

This is a consolidated version of the constitutional document of Kingboard Chemical Holdings Limited not formally adopted by shareholders at general meeting. The English version shall always prevail in case of any inconsistency between this English version and its Chinese translation.

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KINGBOARD CHEMICAL HOLDINGS LIMITED

THE COMPANIES LAW (REVISED)

Company Limited by Shares

MEMORANDUM OF ASSOCIATION

OF

JAMPLAN CHEMICAL HOLDINGS LIMITED

1. The name of the Company is Jamplan Chemical Holdings Limited.
2. The Registered Office of the Company will be situate at the offices of Caledonian Bank & Trust Limited, Ground Floor, Caledonian House, Mary Street, P.O. Box 1043, George Town, Grand Cayman, Cayman Islands, British West Indies or at such other location as the Directors may from time to time determine.
3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 6(4) of The Companies Law (Revised).
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 26(2) of The Companies Law (Revised).
5. Nothing in the preceding sections shall be deemed to permit the Company to carry on the business of a Bank or Trust Company without being licensed in that behalf under the provisions of the Banks and Trust Companies Law, 1989, or to carry on Insurance Business from within the Cayman islands or the business of an Insurance Manager, Agent, Sub-agent or Broker without being licensed in that behalf under the provisions of the Insurance Law, 1979 (as amended), or to carry on the business of Company Management without, being licensed in that behalf under the provisions of the Companies Management Law, 1984.
6. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; Provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of the members is limited.
8. The capital of the Company is HK\$120,000,000.00 divided into 1,200,000,000 shares of a nominal or par value of HK\$0.10 each provided always that subject to the provisions of The Companies Law (Revised), and the Articles of Association the Company shall have power to

redeem or purchase any or all of such shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be Ordinary, Preference or otherwise shall, be subject to the powers on the part of the Company hereinbefore provided.

9. The Company may exercise the power contained in Section 217 of The Companies Law (Revised) to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.

THE COMPANIES LAW (REVISED)
COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

KINGBOARD CHEMICAL HOLDINGS LIMITED

EXCLUSION OF TABLE A

1. The regulations set out in Table A in the Schedule to the Companies Law shall not apply to the Company.

INTERPRETATION

2. In these Articles unless the context otherwise requires:-

"these Articles" means these Articles of Association in their present form or as from time to time altered;

"Associate" means the meaning attributed to it by the Designated Stock Exchange;

"Board" means the Board of Directors of the Company or the Directors present at a meeting of Directors at which a quorum is present;

"Business Day" mean any day on which the Designated Stock Exchange generally is open for the business of dealing in securities. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Articles be counted as a business day;

"the Companies Law" means the Companies Law (Revised) (Chapter 22 of the Laws of the Cayman Islands) and any amendments thereto or re-enactment thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;

"Court" means the Grand Court of the Cayman Islands;

"Designated Stock Exchange" means a stock exchange in respect of which the shares of the Company are listed or quoted and where such stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company;

"Director" means a director of the Company for the time being and from time to time;

"Electronic Transaction Law" means the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force

and includes every other law incorporated therewith or substituted therefor;

"Executive Director" means the Chairman, Chief Executive Director, Joint Chief Executive Director, Managing Director, Joint Managing Director, Deputy Managing Director or Assistant Managing Director of the Company or a Director who is the holder of any other employment or executive office with the Company;

"Member" in relation to shares means the member whose name or, in the case of joint holders, names is or are entered in the Register as the holder of the shares;

"Notice" means written notice unless otherwise specifically stated and as further defined in these Articles;

"Office" means the registered office of the Company for the time being and from time to time;

"Register" means the Register of Members of the Company;

"Seal" means the common seal of the Company or any official seal that the Company may be permitted to have under the Companies Law;

Companies Law and appointed by the Board to perform any of the duties of the Secretary including a joint, temporary or assistant Secretary;

"special resolution" means a resolution passed by ^{mpti}

SHARE CAPITAL

3. The share capital of the Company at the date on which these Articles come into effect shall be divided into shares of HK\$0.10 each.

REGISTERED OFFICE

4. The Office shall be at such place in the Cayman Islands as the Board shall from time to time appoint.

SHARE RIGHTS

5. Subject to the provisions of the Companies Law and without prejudice to any rights attached to any shares or class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred, qualified or other rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may from time to time determine.

REDEEMABLE SHARES

6. Subject to the provisions of the Companies Law, any shares may, with the sanction of a special resolution, be issued on terms that they are, or at the option of the Company or the Member are liable, to be redeemed on such terms and in such manner as may be provided for by these Articles or by the special resolution sanctioning the issue of the same.

VARIATION OF RIGHTS

7. Subject to the provisions of the Companies Law, all or any of the rights for the time being attached to any class of shares for the time being in issue may from time to time (whether or not the Company is being wound up) be varied or abrogated with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class, that every holder of shares of the class shall be entitled to one vote for every such share held by him, and that at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of shares held by him) shall constitute a quorum and for the purposes of this Article one holder present in person or by proxy may constitute a meeting.

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

SHARES

9. Subject to the provisions of the Companies Law and these Articles, the unissued shares of

the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options or warrants over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine, but so that no shares shall be issued at a discount to their nominal value otherwise than in accordance with the Companies Law.

10. The Company may exercise all powers of paying commissions conferred or permitted by the Companies Law and the commissions may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

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

SHARE CERTIFICATES

12. Every person whose name is entered as a holder of any shares in the Register shall be entitled, without payment, to receive within two months after allotment or lodgment of a transfer to him of the shares in respect of which he is so registered (or within such other period as the terms of issue shall provide) one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board may from time to time determine. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A Member who has transferred some of the shares comprised in his registered holding shall be entitled to a certificate for the balance without charge. Every certificate shall specify the shares to which it relates and the amount paid up thereon. The Company shall in no case be bound to register more than four persons as the joint holders of any shares.

13. If a share certificate is defaced, worn out, lost or destroyed it may be replaced without fee but, subject to compliance with the Companies Law, on such terms (if any) as to evidence and indemnity and to payment of any exceptional out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement or wearing out, on delivery of the old certificate to the Company provided always that where share warrants have been issued, no new share warrant shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed.

14. All forms of certificate for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall be issued under a Seal. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed.

Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.

22. Any sum which, by the terms of issue of a share, becomes payable on allotment or at any date fixed by or in accordance with such terms of issue, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these Articles be deemed to be a call duly made, notified 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, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

23. The Board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

24. The Board may, if it thinks 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 interest at such rate, not exceeding (without the consent of the Members in general meeting) 15 per cent. per annum, as may be agreed upon between the Board and the Member paying such sum in advance. Such payment in advance shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

FORFEITURE OF SHARES

25. If a Member or person entitled to a share by transmission fails to pay any call or installment 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 installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued thereon, together with any sum due in respect of the same, and if the same is not paid within the time specified in the notice, the shares of the Member or person so failing shall be liable to be forfeited.

the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry.

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, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled on such terms as the Board may think fit.

30. A person whose shares are forfeited shall thereupon cease to be a Member in respect of the forfeited shares, and shall surrender to the Company for cancellation the certificate for the shares forfeited, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon at the rate of 25 per cent. per annum (or such lower rate as the Board may determine) from the date of forfeiture until payment, and the Company may enforce payment without being under any obligation to give notice of the forfeiture to the person whose shares are forfeited.

Member or otherwise by operation of law shall (upon such evidence being produced as may from time to time be required by the Board as to his entitlement) be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Member until he shall have become registered as the holder thereof. 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 sixty days the Board may thereafter withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

STOCK

43. The Company may from time to time in general meeting convert any fully paid up shares into stock and may reconvert any stock into fully paid up shares of any denomination. After the passing of any resolution converting all the fully paid up shares of any class in the capital of the Company into stock, any shares of that class that subsequently become fully paid up and rank pari passu in all other respects with such shares shall, by virtue of this Article and such resolution, be converted into stock transferable in the same units as the shares already converted.

44. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit. The Board may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of such minimum, but the minimum shall not, without the sanction of an ordinary resolution of the Company, exceed the nominal amount of each of the shares from which the

share or stock of a Member or any share or stock to which a person is entitled by transmission if and provided that:-

- (i) for a period of twelve years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Member or to the person entitled by transmission to the share or stock at his address on the Register or the last known address given by the Member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the Member or the person entitled by transmission provided that in any such period of twelve years the Company has paid at least three dividends whether interim or final and no such dividend has been claimed; and
 - (ii) the Company has, at the expiration of the said period of twelve years by advertisement in both English in a leading English language daily newspaper and in Chinese in a leading Chinese language daily newspaper circulating in Hong Kong (and for these purposes such newspapers shall be newspapers specified in the list of newspapers published in the Hong Kong Government Gazette for the purposes of Section 71A of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)), given notice of its intention to sell such share or stock; and
 - (iii) the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Member or person entitled by transmission; and
 - (iv) if any securities of the Company are listed on The Stock Exchange of Hong Kong Limited, the Company has first given notice in writing to such Exchange of its intention to sell such shares or stock.
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with regard to specific purchases and if purchases are by tender, tenders shall be available to all Members alike.

GENERAL MEETINGS

52. The Board shall convene and the Company shall hold an annual general meeting at such time and place as the Board shall appoint in each year (and not more than 15 months may elapse between the date of one annual general meeting and the next). Any general meeting of the Company other than an annual general meeting shall be called an extraordinary general meeting. ~~At each annual general meeting, the accounts and accompanying documents, referred to in~~ Article 143, of the Company shall be laid before the Members.

53. The Board may, whenever it thinks fit, and in accordance with the Companies Law, convene an extraordinary general meeting. In addition, the Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid up capital of the Company as at the date of the deposit carries the right to vote at general meetings of the Company, forthwith proceed duly to convene an extraordinary general meeting of the Company. The requisition must state the objects of the meeting and must be signed by

each signed by one or more requisitionists. If the Board does not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting for a day not more than 28 days after the date on which the notice convening the meeting is given, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date. A meeting convened under this Article by the requisitionists shall be

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to the provisions of the Companies Law, Notice of every general meeting shall be given in manner hereinafter mentioned to all Members (whether or not their registered address is outside Hong Kong) other than such as 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 Auditors for the time being of the Company.

(B) Notwithstanding that a meeting of the Company is called by shorter notice than that specified in paragraph (A) of this Article, it shall be deemed to have been duly called if it is so agreed:-

- (i) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

55. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

56. All business shall be deemed special that is transacted at an extraordinary general meeting and also all business that is transacted at an annual general meeting with the exception of:-

- (a) the declaration of dividends;
- (b) the consideration and adoption of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the accounts;
- (c) the appointment of Directors in place of those retiring (by rotation or otherwise);
- (d) the appointment of Auditors in place of those retiring; and
- (e) the fixing of, or the determining of the method of fixing, the remuneration of the Directors and Auditors.

57. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, two Members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

58. If within five minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not

present, the meeting, if convened on the requisition of the Members, shall be dissolved. In any other case it shall stand adjourned to such other day (not being less than seven days thereafter) and at such time or place as the chairman of the meeting may determine and the Company shall give not less than seven days notice in writing of the adjourned meeting in the like manner as in the case of the original meeting. At the adjourned meeting one Member present in person or by proxy shall be a quorum.

59. Each Director (regardless of whether or not he is also a Member) shall be entitled to attend and speak at any general meeting of the Company

therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

80. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or incapacity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of such death, incapacity, revocation or transfer shall have been received by the Company at the Office (or such other place in the Cayman Islands or otherwise as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) one hour at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.

NUMBER OF DIRECTORS

81. Unless and until otherwise determined by ordinary resolution of the Company, the Directors shall be no fewer than three and not more than fifteen in number.

DIRECTORS' SHAREHOLDING QUALIFICATION

82. No shareholding qualification for Directors shall be required.

APPOINTMENT AND REMOVAL OF DIRECTORS

83. Subject to the provisions of these Articles, the Company may by ordinary resolution 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 any maximum number fixed by or in accordance with these Articles.

84. Without prejudice to the power of the Company by ordinary resolution in pursuance of any of the provisions of these Articles to appoint any person to be a Director, 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 any maximum number fixed by or in accordance with these Articles. Any Director so appointed shall hold office only until the next following general meeting (in case of filling a casual vacancy) or until the next following annual general meeting (in the case of an addition to the Board), and shall then be eligible for reappointment.

85. 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 (but without prejudice to any claim for damages which such Director may have against the Company) and may by ordinary resolution appoint another person in his place. Any person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed a Director.

86. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a

Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such Notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

REMUNERATION OF DIRECTORS

87. The remuneration of the Directors for their services as such shall be determined by the Board but shall not exceed in aggregate such sum as the Company in general meeting may from time to time determine.

ADDITIONAL REMUNERATION AND EXPENSES

88. (A) Each Director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board or committees of the Board or general meetings or separate meetings of the holders of any class of shares in or of debentures of the Company and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. Any Director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.

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

EXECUTIVE DIRECTORS

89. The Board may from time to time appoint one or more of its body to be an Executive Director for such period (subject to the provisions of the Companies Law) and upon such terms as the Board may determine and may revoke or terminate any such appointment. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company that may be involved in such revocation or termination.

90. An Executive Director shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and either in addition to or in lieu of his remuneration as a Director.

DISQUALIFICATION OF DIRECTORS

91. Without prejudice to the provisions for retirement by rotation hereinafter contained, the office of a Director shall be vacated in any of the events following, namely:-

- (a) if (not being an Executive Director whose contract of service precludes resignation) he resigns his office by notice in writing delivered to the Office or tendered at a meeting of the Board;
- (b) if the Board resolves that he is through physical or mental incapacity or mental disorder no longer able to perform the functions of a Director;
- (c) if, without leave, he is absent from meetings of the Board (whether or not an alternate Director appointed by him attends) for twelve consecutive months, and the Board resolves that his office is vacated;
- (d) if he becomes bankrupt or compounds with his creditors;
- (e) if he is prohibited by law from being a Director;
- (f) if he ceases to be a Director by virtue of the Companies Law or is removed from office pursuant to these Articles; and
- (g) if he is requested to resign by a notice in writing signed by all the other Directors.

RETIREMENT OF DIRECTORS

92. Notwithstanding any other provisions in these Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation such that each Director (including those appointed for a specific term) will be subject to retirement by rotation at least once every three years at the annual general meeting. The Directors subject to reappointment pursuant to Article 84 shall be taken into account in calculating the total number of Directors for the time being but shall not be taken into account in calculating the number of Directors who are to retire by rotation pursuant to this Article. The Directors subject to such retirement by rotation shall be those who have been longest in office since their last appointment or reappointment but as between persons who became or were last reappointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at a date not earlier than twenty-eight days before the date of the notice convening the annual general meeting, and no Director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after such date but before the close of the annual general meeting. A Director who retires at an annual general meeting by rotation shall be eligible for reappointment.

93. The Company at the meeting at which a Director retires in manner aforesaid may by

ordinary resolution fill the vacated office by appointing thereto the retiring Director or some other person eligible for appointment. In default, the retiring Director shall be deemed to have been reappointed except in either of the following cases:-

- (a) where at such meeting it is expressly resolved not to fill such vacated office or a resolution for the reappointment of such Director is put to the meeting and lost; or
- (b) where such Director has given written notice to the Company that he is unwilling to be reappointed.

94. The retirement of a Director pursuant to the provisions of these Articles shall not have effect until the conclusion of the annual general meeting except where a resolution is passed to appoint some other person in his place or the ordinary resolution for the reappointment of such retiring Director is put to the meeting and lost. Accordingly, a retiring Director who is reappointed or deemed to have been reappointed shall continue in office without a break.

95. A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it. Any resolution moved in contravention of this provision shall be void.

AGE OF DIRECTORS

96. No person shall be disqualified from being appointed a Director and no Director shall be required to vacate that office by reason only of the fact that he has attained any particular age.

ALTERNATE DIRECTORS

97. (A) Each Director shall have the power at any time to appoint any person to be his alternate Director and may at his discretion remove such alternate Director. Any appointment or removal of an alternate Director shall effected by notice in writing signed by the appointor and delivered to the Office or tendered at a meeting of the Board. An alternate Director, shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director.

(B) Every person acting as an alternate Director shall (except as regards power to appoint an alternate Director and remuneration) be subject in all respects to the provisions of these Articles relating to Directors and shall alone be responsible to the Company for his acts and defaults and 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 mutatis mutandis as if he were a Director but shall not be

entitled to receive from the Company any remuneration in his capacity as an alternate Director except only such part (if any) of the remuneration otherwise payable to the Director appointing him as such Director may by notice in writing to the Company from time to time direct.

(C) Every person acting as an alternate Director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director). The signature of an alternate Director to any resolution in writing of the Board or a
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appointment (including the arrangement or variation of the terms thereof or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be cou

- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as

if the following conditions are satisfied:-

- (i) the Company ordinarily makes loans of that description to its employees on terms no less favourable than those on which the loan itself is made; and
- (ii) the loan does not exceed 80 per cent of the value of the residential premises, or the part thereof, in question and any land to be occupied and enjoyed therewith as stated in a valuation report which complies with the following requirements:-
 - (a) the valuation report shall be made by a professionally qualified valuation surveyor who is subject to the discipline of a professional body; and
 - (b) the valuation report shall be made and signed by the valuation surveyor not earlier than 3 months prior to the date on which the loan is made; and
- (iii) the loan is secured by a legal mortgage on the land comprising the residential premises, or the part thereof, in question and any land to be occupied and enjoyed therewith.

(F) The exception specified in sub-paragraph (C)(ii) or (iii) of this Article does not authorise the Company to enter into a transaction if at the time that the transaction is entered into the aggregate of the following amounts:-

- (i) the amount outstanding at that time on all loans made by the Company to any of the Directors otherwise than under sub-paragraph (C)(i) of this Article;
- (ii) the amount representing the maximum liability of the Company at that time under all guarantees entered into, and in respect of any security provided, by the Company in connection with loans made by any person to any of its Directors; and
- (iii) if the transaction in question is:-
 - (a) a loan, the amount of such loan;
 - (b) a guarantee, the amount representing the maximum liability of the Company under such guarantee; or
 - (c) the provision of a security, the amount representing the maximum liability of the Company in respect of such security,

exceeds 5 per cent of the amount of the Company's net assets.

(G) References in this Article, except in sub-paragraph (C)(ii) or (iii) hereof, to a Director shall include references to persons referred to in paragraphs (i) and (ii) of the definition of the expression "Associate" in these Articles.

POWERS AND DUTIES OF THE BOARD

100. The business of the Company shall be managed by the Board, which may exercise all such powers of the Company as are not by the Companies Law or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Companies Law and of these Articles. No alteration of these Articles shall invalidate any prior act of the Board that would have been valid if that alteration had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

101. The Board may establish local boards or agencies for managing any of the affairs of the Company, either in the Cayman Islands or elsewhere, and may appoint any persons to be members of such local boards, or to be managers or agents, and may fix their remuneration. The Board may delegate to any such local board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board, and may also give power to sub-delegate, and may authorise the members of any such local board or any of them to fill any vacancies therein and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such

102. The Board may by power of attorney appoint any company firm or firm of persons, whether a 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

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advertisement in a newspaper circulating generally in Hong Kong in the English language and in the Chinese language.

105. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, 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.

106. The Board shall cause minutes or records to be made in books provided for the purpose:-

- (a) of all appointments of officers made by the Board;
- (b) of the names of the Directors present at each meeting of the Board or committee of the Board; and
- (c) of all resolutions and proceedings at all meetings of the Company, of the holders of any class of shares in the Company, and of the Board, and of any committee of the Board.

107. The Board on behalf of the Company may, subject to the provisions of the Companies Law, exercise all the powers of the Company to grant pensions, annuities, gratuities and superannuation or other allowances and benefit in favour of any person including any Director or former Director or the relations, connections or dependants of any Director or former Director. A Director or former Director shall not be accountable to the Company or the Members for any benefit of any kind conferred under or pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

BORROWING POWERS

108. The Board may, upon such terms and conditions as it thinks fit, exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

PROCEEDINGS OF THE BOARD

109. Subject to the provisions of these Articles, the Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit, provided that at least one meeting shall be held in the Cayman Islands in each calendar year. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the chairman of the meeting shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting.

110. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth (including by telephone) or sent in writing to him at his last known address or any other address given by him to the Company for this purpose.

A Director may waive notice of any meeting either prospectively or retrospectively.

111. (A) The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be three. Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

(B) A Director shall be treated as present in person at a meeting of the Directors if he is in communication with the meeting by conference telephone or other communication be counted in the quorum of the meeting and shall be entitled to vote thereat. A meeting of those participating is assembled or if there is no majority a

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

117. A resolution in writing signed by all the Directors (or their duly appointed alternates) for the time being in Hong Kong (provided that number is sufficient to constitute a quorum) or by all the members of a committee for the time being shall be 24 Q 11158852450 1924 (1) 1/4 (20) 80801

and any resolutions passed by the Company or the holders of any class of shares of the Company or the holders of any debentures of the Company or the Board or any committee of the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts. A document purporting to be a copy of a resolution, or the minutes of or an extract from the minutes of a meeting of the Company or the holders of any class of shares of the Company or the holders of any debentures of the Company or of the Board or any committee of the Board that is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

DIVIDENDS AND OTHER PAYMENTS

124. Subject to the provisions of the Companies Law, the Company in general meeting may from time to time declare dividends to be paid to the Members according to their rights and interests in the profits, or the amount held in any share premium account, available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.

125. Subject to the provisions of the Companies Law, insofar as in the opinion of the Board the profits of the Company, or the amount held in any share premium account, justify such payments, the Board may pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as it thinks fit.

126. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.

127. No dividend shall be paid otherwise than out of profits of the Company or the amount held in any share premium account, subject always to and in accordance with the provisions of the Companies Law.

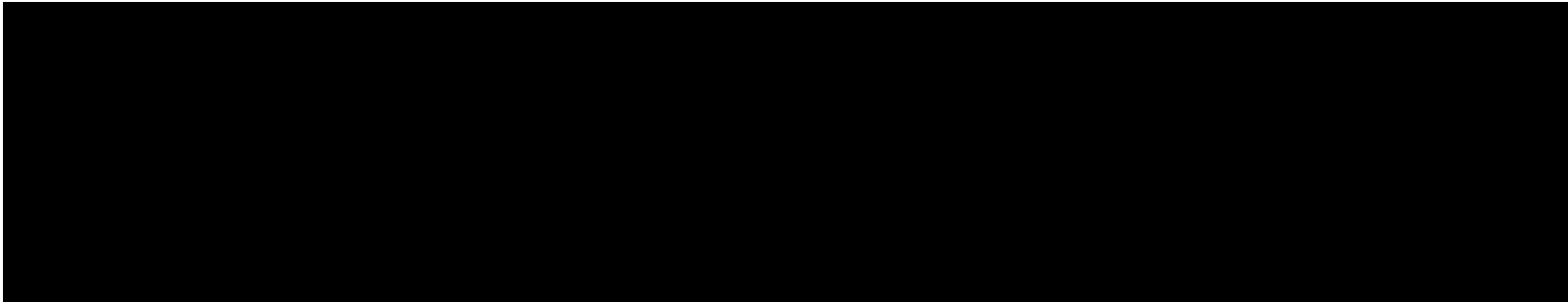
128. No dividend or other monies payable on or in respect of a share shall bear interest as against the Company.

129. Subject to the provisions of the Companies Law, where any asset, business or property is acquired by the Company as from a past date, the profits and losses arising therefrom as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Board be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.

130. (A) The Board may retain any dividend or other monies paya

- (b) the right of election shall be exercisable in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded unless the Directors determine that such right shall be exercisable in respect of the whole or any part of such portion; and
 - (c) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect of which the cash election has not been duly exercised ("the non-elected shares") and in lieu and in satisfaction thereof shares shall be allotted credited as fully paid to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of such part of the Company's profits available for distribution or its share premium account as they may determine such sum as may be required to pay up in full the appropriate number of unissued shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or
- (ii) that the Members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid in lieu of cash. In such case, the following provisions shall apply:
 - (a) the manner in which Members shall be entitled to elect to receive such an allotment in lieu of cash shall be determined by the Directors who shall also determine the basis of such allotment and shall make such arrangements as to the procedure for making such elections or otherwise as the Directors consider necessary or expedient in connection therewith;
 - (b) the right of election shall be exercisable in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded unless the Directors determine that such right shall be exercisable in respect of the whole or any part of such portion; and
 - (c) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised ("the elected shares") and in lieu thereof shares shall be allotted credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Directors shall capitalise and apply out of such part of the Company's profits available for distribution or its share premium account as they may determine such sum as may be required to pay up in full the appropriate number of unissued shares for allotment and distribution to and amongst the holders of the elected shares on such basis.

(C) Shares allotted pursuant to the provisions of the foregoing paragraph (B) shall rank pari passu in all respects with all other shares of the same class then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the declaration



any profits that it may think it prudent not to distribute.

CAPITALISATION OF RESERVES AND PROFITS

138. The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions on the footing that the same be not paid in cash but be applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution, provided that, for the purposes of this Article, a share premium account and a capital redemption reserve, and any reserve or fund representing unrealised profits, may be applied only in accordance with and subject to the provisions of the Companies Law.

139. where any difficulty arises in regard to any distribution under the last preceding Article the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions and arrange for the distribution of the net proceeds of sale in due proportion among the Members who would have been entitled to the fractions or, if permitted, for the retention of such net proceeds for the benefit of the Company, or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may resolve to ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

SUBSCRIPTION RIGHTS RESERVE

140. The following provisions shall have effect at any time and from time to time provided that they are not prohibited or inconsistent with the Companies Law and the Directors may accordingly on any occasion determine that any allotment of shares under this

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- (i) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Article) maintain in accordanc

the Board shall apply any profits or reserves then or thereafter becoming available (including, to the extent permitted by law, share premium account) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until then no dividend or other distribution shall be paid or made on the fully paid shares of the Company then in issue. Pending such payment and allotment, the exercising warrant holder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being are transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Board may think fit and adequate particulars thereof shall be made known to each relevant exercising warrant holder upon the issue of such certificate.

(B) Shares allotted pursuant to the provisions of this Article shall rank *pari passu* in all respects with the shares of the Company then in issue.

provisions of the Companies Law, sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions. The accounting records shall be kept at the Office or, subject to the provisions of the Companies Law, at such other place or places as the Board may think fit and shall always be open to inspection by the Directors. No Member (other than one who is also a Director) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board.

143. A printed copy of every balance sheet and profit and loss account, including every document required by law to be annexed thereto, that is to be laid before the Company in general meeting, together with copies of the Directors' and Auditor's reports shall be delivered or sent to each person entitled thereto at least 21 days before the date of the general meeting, subject to any requirements of the Companies Law, and any applicable rules or regulations, and copies shall also be sent in appropriate numbers to The Stock Exchange of Hong Kong Limited in accordance with the terms of any regulations or arrangements for the time being binding on the Company.

AUDITORS

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

SERVICE OF NOTICES AND OTHER DOCUMENTS

145. Any Notice or document (including any "corporate communication" within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or any form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member (1) personally, or (2) by sending it through the post in a prepaid letter, envelope or wrapper addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose, or (3) as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the Notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member, or (4) may also be served by advertisement in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange, or (5) to the extent permitted by the applicable laws and subject to Article 146, by placing it on the Company's website and giving to the Member a notice stating that the Notice or other document is available there (a "notice of availability"). The notice of availability may be given to the Member by any of the means set out above. In the case of joint holders of a share, all Notices or documents shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

146. The Company must seek the written consent from each individual Member agreeing

that the Company may send or supply any Notice or document to him by means of the Company's own website. If a Member does not respond indicating his objection within 28 days beginning with the date on which the Company's request was sent, consent is deemed to have been given to the Company.

147. Any Notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope or wrapper containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be su

- (b) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (a) above are not fulfilled; and
- (c) references in this Article to the destruction of any document include references to its disposal in any manner.

SECRECY

153. No Member or general meeting or other meeting of Members shall be entitled to require discovery of or any information respecting any detail of the Company's trading, or any matter that is or at

