participation in the profits or assets of the Company in priority to the C Shares other than the Preference Shares authorised to be issued.
 - (ii) The Company shall be entitled at any time and from time to time and without any consent or sanction of the holders of the C Shares to create and issue further share capital ranking as regards participation in the profits and assets of the Company after or pari passu with the C Shares. Such creation shall be deemed not to alter, vary, affect, modify or abrogate any of the rights attaching to the C Shares and for the avoidance of doubt such rights shall not be deemed to be varied by the alteration of any of the provisions, other than provisions as to pari passu ranking, set out in these Articles in respect of any unissued ordinary shares.

16Y D Shares

The rights and restrictions attaching to the D Shares are as follows:

(A) Distributions

Subject to Article 14(A), the balance of the profits of the Company available for distribution, permitted by law to be distributed and resolved to be distributed shall be distributed by way of dividend among the holders of the Ordinary Shares (on a pari

passu basis) as if the same constituted one class of share in proportion to the amounts paid up or credited as paid up thereon.

(B) Rights on a Winding-up etc.

- (i) On a winding-up or other return of capital (other than a redemption or purchase by the Company of any of its issued shares), the balance (if any) of the assets of the Company available to the holders of the Tier 1 Preference Shares in accordance with Article 14(B)(i) shall be applied, in priority to the holders of A Shares, in payment to the holders of the B Shares, the C Shares and the D Shares (on a pari passu basis) of a sum equal to the amount paid up or credited as paid up thereon in respect of such B Shares, C Shares and D Shares.
- (ii) Subject to Article 14(B)(i) and Article 15(B)(i), the balance (if any) of the assets of the Company available to shareholders on a winding-up or other return of capital (other than a redemption or purchase by the Company of any of its issued shares) after payment to the holders of the Tier 1 Preference Shares in accordance with Article 14(B)(ii) shall be applied in payment to the holders of the Ordinary Shares (on a pari passu basis) as if the same constituted one class of share in proportion to the amounts paid up or credited as paid up in respect of the Ordinary Shares held by them.

(C) Voting

- (i) The D Shares shall confer on the holders thereof the right to receive notice of, attend, speak and vote at any General Meeting of the Company and each holder of D Shares shall have one vote for every D Share that he/she holds.
- (ii) Whenever the D Shareholders are entitled to vote at a General Meeting of the Company, upon any resolution proposed at such a General Meeting, on a show of hands every holder of such D Share who is present in person or (being a corporation) by a representative shall have one vote and on a poll every holder of D Shares who is present in person or by proxy or (being a corporation) by a representative shall have one vote in respect of each D Share held by him/her.

(D) Variation of Rights and Further Issues

- (i) Save with the written consent of the holders of not less than three-quarters of the D Shares then in issue, or with the sanction of a special resolution passed at a separate General Meeting of the holders of the D Shares then in issue, the Board shall not authorise or create, or increase the amount of, any shares of any class or any security convertible into shares of any class ranking as regards participation in the profits or assets of the Company in priority to the D Shares other than the Preference Shares authorised to be issued.
- (ii) The Company shall be entitled at any time and from time to time and without any consent or sanction of the holders of the D Shares to create and issue further share capital ranking as regards participation in the profits and assets of the Company after or pari passu with the D Shares. Such creation shall be deemed not to alter, vary, affect, modify or abrogate any of the rights attaching to the D Shares and for the avoidance of doubt such rights shall not be deemed to be varied by the alteration of any of the provisions, other than provisions as to pari passu ranking, set out in these Articles in respect of any unissued ordinary shares.

III - MEMBERS AND MEMBERSHIP

17 Members of the Company

The members of the Company shall be those persons who have agreed or shall hereafter agree to become shareholders in the Company and whose names are or shall hereafter be entered in the Register of Members hereinafter mentioned.

18 Register of members

The Company shall keep in one or more books a register of its members and enter therein the following particulars:

- (A) the names and addresses, and the occupations or descriptions, of the members and the number and shares held by each member distinguishing each share by its number and the amount paid on the shares of each member;
- (B) the date on which each person was entered in the register as a member; and
- (C) the date on which any person ceased to be a member.

IV - VARIATION OF RIGHTS

19 Variation of rights

Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may, either with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution (as defined by the Companies Ordinance) passed at a separate meeting of such holders (but not otherwise), be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate meeting all the provisions of these Articles relating to General Meetings and as to votes and voting thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of that class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, one person who holds shares of the class, or his proxy, shall be a quorum), and that the holders of shares of that class shall on a poll have the same rights as to voting as are specified in Article 77. The special rights conferred upon the holders of any shares or class of shares issued with preferred or other special rights shall not, unless otherwise expressly provided by the conditions of issue thereof, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

V - SHARES

20 Payment of commission

The Company may exercise the powers of paying commissions conferred by sections 147 and 148 of the Companies Ordinance, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section and the rate of the commission shall not exceed the rate of 10 per cent. of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10 per cent. of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

21 Trusts not recognised

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or recognise any equitable contingent future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by law or these Articles otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

22 Right to share certificate

Every person whose name is entered as a member in the Register of Members shall be entitled without payment to receive within two months after allotment or 10 Business Days after lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or, upon payment of such sum, not exceeding HK\$5.00, for every certificate after the first as the Board shall from time to time determine, to several certificates, each for one or more of his shares. Every certificate shall be issued under the Seal and bear the signature of any one Director and shall be counter-signed by any other Director or the Secretary. Every certificate shall specify the number and class of shares, and if required, the distinctive numbers thereof, to which the certificate relates, and the amount paid up thereon. In the case of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of the certificate for a share to one of several joint holders shall be sufficient delivery to all.

23 Replacement of share certificate

If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee (if any), not exceeding HK\$5.00, and on such terms (if any) as to evidence and indemnity as the Directors think fit.

VI - LIEN

24 Company's lien on shares not fully paid

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

25 Enforcing lien by sale

The Company may sell, in such manner as the Board think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of 14 clear days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the share or the person entitled by reason of his death or bankruptcy to the share. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

26 Application of proceeds of sale

The net proceeds of sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. The purchaser shall be registered as the holder of the shares and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

VII - CALLS ON SHARES

27 Calls

The Board may from time to time make calls upon the members in respect of any or all moneys unpaid on their shares, and each member shall (subject to receiving at least 14 clear days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be made payable by instalments and may be revoked or postponed as the Board may determine.

28 Timing of calls

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

29 Liability of joint holders

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

30 Interest due on non-payment

If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 5 per cent. per annum, as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.

31 Sums due on allotment treated as calls

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

32 Power to differentiate

The Board may, on the issue of shares, differentiate between the holders in the amounts of calls to be paid and the times of payment.

33 Payment of calls in advance

The Board may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him and, upon all or any of the moneys so advanced, may (until the same would, but for such advance, become presently payable) pay or allow in advance interest at such rate, not exceeding (unless the

Company in General Meeting shall otherwise direct) 5 per cent. per annum, as may be agreed upon between the Board and the member paying such sum in advance.

VIII - TRANSFER OF SHARES

34 Transfer

Subject to the provisions of these Articles any member may transfer all or any of his shares.

35 Form of transfer

Shares in the Company shall be transferred by instrument in the usual or common form or in any other form approved by the Board.

36 Execution of Transfer

The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

37 Right to decline registration of partly paid shares

The Board may, subject to sections 151, 152 and 158 of the Companies Ordinance, at any time and without assigning any reason therefor, decline to register any transfer of shares to a person of whom they shall not approve, and they may also decline to register any transfer of shares on which the Company has a lien. If the Board refuses to register a transfer it shall, within two months after the date on which the transfer was lodged with the Company, send to the transferor and the transferee notice of the refusal.

38 Register of Transfers

All instruments of transfer of shares which shall be registered will be retained by the Company and the Board shall cause particulars thereof to be entered in a book to be kept under the supervision of the Board and to be called the "Register of Transfers".

39 Other rights to decline registration

The Board may also decline to recognise any instrument of transfer, unless:

- (A) such fee, not exceeding HK\$5.00, as the Board may from time to time require shall have been paid to the Company in respect thereof;
- (B) the instrument of transfer is deposited at the Office or such other place as the Board may appoint accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (C) the instrument of transfer is in respect of only one class of share.

40 Closure of Register of Transfers

The Register of Transfers may be closed at such times and for such period as the Board may from time to time determine, provided always that it shall not be closed for more than 30 days in any year or, where the period for closing the Register of Members is extended in respect of that year under section 632(3) of the Companies Ordinance, for more than that extended period.

41 Registration fee

There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares such fee, not exceeding HK\$5.00, as the Board may from time to time require or prescribe.

42 Renunciation of allotment

Nothing in these Articles shall preclude the Board from recognising the renunciation of the allotment of any share by the allottee in favour of some other person.

IX - TRANSMISSION OF SHARES

43 Transmission on death

In case of the death of a member the survivors or survivor where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his shares, but nothing herein contained shall release the estate of a deceased holder from any liability in respect of any share solely or jointly held by him.

44 Election of person entitled by transmission

Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence as to his title being produced as may from time to time be required by the Board, and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof.

45 Election of person entitled by transmission

If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by executing to that person a transfer of such share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by such member.

46 Rights of person entitled by transmission

A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall be entitled to receive and may give a discharge for all dividends and other moneys payable in respect of the shares, but he shall not be entitled to receive notices of or to attend or vote at meetings of the Company or save as aforesaid to any of the rights or privileges of a member until he shall have become a member in respect of the share. Provided always that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and, if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

X - FORFEITURE OF SHARES

47 Notice if call or instalment not paid

If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of such call or

instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment.

48 Form of notice

The notice shall name a further day on or before which and the place where the payment required by the notice is to be made and shall state that in the event of non-payment at or before the time and at the place appointed the shares on which the call was made will be liable to be forfeited.

49 Forfeiture for non-compliance with notice

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

50 Notice after forfeiture

Where any share has been forfeited, an entry to that effect shall be made in the Register of Members opposite the forfeited share and notice of the forfeiture shall forthwith be given to the holder of the share or the person entitled to the share by reason of the death or bankruptcy of the holder (as the case may be) but no forfeiture shall be in any manner invalidated by any omission or neglect to make such entry or to give such notice as aforesaid.

51 Sale of forfeited shares

A forfeited share may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled thereto or to any other person, upon such terms and in such manner as the Board shall think fit. The Board may for the purposes of the disposal authorise some person to execute an instrument of transfer to the designated transferee. The Company may receive the consideration (if any) given for the share on its disposal. At any time before a sale or disposition the forfeiture may be cancelled on such terms as the Board think fit.

52 Arrears to be paid notwithstanding forfeiture

A member whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding the forfeiture 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, with interest thereon at seven per cent. per annum from the date of forfeiture until payment (or at such other rate as the Board may from time to time determine), 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.

53 Statutory declaration as to forfeiture

A statutory declaration in writing that the declarant is a Director, Manager or Secretary of the Company and that a share has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof shall constitute a good title to the share, and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the

consideration (if any), nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, reallocation or disposal of the share.

54 Forfeiture for non-payment on fixed date

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, as if the same had been payable by virtue of a call duly made and notified.

XI – ALTERATION OF CAPITAL

55 Increase of capital

The Company in a General Meeting may from time to time by ordinary resolution alter its share capital in any one or more of the ways set out in the Companies Ordinance or in any other manner authorised.

56 Consolidation, subdivision and cancellation

The Company may by ordinary resolution:

- (A) consolidate and divide all or any of its shares whether issued or unissued and whether forming part of its present or increased capital into shares of larger amount than its existing shares;
- (B) sub-divide its shares or any of them whether issued or unissued and whether forming part of its present or increased capital into shares of smaller amount than the amount of the shares to be sub-divided but so that in the sub-division the proportion between the amount paid and the amount if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- (C) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its capital by the amount of the shares so cancelled.

Where any difficulty arises in regard to any consolidation or division under paragraph (A) or (B) of this Article, the Board may deal with the difficulty as it thinks fit and in particular may issue fractional certificates or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion among those members who would have been entitled to the fractions and for this purpose the Board may authorise some person to transfer the shares representing fractions to the purchaser, who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

57 Pre-emption rights

The Company may by the resolution creating any new shares direct that the new shares, or any of them, shall be offered in the first instance to all the then members or to any class thereof for the time being, in proportion to the number of shares or shares of the class held by them respectively, or make any other provisions as to the issue of the new shares. In default of any such direction, or so far as the same shall not extend, the new shares shall be at the disposal of the Board, who may offer, allot, grant options over or otherwise dispose of them to such persons and on such terms as they shall think fit.

58 Application of these Articles to new shares

The new shares shall be subject to the same provisions in these Articles with reference to payment of calls, lien, transfer, transmission, forfeiture and otherwise as the existing shares in the Company.

59 Reduction of capital

The Company may by special resolution reduce its share capital in any manner and with, and subject to, any confirmation or consent required by law.

60 Buy back of own shares

At any time while the Company is an unlisted company within the meaning of the Companies Ordinance, it may, subject to sections 244 to 256 of the Companies Ordinance, buy back its own shares (including any redeemable shares).

XIII - GENERAL MEETINGS

61 Annual General Meetings

Subject to the provisions of the Companies Ordinance, a General Meeting shall be held in every year at such time and place in Hong Kong as may be determined by the Board and shall specify the meeting as such in the notices calling it; and not more than six months shall elapse after the end of its accounting reference period by reference to which the financial year is to be determined. The general meetings referred to in this Article shall be called Annual General Meetings. All other general meetings shall be called general meetings.

62 General Meetings

The Board may convene a general meeting whenever they think fit. If at any time there are not within Hong Kong sufficient Directors capable of acting to form a quorum, any Executive Director or any two members of the Company may convene a general meeting. The Board shall convene a general meeting on requisition as provided by sections 566 to 568 of the Companies Ordinance. The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Office and may consist of several documents in the like form each signed by one or more of the requisitionists.

63 Requisitions

If the Board do not within 21 days from the date of the requisition being so deposited proceed duly to convene the meeting for a day not more than 28 days after the date on which the notice convening the meeting is given, the requisitionists or a majority of them may themselves convene the meeting but any meeting so convened shall not be held after the expiration of three months from the date of the deposit and shall be held only for the objects stated in the requisition.

64 Requisitions

Any meeting so convened by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Board.

XIV - NOTICE OF GENERAL MEETINGS

65 Length of notice

In the case of an Annual General Meeting, at least 21 days' notice, and in any other case at least 14 clear days' notice, shall be given in writing to all such members and directors as are under the provisions in these Articles entitled to receive notices from the Company and to the Auditors of the Company.

PROVIDED THAT 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 meeting, by a majority number of the members having a right to attend and vote at the Meeting, being a majority together holding not less than 95 per cent. of the total voting rights at the meeting of the members.

66 Omission or non-receipt of notice

The accidental omission to give notice to, or the accidental omission to send any document relating to any meeting to, or the non-receipt of notice by any person, shall not invalidate the proceedings at any General Meeting.

67 Contents of notice

Every notice of meeting shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of such business. The notice convening a meeting to pass a special resolution shall also specify the intention to propose the resolution as a special resolution. There shall appear on every such notice with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of the member and that a proxy need not be a member of the Company.

XV - PROCEEDINGS AT GENERAL MEETINGS

68 Quorum

No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided in these Articles, two members present in person or by proxy shall be a quorum. A corporation being a member shall be deemed for the purpose of these Articles to be present in person if represented by proxy or in accordance with the provisions of the Companies Ordinance.

69 Procedure if quorum not present

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of or by members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and such time and place in Hong Kong as the Board may determine and if at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the members present shall be a quorum.

70 Chairman of General Meeting

The chairman (if any) of the Board and in his absence the deputy chairman (if any) shall preside as chairman at every General Meeting of the Company. If there be no such officers, or if at any meeting neither be present within 15 minutes after the time appointed for holding

the meeting, or be willing to act as chairman, the members present shall choose some Director present to be chairman, or if no Director be present, or if all the Directors present decline to take the chair, they shall choose some member present to be chairman.

71 Adjournments

The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place (in Hong Kong), but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for 21 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

72 Method of voting

At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

- (A) the chairman; or
- (B) any member present in person or by proxy.

Unless a poll is so demanded, a declaration by the chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

73 Result of poll

If a poll is duly demanded, it shall be taken in such manner as the chairman may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

74 Casting vote of chairman

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a second or casting vote.

75 When poll to be taken

A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time (being not later than 30 days after the date of the demand) and place in Hong Kong as the chairman directs. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.

76 Continuance of other business after poll demanded

The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. A demand for a poll may be withdrawn.

XVI - VOTES OF MEMBERS

77 Votes of members

Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative or proxy not being himself a member shall have one vote. On a poll every member who is present in person or by proxy shall have one vote for each share of which he is the holder.

78 Votes of joint holders

In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

79 Voting on behalf of incapable member

A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, *curator bonis* or other person in the nature of a committee, receiver or *curator bonis* appointed by such court, and such committee, receiver, *curator bonis* or other person may on a poll vote by proxy, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the office not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which such person claims to vote.

80 Objections

No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

81 Votes on a poll

On a poll, votes may be given either personally or by proxy.

82 Appointment of proxies

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the Seal or under the hand of an officer or attorney so authorised.

83 Appointment of proxies

A proxy need not be a member of the Company.

84 Receipt of proxies

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 or a copy certified in accordance with the Powers of Attorney Ordinance (Cap. 31 of the Laws of Hong Kong) of such power or authority, shall be deposited at the Office or at such other place within Hong Kong as is specified for that purpose in the notice convening the meeting not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time

appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.

85 Forms of proxy

An instrument of proxy may be in the following form, or in any other form which the Board shall approve:

STANDARD CHARTERED BANK (HONG KONG) LIMITED

渣打銀行(香港)有限公司

I/We _____ of _____

Being a member/members of the above named Company hereby appoint

_____ of _____

[, or failing him, _____ of _____] as

my/our proxy to vote for me/us, and on my/our behalf, at the Annual General Meeting [or, as the

case may be General Meeting] of the Company to be held on the _____ day of _____

20 , and at any adjournment thereof.

Signed this _____ day of _____ 20_____

86 Forms of proxy

Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

STANDARD CHARTERED BANK (HONG KONG) LIMITED

渣打銀行(香港)有限公司

I/We _____ of _____

Being a member/members of the above named Company hereby appoint

_____ of _____

[, or failing him, _____ of _____] as

my/our proxy to vote for me/us, and on my/our behalf, at the Annual General Meeting [or, as the

case may be General Meeting] of the Company to be held on the _____ day of _____

20 , and at any adjournment thereof.

Signed this _____ day of _____ 20_____

in favour of

This form is to be used * **against** the resolution

Unless otherwise instructed, the proxy will vote as he thinks fit.

* strike out whichever is not desired

An instrument of proxy need not be witnessed and shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

87 Issuing proxy forms

The Board may at the expense of the Company send, by post or otherwise, to the members instruments of proxy (with or without stamped envelopes for their return) for use at any General Meeting or at any meeting of any class of members of the Company, either in blank or nominating in the alternative any one or more of the Directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the expense of the Company, such invitations shall be issued to all (and not to some only) of the members entitled to be sent a notice of the meeting and to vote thereat by proxy.

88 Cancellation of proxy's authority

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or revocation of the instrument of proxy, or of the authority under which the instrument of proxy was executed, or the transfer of the share in respect of which the instrument of proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

XVII - CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

89 Corporations acting by representatives at meetings

Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

XVIII - DIRECTORS

90 Number of Directors

Unless otherwise determined by ordinary resolution of the Company, the number of Directors shall be not less than four and there shall be no maximum number of Directors.

91 Remuneration

The remuneration of the Directors shall from time to time be determined by the Company in General Meeting. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board or any committee of the Board or General Meetings of the Company or in connection with the business of the Company.

92 Additional remuneration

Any Director who by request performs special services for any purposes of the Company may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the

Board may determine, which shall be charged as part of the Company's ordinary working expenses.

93 Directors' shareholding qualification

A Director shall not be required to hold any shares of the Company by way of qualification.

94 Vacation of Director's office

The office of a Director shall be vacated in any of the following events:

- (A) on the expiry of any period specified in the notice of appointment of any particular Director;
- (B) if he resigns his office by notice in writing to the Company at the Office;
- (C) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (D) if he becomes of unsound mind;
- (E) if he is absent (otherwise than upon the business of the Company) from meetings of the Board for six months without leave and the Board resolves that his office be vacated;
- (F) if he becomes prohibited from being a Director by reason of any disqualification order made under Part IVA of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong);
- (G) if he is requested in writing by a majority of the other Directors to resign; or
- (H) if he is requested in writing by a member or members holding not less than 75 per cent. of the total value of the Ordinary Shares to resign.

95 Permitted interests and voting

- (A) A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration or otherwise) as the Board may determine.
- (B) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (C) A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangements or variation of the terms or determination of the appointment).
- (D) No Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such transaction, arrangement or contract, or any transaction, arrangement or contract entered into by or on behalf of the Company 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 for any remuneration, profit or other benefit realised by any such transaction, arrangement or contract by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest shall be disclosed by him at the earliest meeting of the Board at which it is practicable for

him to do so notwithstanding that the question of entering into the transaction, arrangement or contract is not taken into consideration at that meeting.

- (E) Save as otherwise provided in these Articles, a Director shall not be counted in the quorum in relation to, and shall not vote on, any resolution of the Board in respect of any transaction, arrangement or contract in which he or an entity connected to him is so interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to:
- (i) any arrangement for giving any Director any guarantee, indemnity or security in respect of money lent by him to or obligations undertaken by him at the request of or for the benefit of the Company or any of its subsidiaries or holding companies; or
 - (ii) any arrangement for the giving by the Company of any guarantee, indemnity or security to a third party in respect of a debt or obligation of the Company for which the director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security; or
 - (iii) any contract by a Director to subscribe for or underwrite shares, debentures or other securities of the Company or any of its subsidiaries or holding companies; or
 - (iv) any contract or dealing with any other company where the sole interest of a Director is that he is a director, officer, member or creditor of such corporation; or
 - (v) any contract concerning the adoption, modification or operation of a pension fund, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme which relates both to Directors and employees of the Company or any of its subsidiaries or holding companies and does not provide in respect of any Director any such privilege or advantage not accorded to the employees to which the fund or scheme relates; or
 - (vi) any contract for the purchase or maintenance of insurance against any liability for, or for the benefit of, any Director or Directors or for, or for the benefit of, persons who include Directors,

and this prohibition may at any time be suspended or relaxed to any extent, and either generally or in respect of any particular transaction, arrangement or contract, and any transaction, arrangement or contract, not properly authorised by reason of a contravention of this Article may be ratified, by the Company in General Meeting.

96 General notice disclosing Director's interest

A general notice in writing given to the Board by any Director to the effect that by reason of the facts specified therein, he is to be regarded as interested in any transaction, arrangement or contract which may thereafter be made by the Company shall be deemed to be a sufficient declaration of interest in relation to any contract so made; provided that no such general notice shall be effective in relation to any transaction, arrangement or contract unless it is given before the date on which the question of entering into the contract is first taken into consideration on behalf of the Company.

97 Pensions and gratuities for Directors

The Board may on behalf of the Company pay a gratuity or pension or allowance on or at any time after the death or retirement of any Director or other person who has held any salaried office or place of profit with the Company to any such former Director or to any such other

person or to their widows or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

98 Directors' other interests

Any Director may continue to be or become a director, managing director, manager or other officer or member of any other company in which the Company may be interested, and, subject to the Companies Ordinance, no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director, managing director, manager or other officer or member of any such other company unless the Company otherwise directs. The Board may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, managers or other officers of such company, or voting or providing for the payment of remuneration to the directors, managing directors, managers or other officers of such company).

99 Alternate directors

- (A) Any Director may by writing under his hand appoint any person approved by the Board, whether a member of the Company or not, to be an alternate director of the Company in his place and every such alternate director shall be entitled to receive notice of all meetings of the Board or of committees of the Board of which his appointer is a member and to attend and vote at meetings of the Board in the place of the Director appointing him and shall have and exercise all the powers, rights, duties and authorities of the Director appointing him and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director, provided always that no such appointment shall be operative unless or until the approval of the Board shall have been given and entered in the minute book. A Director may at any time revoke the appointment of an alternate appointed by him and, subject to such approval as aforesaid, appoint another person in his place, and if a Director shall die or cease to hold the office of Director the appointment of his alternate shall thereupon cease and determine.
- (B) Every person acting as an alternate for a Director shall (except as regards the power to appoint an alternate and remuneration) be subject in all respects to the provisions of these Articles relating to Directors and shall during his appointment be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him. An alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent as if he were a Director. The remuneration of any such alternate shall be payable out of the remuneration payable to the Director appointing him and shall consist of such portion of the last mentioned remuneration as shall be agreed between the alternate and the Director appointing him.
- (C) A Director or any other person may act as an alternate director to represent more than one Director. Every person acting as an alternate director shall have one vote for each Director for whom he acts as an alternate, in addition to his own vote if he is also a Director, but he shall count as only one for the purposes of determining whether a quorum is present. Signature by an alternate director of any resolution in writing of the Board or a committee of the Board shall, unless the notice of his appointment provides to the contrary, be as effective as signature by his appointer.

XIX - POWERS OF DIRECTORS

100 General powers of Company vested in Board

Subject to the provisions of the Companies Ordinance and these Articles and to any directions given by special resolution, the business and affairs of the Company shall be managed by the Directors, who may exercise all the powers of the Company. No alteration of these Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Directors by these Articles, and a meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors.

101 Delegation to individual Managers

Without prejudice to the generality of the powers conferred by the preceding Article, the Board may appoint one or more Managers upon such terms as to remuneration and otherwise as the Board shall think fit and may delegate to any such Manager or Managers such of the powers of the Board (including power to sub-delegate) as they shall think fit.

102 Delegation to committees

The Board may delegate any of their powers to committees consisting of such person or persons (whether a member or members of their body or not) as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board or by any superior committee of the Board.

103 Committee meetings

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

104 Reference to "the Board"

The power to delegate contained in Article 102 shall be effective in relation to the powers of the Board generally and shall not be limited by the fact that in certain Articles, but not in others, express reference is made to particular power being exercised by the Board or by any committee authorised by the Board.

105 Powers of attorney

The Board may from time to time and at any time by power of attorney under the Seal appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as they may think fit.

106 Powers of attorney

Any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

107 Borrowing powers

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets and uncalled capital, or any part thereof, and to issue debentures, debenture stock and, subject to sections 140 and 141 of the Companies Ordinance, convertible debentures and convertible debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

108 Cheques. etc.

All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

XX - DIRECTORS

109 Persons eligible as Directors

Unless recommended by the Board for election or consented to by all holders of Ordinary Shares, no person shall be eligible for the office of a Director at any General Meeting unless not less than seven clear days nor more than 21 clear days before the day appointed for the meeting there shall have been given to the Secretary notice in writing by some member duly qualified to be present and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice in writing signed by the person to be proposed of his willingness to be elected.

110 Power of Board to appoint Directors

The Board shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election.

111 Power of members to remove and appoint Directors

Without prejudice to Article 94, the Company may by special resolution remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company. The Company may by ordinary resolution appoint another person in his stead. Without prejudice to the powers of the Directors under Article 110, the Company in a General Meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.

XXI - PROCEEDINGS OF DIRECTORS

112 Board meetings

- (A) The Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit.
- (B) A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board. Notice of a Board meeting shall be deemed to be properly given to a director if it is given to him personally or sent in writing to him at his last known address or any other address given by him to the Company for this

purpose, or by electronic mail at such electronic mail address as given by him to the Company for this purpose.

- (C) Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote.

113 Participation in Board meetings by telephone

A meeting of the Directors may consist of a conference between Directors some or all of whom are in different places provided that each Director who participates is able:

(A) to hear each of the other participating Directors addressing the meeting; and (B) if he wishes, to address all of the other participating Directors simultaneously, whether directly, by conference telephone or by any other form of communications equipment (whether in use when this Article was adopted or not) or by a combination of those methods.

A meeting held in this way is deemed to take place at the place from where the majority of Directors participate. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in the quorum accordingly.

114 Quorum

The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two.

115 Powers of Board when number of Directors is below minimum

The continuing Directors may act notwithstanding any vacancies in the Board but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director may only act for the purpose of filling up vacancies on the Board or of summoning General Meetings of the Company but not for any other purpose.

116 Appointment of chairman of Board meetings

The Directors may elect a chairman and deputy chairman of their meetings and determine the periods for which they are to hold office, but if no such chairman or deputy chairman is elected, or if at any meeting neither is present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

117 Competence of meetings

A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Board.

118 Resolutions in writing

A resolution in writing signed or approved (including in electronic form) by all the Directors for the time being entitled to receive notice of a meeting of the Board (provided that number is sufficient to constitute a quorum) or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee properly called and constituted. The resolution may be contained in one document or in several documents in like form each signed or approved (including in electronic form) by one or more of the Directors or members of the committee concerned.

119 Validity of acts of Board or committee

All acts done by any meeting of the Board or of a committee of the Board or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified from holding office, or had vacated office, be as valid as if every such person had been duly appointed, was qualified and had continued to be a Director and had been entitled to vote.

XXII – SECRETARY

120 Appointment and removal of Secretary

The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as they may think fit and any Secretary may be removed by the Board.

121 Power to act where there is no Secretary

Anything required or authorised to be done by or to the Secretary may, if the office is vacant or if there is for any reason no secretary capable of acting, be done by or to any assistant or deputy secretary, or if there is no assistant or deputy secretary capable of acting, by or to any officer of the Company authorised generally or specially in that regard by the Board.

XXIII - THE SEAL

122 The Seal

The Board shall provide a Seal for the Company with such device thereon as the Board may determine, but with the corporate name of the Company engraved thereon, and the Seal may at any time be destroyed and a new Seal substituted therefor.

123 Safe custody of Seal

The Seal shall be under the charge of the Board, who shall provide for the safe custody thereof.

124 Use of Seal

The Seal shall (subject to Article 22) be used and affixed in accordance with regulations made by the Board and every instrument to which the Seal shall be affixed shall be signed:

- (A) by a Director and shall be countersigned by a second Director or by some other person appointed by the Directors for the purpose; or
- (B) by any two persons appointed by the Board for such purpose.

125 Use of Seal outside Hong Kong

The Company may exercise the powers conferred by section 125 of the Companies Ordinance with regard to having one or more official seals for use outside Hong Kong and such powers shall be vested in the Board.

XXIV - MINUTES

126 Purpose of minutes

The Board shall cause minutes to be made in books provided for the purpose of:

- (A) all appointments of officers made by the Board;
- (B) the names of the Directors present at each meeting of the Board and of any committee of Directors; and
- (C) all resolutions and proceedings at all meetings of the Company and separate meetings of classes of members and of the Board and of committees of the Board.

127 Minutes constitute prima facie evidence

Any such minute if purporting to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting of the Company or the Board or the committee of the Board (as the case may be) shall be sufficient evidence of the proceedings thereat and until the contrary is proved every meeting of the Company or of the Board or of a committee of the Board in respect of the proceedings whereat minutes have been so made shall be deemed to have been duly convened and held and all resolutions and proceedings stated in the said minutes to have been passed and held thereat shall be deemed to have been duly passed and held.

XXV - DIVIDENDS AND RESERVES

128 Declaration of dividends by Company

The profits of the Company available for dividend and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company in General Meeting may declare dividends accordingly.

129 Restriction on dividends

No dividend shall be payable except out of the profits of the Company in accordance with the provisions of the Companies Ordinance and no dividend shall exceed the amount recommended by the Board.

130 Payment of interim dividends by the Board

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.

131 Power to create and apply reserves

The Board may from time to time set aside out of the profits of the Company and carry to reserve or reserves such sums as they think proper, which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may properly be applied and, pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may from time to time think fit and without its being necessary to keep investments of the reserve separate from other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

132 No interest on dividends

No dividend shall bear interest as against the Company.

133 Dividends not in cash

Any General Meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid-up shares,

debentures or debenture stock of any other company or in any one or more such ways, and the Board shall give effect to such resolution and, where any difficulty arises in regard to such distribution, the Board may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Board.

134 Payment procedure

Any dividend, bonus or interest on or moneys payable in respect of a share may be paid by cheque or warrant sent through the post to such person and to such address as the holder or all the joint holders shall in writing direct or in some other way agreed between the member (or all joint holders) and the Company. In default of any such direction, such dividend, bonus or interest shall be sent through the post to the registered address of the member or person entitled thereto and, in the case of joint holders, to any one of such joint holders. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission nor for any dividend or other moneys lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant. Payment of the cheque or warrant by the banker on whom it is drawn, if purporting to be duly endorsed, shall be a good discharge to the Company.

135 Receipt by one joint holder

If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividends, bonuses, interest or other moneys payable on or in respect of the share.

136 Unclaimed dividends

All dividends unclaimed for one year after having become payable may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, and all dividends unclaimed for six years after having become payable may be forfeited by the Directors and shall revert to the Company. The payment into a separate account of any moneys payable in respect of a dividend shall not constitute the Company a trustee in respect thereof for any person.

XXVI - CAPITALISATION OF PROFITS

137 Power to capitalise reserves and funds

The Company may by ordinary resolution, upon the recommendation of the Board, resolve to capitalise any undivided profits of the Company (including profits carried and standing to any reserve or reserves or other special account or otherwise available for distribution), and accordingly that the Board be authorised and directed to appropriate the profits resolved to be capitalised to the members in proportion to the amounts paid up on the shares held by them respectively, and to apply such profits on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on the shares held by such members respectively, or in 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 proportion aforesaid, or partly in one way and partly in the other and the Directors shall give effect to such resolution.

138 Powers after capitalisation resolution passed

Whenever such a resolution as aforesaid shall have been passed the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do

all acts and things required to give effect thereto, with full power to the Board to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

XXVII – ACCOUNTS

139 Records to be kept

The Board shall cause to be kept such books or accounts as are necessary to exhibit and explain the transactions and financial position of the Company and to give a true and fair view of the state of its affairs, each in accordance with the Companies Ordinance, and in particular (but without limiting the generality of the foregoing provision) proper books of account with respect to:

- (A) all sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure takes place; and
- (B) all sales and purchases by the Company; and the assets and liabilities of the Company.

140 Inspection of records

The books of account shall be kept at the Office or, subject to the provisions of section 374 of the Companies Ordinance, at such other place or places as the Board think fit, and shall at all times be open to inspection by the Board.

141 Preparation of accounts

The Board shall from time to time in accordance with the provisions of the Companies Ordinance cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets signed on behalf of the Board by three Directors, group accounts (if any) and reports as are required by the Companies Ordinance.

142 Accounts and reports to members and debenture holders

A printed copy of every balance sheet and profit and loss account, including every document required by law to be annexed thereto, which is to be laid before the Company in General Meeting, together with a copy of the Directors' and Auditor's reports shall, at least 21 days before the meeting, be delivered or sent by post to every member and debenture holder of the Company of whose address the Company is aware (or in the case of joint holders of any share or debenture to one of the joint holders).

XXVIII – AUDIT

143 Duties of Auditor

The Auditor shall be appointed and its duties regulated in accordance with the Companies Ordinance.

XXIX - WINDING UP

144 Distribution of assets otherwise than in cash

If the affairs of the Company shall be wound up as aforesaid the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies (Winding Up and Miscellaneous Provisions) Ordinance, divide amongst the members in specie or kind the whole or any part of the assets of the Company available for distribution amongst them (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may with the like sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

XXX – INDEMNITY

145 Indemnity of officers

Subject to the provisions of the Companies Ordinance, the Directors, Managers, Secretary, Auditor and other officers for the time being of the Company and the Trustees (if any) for the time being acting in relation to any of the affairs of the Company, and their respective executors, administrators and personal representatives, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in, or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own wilful neglect or default respectively, and none of them shall be answerable for the acts, receipts, neglects or defaults of any other of them or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effects of the Company shall be lodged or deposited for safe custody, or for the insufficiency or deficiency of any security upon which any moneys of the Company shall be placed out or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, unless the same shall happen by or through their own wilful neglect or default respectively.

As far as the Companies Ordinance allows this, the Company may purchase and maintain insurance against any liability for any Director, Manager, Secretary, Auditor and other officer for the time being of the Company.

XXXI - NOTICES

146 Method of service

Any notice or document may be served by the Company on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the Register of Members, or by leaving it at that address addressed to the member, or, where appropriate, by using electronic communications to an address notified by the member concerned to the Company for that purpose. 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 of Members, and notice so given shall be sufficient notice to all the joint holders.

147 Entitlement to notice

Notice of every General Meeting shall be given to all members other than any who, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the Auditor for the time being of the Company. No other person shall be entitled to receive notices of General Meetings.