



IN THE MATTER of the Companies
(Reconstruction of Records) Or-
dinance 1947 section 7 (1)

and

IN THE MATTER of Hong Kong
Sanatorium, Limited.

I, YUEN HA KWONG (袁夏光) of No. 27, Yick Yam Street,
Victoria, in the Colony of Hong Kong, Secretary, do hereby
solemnly and sincerely declare and say as follows:-

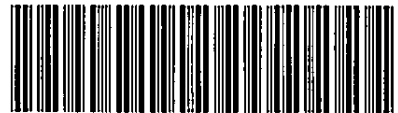
1. I am the secretary of the above named Company.
2. From my personal knowledge I hereby certify that the
printed copy of the Memorandum and Articles of Association
of the said Company marked "A" hereto annexed is a true and
correct copy of the Memorandum and Articles of Association
of the said Company as existing at the date hereof.

AND I make this solemn declaration conscientiously
believing the same to be true and by virtue of the provisions
of the Statutory Declarations Act, 1835.

DECLARED at Alexandra Building,
Victoria, in the Colony of Hong
Kong, this 28th day of November
1949.

Before me,

Notary Public,
Hong Kong.



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RECON

0001153

FEE PAID RECEIPT

No. 9170 OF 2-12-19 49, 43 —

WITNESSED this 2nd day of Dec 1949

Registrar of Companies

HONG KONG SANATORIUM LIMITED

IN THE MATTER of the Companies
(Reconstruction of Records) Or-
dinance 1947 Section 7 (1)

and

IN THE MATTER of Hong Kong
Sanatorium Limited.

STATUTORY DECLARATION
of YUEN HA KWONG

LO AND LO,
SOLICITORS & C.,
HONG KONG.



Memorandum
of
Articles
of
Association
of
Hong Kong Sanatorium Limited

This is the document marked
referred to in the
of *Yuen Hai Kwong*
the *18th* day of *November* 1949.

Letters to
Q. T. J.

MEMORANDUM *Notary Public*
AND
ARTICLES OF ASSOCIATION
OF
HONG KONG SANATORIUM
LIMITED.



Incorporated the 3rd day of March, 1933.

DEACONS
Solicitors
HONG KONG

Printed by the
VICTORIA PRINTING PRESS
3, Duddell Street, Hong Kong

No fee payable 1933
Filed this *2nd* day of *Dec* 1949

[Signature]
Registrar of Companies

0050

MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
HONG KONG SANATORIUM
LIMITED.

Incorporated the 3rd day of March, 1933.

DEACONS

Solicitors

HONG KONG

Printed by the
VICTORIA PRINTING PRESS
3, Duddell Street, Hong Kong
1933

0057

(COPY)

CERTIFICATE OF INCORPORATION

OF

HONG KONG SANATORIUM, LIMITED.

I hereby certify that "HONG KONG SANATORIUM, LIMITED," is this day incorporated under the Hong Kong Companies Ordinances 1911-1930, and that this Company is Limited.

Given under my hand and seal of office this Third day of March, One Thousand Nine Hundred and Thirty-three.

(sd.) T. M. HAZLERIGG,

*Registrar of Companies,
Hong Kong.*

LS

SPECIAL RESOLUTION
OF
HONG KONG SANATORIUM, LIMITED.

Passed on the 9th day of November, 1933.

At an Extraordinary General Meeting of the abovenamed Company duly convened and held at the Chinese Merchants' Club in the China Building Queen's Road Central Victoria in the Colony of Hong Kong on the 9th day of November 1933 the following Special Resolution was duly passed in accordance with the provisions of Subsection 2 of Section 116 of the Companies Ordinance 1932.

RESOLVED:—

That the Articles of Association of the Company be altered as follows:—

(a) Clause 12 to be amended by the addition at the end thereof of the following proviso.

“ Provided always that the Directors shall continue to maintain the Hospital now known as “Yeung Wo Hospital” in its present or improved condition and to give to all ethical Medical Practitioners registered and practising in Hong Kong equal privileges and facilities for attending and rendering service to their private patients at the Hospital.”

(b) Clause 122 to be amended by the substitution of the figure “9” for the figure “7” in the third line thereof.

(c) Clause 124 to be amended by the deletion therefrom the whole part thereof from the words “and while” in the second line to the end of the clause, and all those words “but subject to clause 124 hereof” or words to that effect occurring in any other clause particularly in the first and second lines in clause 126, in the first line in clause 137 and in the ninth and tenth lines in clause 141 shall be deleted.

(d) Clause 159 to be amended by inserting the word “or” between the words “the General Manager” and the words “the other permanent Director” in the sixth line thereof.

LI SHU FAN

Chairman of Directors.

Filed with the Registrar of Companies this 18th day of
November 1933.

SPECIAL RESOLUTION

OF

Hong Kong Sanatorium, Limited.

Passed on the 18th day of October, 1947.

At an Extraordinary General Meeting of the above-named Company duly convened and held at the Hong Kong Sanatorium & Hospital, Happy Valley, Victoria in the Colony of Hong Kong on the 18th day of October 1947 the following Special Resolution was duly passed in accordance with the provisions of Subsection 2 of Section 116 of the Companies Ordinance 1932.

Resolved :—

- (a) That the Authorized Capital of the Company (which is now \$600,000.00 consisting of 30,000 shares of the nominal value of \$20.00 each, of which 15,385 shares have been issued and taken up) be increased to \$2,000,000.00 by the creation of 70,000 additional shares of the nominal value of \$20.00 each, and that such shares be issued at such a time or times and upon such terms and conditions as the Company's Board of Directors in their absolute discretion shall think fit.
- (b) That it is desirable to Capitalise the sum of \$246,160.00 being the undivided profits of the Company standing to the credit of the Reserve Funds, and accordingly that the distribution of 12,308 shares of the Company credited as fully paid up amongst the shareholders who on the 18th day of October, 1947, are registered as shareholders of the Company and to be distributed at the rate of four shares for every five shares held by such shareholders as shewn on the Register of Members of the Company as aforesaid.

LI SHU FAN

Chairman of Directors.

Filed with the Registrar of Companies this 28th day of October, 1947.

THE COMPANIES ORDINANCES 1911-1930 HONG KONG

MEMORANDUM OF ASSOCIATION
OF
HONG KONG SANATORIUM, LIMITED.

1st.—The name of the Company shall be "HONG KONG SANATORIUM, LIMITED."

2nd.—The Registered Office of the Company shall be situate at Victoria in the Colony of Hong Kong.

3rd.—The objects for which the Company is established are as follows:—

- (a) To establish, conduct and carry on in the Colony of Hong Kong nursing homes, convalescent homes, operating theatres, sanatoria and hospitals and to carry on the business of keepers and proprietors of such institutions.
- (b) To carry on the business of chemists and druggists and to manufacture, buy, sell, supply and deal in provisions, chemicals, drugs, medicines, surgical instruments and appliances and generally in such goods, articles and materials as are usually required for such institutions as are mentioned in the last clause.
- (c) To confirm and ratify the agreement dated the 21st day of January, 1933, entered into by The Medical Consolidated Company on its behalf with The Yeung

Wo Hospital Limited for the purchase of the goodwill and business of the said Yeung Wo Hospital Limited as a going concern and to complete and carry out the terms and conditions thereof or for the same purpose to enter into a new agreement with the said Yeung Wo Hospital Limited with the same or such other terms and conditions as may be thought fit.

- (d) To purchase or otherwise acquire and undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which this Company is authorised to carry on or possessed of property suitable for the purposes of this Company.
- (e) To apply for, purchase or otherwise acquire any patents, *brevets d'invention*, licences, concessions and the like conferring any exclusive or non-exclusive or limited right to use any invention or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop, grant licences in respect of or otherwise turn to account the property rights or information so acquired.
- (f) To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorised to carry on or engage in or any other business or transaction of any kind whatsoever and to take or otherwise acquire and hold shares or stock in, or securities of and to subsidize or otherwise assist any such company and to sell, hold, re-issue with or without guarantee or otherwise deal with such shares or securities.

- (g) Generally to purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property or any rights or privileges which the Company may think necessary or convenient for the purpose of its business or capable of being profitably dealt with in connection with any of the Company's property or rights for the time being.
- (h) To pay for all or any part of the property rights or interest of any kind purchased or acquired by the Company either in shares or in cash or partly in shares or partly in cash or in any other manner.
- (i) To construct, improve, maintain and alter any building or works necessary convenient for the purposes of the Company.
- (j) To acquire and hold shares, stocks, debentures, debenture stock, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in this Colony or in Great Britain or in any British Dominion Colony or Dependency or Possession or in any Foreign Country and debentures, debenture stock, bonds, obligations and securities issued or guaranteed by any Government, Sovereign, Ruler, Commissioners, Public Body or Authority, Supreme, Municipal, local or otherwise whether at home or abroad.
- (k) To acquire any such shares, stocks, debentures stock, bonds, obligations or securities by original subscription tender, purchase, exchange or otherwise and to subscribe for the same either conditionally or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof.
- (l) To advance and lend money and assets of all kinds upon such terms as may be arranged.
- (m) To draw, make, accept, indorse, discount, execute and issue promissory notes, bills of exchange, warrants, debentures and other negotiable or transferable instruments.

- (n) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined.
- (o) To borrow or raise or secure the payment in such manner as the Company shall think fit and in particular by the issue of debentures or debenture stock 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 and pay off such securities.
- (p) To sell, improve, manage, develop, lease, mortgage, dispose of, turn to account or otherwise deal with all or any of the property and rights of the Company.
- (q) 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 this Company.
- (r) To distribute any of the property of the Company among the members in specie.
- (s) Upon any issue of shares, debentures or other securities of the Company to employ brokers, commission agents, underwriters and other persons and to provide for the remuneration of such persons for their services by payment in cash or by the issue of shares, debentures or other securities of the Company or by the granting of option to take the same or in any other manner allowed by law.
- (t) To promote, conduct and carry on or to support or assist in any way any person, society or institution in any research work for the advancement of medical education or science and to promote, establish, carry on or support any school, institution or class for the instructing and training of medical graduates, students, nurses or hospital assistants.

- (u) To establish, promote, subscribe to and support or aid in the establishment, support and benefit of any charitable work or funds, schools, hospitals or other philanthropic, educational, social or charitable societies or institutions.
- (v) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the Company or the dependants or connections of such persons and to grant pensions and allowances and to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects or for any public, general or useful object.
- (w) To carry on any other business which seem to the Company capable of being conveniently carried on in connection with the business referred to above or calculated directly or indirectly to enhance the value or render profitable any of the Company's property or rights.
- (x) To do all or any of the above things in any part of the world and as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.
- (y) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

4th.—The liability of the Company is limited.

5th.—The capital of the Company is \$ 600,000 (Hong Kong Currency) divided into 30,000 shares of \$ 20 each.

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

Names, Addresses and Descriptions of Subscribers	Number of Shares taken by each Subscriber
LI SHU FAN, Tai Ping Building, Medical Practitioner.	100
LI SHU PUI, Tai Ping Building, Medical Practitioner.	100
Total shares taken...	200

Dated the 3rd day of March, 1933.

WITNESS to all the above signatures,

H. K. HUNG,

Solicitor,

Hong Kong.

SPECIAL RESOLUTION
OF
HONG KONG SANATORIUM, LIMITED.

Passed on the 9th day of November, 1933.

At an Extraordinary General Meeting of the abovenamed Company duly convened and held at the Chinese Merchants' Club in the China Building Queen's Road Central Victoria in the Colony of Hong Kong on the 9th day of November 1933 the following Special Resolution was duly passed in accordance with the provisions of Subsection 2 of Section 116 of the Companies Ordinance 1932.

RESOLVED:—

That the Articles of Association of the Company be altered as follows:—

(a) Clause 12 to be amended by the addition at the end thereof of the following proviso.

“Provided always that the Directors shall continue to maintain the Hospital now known as “Yeung Wo Hospital” in its present or improved condition and to give to all ethical Medical Practitioners registered and practising in Hong Kong equal privileges and facilities for attending and rendering service to their private patients at the Hospital.”

(b) Clause 122 to be amended by the substitution of the figure “9” for the figure “7” in the third line thereof.

(c) Clause 124 to be amended by the deletion therefrom the whole part thereof from the words “and while” in the second line to the end of the clause, and all those words “but subject to clause 124 hereof” or words to that effect occurring in any other clause particularly in the first and second lines in clause 126, in the first line in clause 137 and in the ninth and tenth lines in clause 141 shall be deleted.

(d) Clause 159 to be amended by inserting the word “or” between the words “the General Manager” and the words “the other permanent Director” in the sixth line thereof.

LI SHU FAN

Chairman of Directors.

Filed with the Registrar of Companies this 18th day of November 1933.

THE COMPANIES ORDINANCES 1911 TO 1930

Private Company Limited by Shares

ARTICLES OF ASSOCIATION
OF
HONG KONG SANATORIUM, LIMITED.

Table A

1. The regulations contained in Table A in the first schedule to "the Companies Ordinance, 1911," (No. 58 of 1911) of the Legislature of Hong Kong shall not apply to this Company. Table A excluded

Interpretation of Terms

2. The marginal notes to these Articles shall not affect the construction hereof and in the interpretation and construction of these Articles unless there be something in the subject or context inconsistent therewith, the following words shall bear the meanings set opposite to them respectively:— Marginal notes not to affect construction

"The Colony" shall mean the Colony of Hong Kong and its Dependencies. Interpretation The Colony

The Company	"The Company" or "This Company" shall mean HONG KONG SANATORIUM, LTD.
The Ordinance	"The Ordinance" or "The Ordinances" shall mean the Companies Ordinances 1911-1930 as amended by any subsequent Companies Ordinance or any Ordinance which may hereafter be passed in substitution for the same and include every ordinance for the time being in force in Hong Kong concerning joint stock companies with limited liability.
These presents	"These Articles" or "These Presents" shall mean the present Articles of Association, and all supplementary, amended, or substituted articles for the time being in force.
Extraordinary resolution	"Extraordinary Resolution" shall mean an Extraordinary Resolution as defined by Section 70 Sub-section (1) of the Companies Ordinance, 1911.
Special resolution	"Special Resolution" shall mean a Special Resolution as defined by Section 70, Sub-section (2) of the Companies Ordinance, 1911.
Registered Office	"Registered Office" shall mean the Registered Office from time to time of the Company.
Capital	"Capital" shall mean the Share Capital from time to time of the Company.
Shares	"Shares" shall mean the Shares from time to time in the Capital of the Company.
Shareholders Members	"Shareholders" or "Members" shall mean the duly registered holders from time to time of the shares in the Capital of the Company.
The Register	"The Register" shall mean the Register of members to be kept as required by Section 26 of the Companies Ordinance, 1911.

"Directors" or "Board" shall mean the Directors from time to time of the Company or (as the context may require) the majority of Directors present and voting at a meeting of Directors.	Directors Board
"General Manager" shall mean the person for the time being performing the duties of the General Manager of the Company.	Managing Directors
"Secretary" and "Auditors" shall mean the persons for the time being performing the duties of these respective offices.	Secretary Auditors
"General Meeting" shall mean a meeting whether ordinary or extraordinary of the members of the Company, duly called and constituted, or any adjourned holding thereof.	General meeting
"Seal" shall mean the Common Seal from time to time of the Company.	Seal
"Dividend" includes bonus.	Dividend
"Month" shall mean a calendar month.	Month
"In Writing" and "Written" shall mean and include printed, lithographed, typewritten or party one and partly another.	In writing
Words denoting the Singular shall include the Plural. Words denoting the Plural shall include the Singular. Words referring to Males shall include Females. Words importing the Masculine Gender shall include the Feminine Gender. Words importing persons shall include companies and corporations. Subject as aforesaid any words defined in the Ordinance shall if not inconsistent with the subject and/or context bear the same meaning in these Articles.	Words in Ordinances to bear same meaning in articles

Preliminary

3. The Company shall as speedily as possible after its incorporation adopt or ratify and confirm

the agreement dated the 21st day of January 1933 entered into by The Medical Consolidated Company on its behalf with The Yeung Wo Hospital Limited for the purchase of the goodwill and business of the said Yeung Wo Hospital Limited as a going concern or entered into a new agreement for the same purpose with such (if any) modifications or alterations as may be agreed upon and shall carry the same into effect. It is hereby expressly declared that the validity of the agreement or any new agreement in substitution thereof shall not be impeached on the ground that any of the shareholders or Directors of the said Yeung Wo Hospital Limited as a promotor or Director or otherwise of this Company stands in a fiduciary relation to the Company and every person who shall at any time become a member or creditor of the Company shall be deemed to approve of the said agreement or any new agreement in substitution thereof.

Capital

4. The share capital of the Company shall consist of \$600,000.00 Hong Kong Currency, divided into 30,000 ordinary shares of \$20 each.

Subject as hereinafter mentioned, the holders of any class of shares shall be entitled to the rights attached thereto, but no further or other rights, and subject and without prejudice to the rights attached to any class of shares, any of the shares of the capital of the Company for the time being may be issued with or subject to any preferential, deferred or other special rights, privileges, conditions or restrictions, whether in regard to dividend, voting, return of capital or otherwise.

The rights of the holders of any class of shares, for the time being forming part of the capital of the Company, may be modified, affected, varied, extended or surrendered with such sanction as is provided for by Article 28 hereof, but not further or otherwise.

5. The Company shall be a private Company Company to be private Company within the meaning of Section 122 of the Ordinance and the following provisions shall have effect by reason thereof, viz:—

- (a) The right of the members to transfer shares in the Company shall be restricted as provided in Clause 74 hereof.
- (b) The number of Members for the time being of the Company (exclusive of persons who are for the time being in the employment of, or are engaged by the Company and of persons who have been in the employment of the Company) is not to exceed fifty but where two or more persons hold one or more shares in the Company jointly they shall for the purposes of this paragraph be treated as a single Member.
- (c) The Company shall not invite the Public to subscribe for any of its shares or debentures or debenture stock.

6. The Directors shall be at liberty to pay or agree to pay a commission on behalf of the Company to any person in consideration of his subscribing, or agreeing to subscribe whether absolutely or conditionally for any shares in the Company, or procuring, or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company, but so that if the commission shall be paid or payable out of the capital, the conditions and requirements of the Ordinances shall be observed and complied with and so that the amount or rate of such commission shall not exceed 50 per cent. of the nominal amount of such shares in respect of which such commission is paid. The Company may, for the purpose of placing any of its shares under this clause, pay a commission or brokerage to any person it may think fit, including in particular any Vender, Promoter, Director or other officer of the Company, and no Company may pay Commission

such person shall be under any liability to account to the Company, its Members or Creditors, for any profits made thereby. Any commission or brokerage becoming payable under the exercise of the powers conferred by this present clause may be paid in cash or in shares, partly in one mode and partly in the other, as the Company may think fit, and any Director of the Company may receive or otherwise be interested in any such commission and brokerage, or any commission or brokerage, for underwriting or taking up any debentures, debenture stock or loan, and may lend money to the Company at interest.

Prohibition

7. Save as aforesaid, the Directors shall not apply any of the shares or capital money of the Company, either directly or indirectly, in the payment of any commission, discount or allowance to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares of the Company, or procuring or agreeing to procure subscriptions whether absolute or conditional, for any shares in the Company, whether the shares or money be so applied by being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed for the Company or the money be paid out of the nominal purchase money or contract price, or otherwise; provided however that the foregoing prohibition shall not affect the power of Company to pay lawful Brokerage.

Company may pay Brokerage

Commission to be included in Balance Sheet

8. Where the Company has paid any sums by way of commission in respect of any shares or debentures, or allowed any sums by way of discount in respect of any debentures, such statement thereof shall be made in the balance sheet as is required by Section 92 of the Ordinance.

9. The shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons, on such terms and conditions, and at par or premium and at such times as they think fit; and in particular the Directors shall have

power to grant to any person or persons who shall have agreed to subscribe or procure subscriptions, conditionally or otherwise, for any shares in the Company, the right for such period and upon such terms as the Directors may determine, to call for and have allotted to them or their nominees all or any of the capital of the Company for the time being unissued.

10. If by the conditions of allotment of any share the whole or any part of the amount thereof shall be payable by instalments, every such instalment shall when due, be paid to the Company, or as the Directors may determine, by the holder of the share.

Business

11. The head and the registered office of the Company shall be in Hong Kong and the business of the Company shall be carried on in Hong Kong and at such other place or places as the Board may determine.

Head office

12. The business of the Company shall subject to the provisions of these presents be managed, conducted and controlled by the Directors who shall subject as aforesaid have full discretionary power and authority on behalf and in the name of the Company generally to manage, conduct and control the business of the Company.

Business of the Company

8K → 7.79

13. None of the funds of the Company shall be employed in the purchase of, or lent on shares of the Company.

Company not to purchase or advance on its own shares

14. The Banking account of the Company shall be kept in the name of the Company at such Bank or Banks as the Directors may determine.

Banking account

Increase and Reduction of Capital

15. The Company in general meeting may from time to time, increase the capital by the creation and issue of new shares by such number and

Increase of capital

of such amount as may be determined by the resolution of the meeting of the Company creating the new shares.

How new shares to be issued

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

When to be offered to existing members

17. The Company in general meeting may before the issue of any new shares, determine that the same, or any of them, shall be offered in the first instance and either at par or at a premium, to all the then members or any class thereof in proportion to the amount of the capital held by them, or make any other provisions as to the issue and allotment of the new shares; but, in default of any such determination, or so far as the same shall not extend, the new shares may be dealt with as if they formed part of the shares in the original capital.

Allotment of shares

18. Subject to any resolutions of the Company in General Meeting upon any increase of the Capital of the Company, the shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons, on such terms and conditions, and at such times, as the Directors think fit, and with full power to give to any person the call of any shares either at par or at a premium and for such time, and for such consideration as the Directors think fit.

Board to settle difficulty amongst the members

19. If owing to any inequality in the number of new shares to be issued and the number of shares held by members entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of such new shares, or any of them, amongst

the members, such difficulty shall, in the absence of direction by the Company in general meeting, be settled by the Board.

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

New shares to form part of original capital

21. The Company shall pay a dividend or bonus in respect of any existing or new shares of the Company in proportion to the amount paid upon each share where a larger amount is paid up on some shares than on others.

How dividends on new shares to be paid

22. The Company may make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and the time of payment of such calls.

Shares may be issued subject to different conditions as to calls, etc.

23. If by the conditions of allotment of any shares the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person, who for the time being shall be the registered holder of the shares.

Allotment of new shares payable by instalments

24. The Company may, from time to time, by special resolution, reduce its capital by paying off capital, or cancelling capital which has been lost or is unrepresented by available assets, or reducing the liability on the shares, or otherwise, as may seem expedient, and capital may be paid off upon the footing that it may be called up again or otherwise and paid-up capital may be cancelled as aforesaid without reducing the nominal amount of the shares by the like amount to the intent that the unpaid and callable capital shall be increased by the like amount and the Company may also from time to time, by

Reduction of capital

special resolution, sub-divide or by ordinary resolution, consolidate its share or any of them. The Directors may, on any such resolution being passed, apply to the proper Court and do all other things necessary or expedient to obtain the confirmation thereof.

Any alteration of capital to be made according to the Ordinances

25. Anything done in pursuance of the last preceding Article shall be done in manner provided by the Ordinances so far as they shall be applicable, and so far as they shall not be applicable, in accordance with the terms of the special resolution authorising the same; and so far as such resolution shall not be applicable, in such manner as the Directors deem most expedient.

Sub-division into preferred and ordinary shares

26. The special resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting or otherwise over or as compared with the others or other.

Company may cancel shares not taken up

27. The Company may by ordinary resolution cancel any shares which at the date of the passing of such resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

Modification of Class Rights

28. All or any of the rights, privileges or conditions for the time being attached or belonging to any class of shares for the time being forming part of the capital of the Company may from time to time be modified, affected, varied, extended or surrendered in any manner, with the consent in writing of the holders of three-fourths in value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate General Meeting of the members of that class. To any such General Meeting all the provisions of this Articles

shall *mutatis mutandis* apply, but so that the necessary quorum shall be members of the class holding or representing by proxy two-thirds of the capital paid or credited as paid on the issued shares of the class.

Local Register

29. The Company may in any place in which it transacts business keep a Register or Registers of its Members subject to the provisions of Section 35 of the Ordinance. Company may keep a local Register

Shares

30. As regards all allotments from time to time made the Directors shall duly comply with Section 90 of the Ordinance, and shall cause to be made the returns as to allotment required by those Sections. Returns as to allotments

31. An application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any share, and whose name is on the Register shall for the purpose of these Articles be a member. Acceptance of shares

32. Subject as aforesaid, the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons, on such terms and conditions, and at such times, as the Directors think fit and with full power to give to any person the call of any shares either at par or at a premium, and for such time, and for such consideration as the Directors think fit. Shares under control of Directors

Certificates

33. The certificate of title to shares shall be issued under the Seal of the Company and signed by the Chairman and one Director. Certificate of shares

34. Every member shall be entitled to one certificate for all the shares registered in his name or to several certificates each for a part of such shares.

Every certificate shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid up thereon, and may otherwise be in such form as the Directors may from time to time prescribe. A member requiring more than one certificate in respect of his shares shall pay two dollars for each additional certificate beyond one.

To which of joint holders certificate to be issued

35. The certificate of shares registered in the names of two or more persons shall unless otherwise directed by them be delivered to the person first named on the Register of Members, provided that in the case of joint holders the Company shall not be bound to issue more than one certificate to all the joint holders, and delivery of such certificate to any one of them shall be sufficient delivery to all.

The first named of joint holders deemed the holder

36. If any share shall stand in the names of two or more persons the person first named in the Register of Members, if in Hong Kong, or in his absence, the next named person who shall be then in Hong Kong, shall as regards voting at any meetings, receipt of dividends, services of notices, and all or any other matters connected with the Company, except the transfer of the share, be deemed the sole holder thereof.

Renewal of worn out or lost certificate

37. If any certificate be worn out or defaced, then, upon production and surrender thereof to the Directors they may order the same to be cancelled and may issue a new certificate in lieu thereof; and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given, and upon such advertisement being inserted as the Directors may require, and upon payment by the member of all costs incurred, and generally upon such terms as the Directors may require, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.

38. For every certificate issued under the last preceding Article there shall be paid to the Company the sum of two dollars. Payment for new certificate

39. Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not be bound to recognise or be affected with notice of any trust or any equitable, contingent, future, or partial interest in or lien, charge or incumbrance or any share or any interest in any fractional part of a share, or (except only as is by these Articles otherwise expressly provided or as ordered by a Court of competent jurisdiction) any other right in respect of a share, except an absolute right to the entirety thereof, in the registered holder. Trusts not recognised

40. Each Member shall leave in writing at the Registered Office of the Company in Hong Kong an address in Hong Kong, to which all notices may be addressed to him and which for all purposes shall be considered as the registered address of such Member. The name and place of abode and the above mentioned address in Hong Kong, of every member together with the number of shares held by him, shall from time to time be entered in a book to be kept for that purpose to be called "The Register of Members." "Members Register" to be kept

Calls

41. The Directors may from time to time make such calls as they may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times. A call may be made payable either in one sum or by instalments. Calls

42. Fourteen days' notice at least of any call shall be given, specifying the time and place of payment and to whom such call shall be paid. Notice of call

Copy of notice to be sent to members

43. A copy of the notice referred to in Article 42 shall be sent to members in the manner in which notices may be sent to members by the Company as herein provided.

Every member liable to pay call at appointed time and place

44. Every member upon whom a call is made shall pay the amount of every call so made on him to the person and at the time or times and place as the Directors shall appoint.

Notice of call may be advertised

45. Notice of the person appointed to receive payment of every call and of the times and places appointed for payment shall be given to the members by notice sent through the post in a prepaid envelope or alternatively by notice to be inserted once in the *Hong Kong Government Gazette* and once in at least one of the daily newspapers circulating in Hong Kong.

When call deemed to have been made

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

Liability of joint holders

47. The joint holders of a share shall be severally as well as jointly liable for the payment of all calls and instalments due in respect of such share or other moneys due in respect thereof.

Board may extend time fixed for call

48. The Directors may from time to time at their discretion extend the time fixed for any call, and may extend such time as to all or any of the members, who from residence beyond the seas or other cause the Board may deem entitled to such extension; but no member shall be entitled to any such extension except as a matter of grace and favour.

Interest on unpaid calls

49. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made, or the instalment shall be due, shall pay interest for the same at the rate of ten Dollars per cent. per annum from the day appointed for the payment thereof to the time of the actual payment.

50. No member shall be entitled to receive any dividend or to exercise any privilege as a member until all calls or other sums due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.

Suspension of privileges while call unpaid

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

Evidence in action for call

52. Any sum which by the terms of allotment of a share is made payable upon allotment, or at any fixed date, shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and the like, and all other the relevant provisions of these Articles shall apply as if such sums were a call duly made and notified as hereby provided.

Sums payable on allotment deemed a call

53. The Directors may, if they think fit, receive from any member willing to advance the same, and either in money or money's worth all or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the moneys so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the member paying such sum in advance and the Directors agree upon.

Payment of calls in advance

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**Register of Members, Register of Directors,
Local Register**

Register of
Members

54. The Directors shall, pursuant to Section 31 of the Ordinance, cause to be kept at the Registered Office in one or more book or books a register of the members of the Company.

Register to
contain

55. The Register shall contain :—

- (a) The names and addresses and occupations (if any) of the members of the Company.
- (b) A statement of the number of shares held by each shareholder, distinguishing each share by its number and the amount paid or agreed to be considered as paid on each share.
- (c) The date at which the name of any person was entered in the register as a member.
- (d) The date at which any person ceased to be a member.
- (e) Notice of any change of address of any shareholder shall be entered in the Register.

Register of
Directors

56. The Company is to keep at its Registered Office a register containing the names and addresses and occupations of its Directors and is to send to the Registrar of Companies a copy of such Register and shall from time to time notify, to the Registrar any change that takes place in such Directors as required by Section 76 of the Ordinance.

Local
Register

57. The Company may in any place in which it transacts business keep a register or registers of its members subject to the provisions of Section 35 of the Ordinance.

Notice to be
given of change
of name or
abode, or
marriage

58. No member who shall change his name or place of abode, or being a female, shall marry, shall be entitled to receive any dividend, or to vote, until notice in writing of the change of name or abode, or marriage, shall be given to the Company for registration.

59. Each holder of registered shares, whose registered place of address is not in Hong Kong, may from time to time notify in writing to the Company an address in Hong Kong to which all notices may be addressed to him which for all purposes shall be deemed his registered place of address, within the meaning of Article 189.

Member to
give address in
Hong Kong

Forfeiture of Shares

60. If any member fail to pay any call or instalment due from him on or before the day appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or instalment or any part thereof, or any interest which shall have accrued thereon, remains unpaid, serve a notice on such member by registered post addressed to the member at his registered place of address or give notice to such member by advertisement (which shall be a sufficient advertisement if published once in *The Hong Kong Government Gazette* and once in one of the daily newspapers circulating in Hong Kong) requiring such member to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company in respect of such non-payment.

If call or
instalment
not paid
notice may
be given

61. It shall not be necessary in the said notice, if given by advertisement, to mention the name of the member or members, but such notice shall mention the numbers of the shares in respect of which it is given.

Name of
members
need not be
given in notice

62. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall state that in the event of non-payment at or before the time, and at the place appointed the shares in respect of which such call was made, or instalment is payable will be liable to be forfeited.

Date and place
for payment to
be made

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If notice not complied with shares may be forfeited

63.—(1) If the requisitions of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends, interim dividends and bonuses declared in respect of the forfeited shares, and not actually paid before the forfeiture and any moneys paid in advance of calls.

(2) A certificate in writing under the hands of two Directors stating that a share has been forfeited, shall be conclusive evidence of such forfeiture and an entry of every such certificate shall be made in the minutes of the proceedings of the Directors.

Notice after forfeiture

64. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture, or to the person entitled to the share by transmission, as the case may be, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register: but the provisions of this Article are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make such entry as aforesaid.

Forfeited share to become property of the Company

65. Any share so forfeited shall be deemed to be the property of the Company, and the Directors may sell, re-allot, or otherwise dispose of the same upon such terms and in such manner as they shall think fit.

Power to sell forfeited

66. Notwithstanding any such forfeiture as aforesaid the Directors may at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, permit the share forfeited to be redeemed upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as they think fit.

67. Any member whose shares have been forfeited shall, notwithstanding, be liable to pay, and shall forthwith pay to the Company, all calls, instalments, interest, and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of forfeiture until payment at the rate of twelve dollars per cent. per annum and the Directors may enforce the payment thereof if they think fit.

Arrears to be paid notwithstanding forfeiture

68. The forfeiture of a share shall involve the extinction at the time of the forfeiture of all interest in, and all claims and demands against the Company in respect of the share, and all other rights and liabilities incident to the share, between the member whose share has been forfeited and the Company except only such of those rights and liabilities as by these Articles are expressly saved.

Forfeiture of shares to extinguish claims on the Company

Lien

69. The Company shall have a first and paramount lien upon all the shares registered in the name of each member (whether solely or jointly with others), and upon the proceeds of sale thereof for his debts, liabilities, and engagements solely or jointly with any other person to or with the Company, whether the period for the payment, fulfilment or discharge thereof shall have actually arrived or not; and no equitable interest in any share shall be created except upon the footing or condition that Article 39 hereof is to have full effect; and such lien shall extend to all dividends, interim dividends and bonuses from time to time declared in respect of such shares and to all moneys paid in advance of calls thereon. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien (if any) on such shares.

Shares and dividends subject to lien for debts due to the Company

70.—(1) For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they think fit; but no sale shall be

As to enforcing lien by sale

made until such time as the moneys are presently payable, and until notice in writing stating the amount due and giving notice of intention to sell shall have been served on such member his Executors or Administrators or the persons (if any) entitled by transmission to the shares, and default shall have been made by him or them in the payment, fulfilment, or discharge of such debts, liabilities or engagements for seven clear days after such notice. The net proceeds of any such sale and any such dividends, interim dividends and bonuses shall be applied in or towards satisfaction of debts, liabilities or engagements aforesaid and the residue (if any) shall be paid to such member his Executors, Administrators or Assigns or the person (if any) entitled by transmission to the shares.

Application
for proceeds
of sale

(2) For the purposes of this Article, a statutory declaration in writing that the declarant is a Director of the Company and that the shares are being duly sold in accordance with the powers of the Company, shall as against all persons claiming to be entitled to such shares adversely to such sale be conclusive evidence of the facts therein stated, and such declaration, together with a certificate of ownership of the shares delivered to a purchaser, shall constitute a good title to the shares, and the new holder thereof shall be discharged from all calls made and other moneys payable prior to such purchase. An entry of every such declaration shall be made in the Minute Book of the Company.

Validity of
sale

71. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Directors may cause the purchaser's name to be entered in the Register of Members in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings or the application of the purchase money and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person, and

the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Transfer and Transmission of Shares

72. The Company shall keep a book to be called "The Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

Register of
Transfers

73. The Register of Transfers and Register of Members may be closed during such time as the Directors think fit, not exceeding in the whole thirty days in each year.

Periods during
which Register
of Transfers
may be closed

74. The Directors may, in their discretion and without assigning any reason therefor, decline to register any transfer of shares upon which the Company has a lien; and they may refuse to register any transfer of shares to a transferee of whom they do not approve.

The Board
may refuse
to register

75. No transfer shall be made to an infant or person of unsound mind.

No transfer
to an infant,
&c.

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

Transmission
of shares

77. Any person becoming entitled to shares in consequence of the death or bankruptcy of any member, or by any lawful means other than by transfer in accordance with these Articles, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title, as the Directors think sufficient, may, with the consent of the Directors (which they shall not be under any obligation to give) be registered as a

As to trans-
mission of
shares of
deceased or
bankrupt
members

member in respect of such shares, or may, subject to the regulations as to transfers hereinbefore contained, transfer such shares. This Article is hereinafter referred to as "The Transmission Clause".

Transmission clause

78. The instrument of transfer of any shares shall be signed both by the transferor and transferee, and need not be under seal and the transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the Register of Members in respect thereof. The instrument of transfer of any share shall be in writing in the form contained in "Schedule A" hereto or as near thereto as circumstances will admit.

Execution of transfer

79. Every instrument of transfer shall be left at the Registered Office for registration, accompanied by the certificate of the shares to be transferred, and such other evidence as the Directors may require to prove the title of the transferor, or his right to transfer the shares.

Transfer to be left at office and evidence of title given

80. A fee not exceeding two dollars, together with the stamp duty, if any, shall be payable in respect of every new certificate issued whether consequent on a transfer or on the splitting up of an existing certificate and shall, if required by the Directors, be paid before the issue of the new certificate.

Stamp fees

81. When the instrument of transfer shall have been so registered, the transferee, (subject to the provisions of Article 112), shall be and be deemed a member and he shall from the date of such registration be entitled to the same liabilities in respect of his shares as the member from whom he derived his title.

Transferee to become member on registration of transfer

82. Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued to the transferee in respect of the shares transferred to him,

Certificate of transfer

and if any of the shares included in the certificate so given up shall be retained by the transferor, a new certificate in respect thereof shall be issued to him. The Company shall also retain the transfer. A fee of two dollars, together with the stamp duty (if any), shall be payable in respect of every such new certificate.

83. The Directors may, if they think fit, withhold the payment of any dividend, interim dividend or bonus payable in respect of any shares to which any person may be entitled by transmission, until such time as such person shall become the registered owner, or shall have effectually transferred such shares, after which time such person, on becoming registered or transferred, shall receive such dividend.

Borrowing Powers

84.—(1) The Directors may, from time to time, at their discretion raise or borrow, or secure the payment of any sum or sums of money for the purposes of the Company.

Power to borrow

(2) The Directors may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular, by the issue of debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Conditions on which money may be borrowed

(3) Debentures, debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Assignment

(4) Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.

Special privileges

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Register of Mortgages

(5) The Directors shall cause a proper register to be kept at the Registered Office in accordance with Section 102 of the Ordinance of all mortgages and charges specifically affecting the property of the Company; and shall duly comply with the requirements of Section 95 of the Ordinance in regard to the registration of mortgages and charges therein specified and otherwise.

Mortgage of uncalled capital

(6) If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors may, by instrument under the Company's seal, authorise the person in whose favour such mortgages or security is executed or any other person in trust for him to make calls on the members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors' power or otherwise and shall be assignable if expressed so to be.

Second charges

(7) Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled by notice to the members or otherwise to obtain priority over such prior charge.

General Meetings

General Meetings when to be held

85. A General Meeting of the Company shall be held in every year, at such time and place as the Directors may from time to time determine, provided that every such meeting shall be held within fifteen months of the last preceding General Meeting.

Ordinary yearly meetings and Extraordinary meetings

86. The General Meetings referred to in the last preceding Article shall be called the "Ordinary Yearly Meetings." All other meetings of the Company shall be called "Extraordinary Meetings."

87. The Directors may, whenever they think fit, and they shall, on the requisition in writing of the holders of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene an Extraordinary General Meeting of the Company, and in case of such requisition the following provisions shall have effect:—

Extraordinary meeting to be convened upon requisition of shareholders

(a) The requisition must state the objects of the meeting, and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form, each signed by one or more requisitionists. The meeting must be convened for the purposes specified in the requisition and if convened otherwise than by the Directors for those purposes only.

Form of requisition for meeting

(b) In case the Directors, for twenty-one days after such deposit, fail to convene an Extraordinary General Meeting to be held within twenty-one days after such deposit, the requisitionists, or a majority of them in value, may themselves convene the meeting for the purpose so specified, but not for any other purpose; but any meeting so convened shall not be held after three months from the date of the deposit.

When requisitionists may call meeting

(c) If at any such meeting a resolution requiring confirmation at another meeting is passed, the Directors shall forthwith convene a further Extraordinary General Meeting for the purpose of considering the resolution, and if the Directors do not convene the meeting within seven days from the date of the passing of the first resolution, the requisitionists or a majority of them in value may themselves convene the meeting.

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(d) Any meeting convened under this Article by the requisitionists as aforesaid shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.

Notice of meeting

88. Seven clear days' notice shall be given to the members of every meeting specifying the place, day, and hour of meeting; and in case of special business, the general nature of such business, shall be given either by advertisement or by notice sent by post or otherwise served as hereinafter provided.

Two meetings may be convened by one notice

89. When it is proposed to pass a special resolution, the two meetings may be convened by one and the same notice, and it is to be no objection to such notice that it only convenes the second meeting contingently on the resolution being passed by the requisite majority at the first meeting.

As to omission to give notice

90. The accidental omission to give any such notice to any of the members or the non-receipt of any such notice by any of the members, shall not invalidate any resolution passed or proceeding had at any such meeting.

Proceedings at General Meetings

Business of ordinary yearly meeting

91. The business of any Ordinary Yearly Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet, and the Reports of the Directors and of the Auditors, to elect Directors and other officers in the place of those retiring by rotation, to sanction dividends, and to transact any other business which, under these Articles, ought to be transacted at an Ordinary Yearly Meeting.

Special business

92. All other business transacted at an Ordinary Yearly Meeting, and all business transacted at any Extraordinary Meeting shall be deemed Special.

Quorum

93. Three members personally present shall be a quorum for the purposes of transacting all the business of an Ordinary Yearly Meeting and of an Extraordinary Meeting.

94. The Chairman of the Directors shall take the chair at every General Meeting, or if there be no such Chairman, or, if at any General Meeting the Chairman shall not be present within fifteen minutes after the time appointed for holding such meeting, the members present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members present shall choose one of their own number to be Chairman.

Chairman of general meeting

95. If within half an hour from the time appointed for a meeting a quorum is not present, the meeting, if convened upon such requisition as aforesaid shall be dissolved; but in any other case it shall stand adjourned to such day, at such time and place, as shall be decided by the Chairman and no notice of such adjournment need be given; and if at such adjourned meeting a quorum be not present, those members who are present shall be a quorum and may transact the business for which the meeting was called.

When if quorum not present, meeting to be dissolved and when to be adjourned

96. The Chairman of a General Meeting, may with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Power to adjourn general meeting. Powers of adjourned meetings

97. Every question submitted to a Meeting shall be decided in the first instance by a show of hands, and in the case of an equality of votes, the Chairman shall, both on a show of hands and at the poll, have a second or casting vote in addition to the vote or votes to which he may be entitled as a member.

How question to be decided at meetings

98. At any general meeting, unless a poll is demanded in the case of a Special or Extraordinary resolution by at least two members entitled to vote or in any other case by the Chairman or by at least two members, or by a member or members holding

What is to be evidence of the passing at a resolution where poll not demanded

or representing by proxy or entitled to vote in respect of at least one-tenth part of the capital represented at the meeting, a declaration by the Chairman that a resolution has been carried, or carried by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the Minute Book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes, recorded in favor of or against such resolution.

Poll

99. If a poll is demanded as aforesaid, it shall be taken in such manner and at such time and place as the Chairman of the meeting directs and either at once, or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

In what case poll taken without adjournment

100. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.

Business may proceed notwithstanding demand for poll

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

Proceedings and resolutions at meeting to be binding

102. The proceedings at any meeting duly called and constituted, and all resolutions and decisions of such meeting shall be valid and binding on the Company.

Votes of Members

Votes of members

103. On a show of hands every member present in person shall have one vote and upon a poll every member present in person or by proxy shall have one vote in respect of each Ordinary share held by him.

Representation of corporation

104. When any share or shares is or are held by a Public Company or Corporation the Secretary, Manager or person for the time being in charge of

the business of or agent of such Public Company or Corporation shall be entitled to vote for such Public Company or Corporation whether on a show of hands or on a Poll.

Votes in respect of deceased and bankrupt members

105. Any person entitled under "The Transmission Clause" (*supra* Article 77) to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares; provided that forty-eight hours at least before the time of the holding of the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such shares, or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Joint holders

106. Where there are joint registered holders of any shares, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share, as if he were solely entitled thereto; and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the Register of Members in respect of such share, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands, shall for the purposes of this Article be deemed joint holders thereof.

Lunatics, &c., how to vote

107. Any member becoming a lunatic, or *non compos mentis*, may vote by his committee, judicial factor *curator bonis* or other legal guardian, and any of such persons may vote either personally or by proxy.

Proxies

108. Votes may be given either personally or by proxy or by an attorney.

Execution of instrument of proxy

109. The instrument appointing a proxy shall be in writing under the hand of the appointor or of

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his attorney, or, if such appointor is a corporation, under its common seal, or under the hand of its attorney. No person shall be appointed a proxy and no person shall vote as an attorney who is not a member of the Company and qualified to vote, save that a corporation being a member of the Company may appoint one of its officers to be its proxy though not a member of the Company.

Deposit of proxy and its duration

110. The instrument appointing a proxy, and the power of attorney (if any) under which it is signed, and any power of attorney under which any member claims to vote for an absent member shall be deposited at the Registered Office not less than forty-eight hours before the time for holding the meeting or any adjournment thereof, or poll, as the case may be, at which the person named in such instrument proposes to vote; otherwise the person so named shall not be entitled to vote in respect thereof but no instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

Form of proxy

111. Every instrument of proxy, whether for a specified meeting, or otherwise shall, as nearly as circumstance will permit, be in the form specified in "Schedule B" to these Articles or in such other form or to such other effect as the Directors shall from time to time notwithstanding the form in the said Schedule approve of.

Restrictions on voting

112. No member or person referred to in Article 106, shall be entitled to be present, or to vote on any question, either personally or by proxy, or as proxy or attorney for another member at any General Meeting or upon a poll, or be reckoned in a quorum, whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member or in respect of which such person may be entitled to vote.

113. A vote given in accordance with the terms of an instrument of proxy or of a power of attorney shall be valid notwithstanding the previous death of the principal, or the revocation of the proxy or power of attorney or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation, or transfer shall have been received at the registered office before the meeting.

When vote by proxy valid though authority revoked

General Manager

114. Dr. Li Shu Fan of Victoria in the Colony of Hong Kong shall so long as he holds not less than 100 shares in the Company but subject to operation of Article No. 119 of these articles be the first and permanent General Manager of the Company. The said Li Shu Fan may during his temporary absence from Hong Kong from time to time appoint a shareholder (otherwise qualified to act as Director) as attorney to act in his place but if he shall not do so the Directors may appoint one of themselves to act as General Manager during his temporary absence.

115. The said Li Shu Fan while holding the office of General Manager and his ^{immediate} successor appointed as in this clause provided shall be entitled by deed or other document in writing or by will or codicil to appoint a successor to be Permanent General Manager in substitution for or in succession to himself upon his retirement or death and such successor shall hold office of the ^{same} terms and conditions and with the ^{same} powers as the said Li Shu Fan. The appointment of successor by the said Li Shu Fan or his ^{immediate} successor shall not be invalidated by reason that at any time thereafter the said Li Shu Fan or his ^{immediate} successor or their respective executors or administrators shall cease to become members of the Company provided that the person appointed shall hold the requisite number of shares qualifying him to act.

116. If the said Li Shu Fan or the successor appointed by him in manner aforesaid shall resign or

Amended by SR 57 23.4.87

such ^{will or document} shall hold office of the same terms and conditions and with the same powers as the said Li Shu Fan. The appointment of successor by the said Li Shu Fan or his immediate successor shall not be invalidated by reason that at any time thereafter the said Li Shu Fan or his immediate successor or their respective executors or administrators shall cease to become members of the Company provided that the person appointed shall hold the requisite number of shares qualifying him to act.

SR 18/11/86

For sub. see SR 18/11/86.

SR 57 23.4.87

otherwise vacate his office or die without having appointed a successor in manner hereinbefore provided or if thereafter any successor to the office shall die or vacate office under Article No. 119 hereof then and thereafter so often as the office of General Manager shall be vacant the Company in Ordinary or Extraordinary General Meeting shall from time to time appoint one of its shareholders (being otherwise qualified to act) to act as the General Manager.

117. No one shall be qualified to act as the General Manager unless he holds at least 100 shares in the Company.

118. The remuneration of the General Manager shall consist of a ~~commission or~~ bonus of 20% upon the profits of the Company for each financial year of the Company after the deduction therefrom of all current expenses but not of anything in respect of depreciation of assets. ~~Unless otherwise determined by the Company in General Meeting the General Manager shall not be paid any salary or any other remuneration except as aforesaid.~~

119. The General Manager shall vacate office:—

- (a) If he becomes a bankrupt or suspends with his creditors.
- (b) If he is found a lunatic or becomes of unsound mind.
- (c) If he ceases to hold at least 100 shares in the Company or does not acquire same within one month after appointment.
- (d) If by 3 months' previous notice in writing he resigns his office.

120. The General Manager or Directors of the Company may be, or become, a General Manager or Directors of any company promoted by this Company, or in which it may be interested as a vendor, shareholder or otherwise and neither the General Manager nor any Director shall be accountable for any benefits

S.R. on 24.1.85
S.R. 13/1/86
Deliver by S.R. 13/1/86

received as a General Manager or Director or as a member of such a company.

121. Subject to the provisions of the Ordinances and of these Presents and to any regulations from time to time made by the Company in General Meeting not being inconsistent with such provisions or these Presents the business of the Company shall be managed by the General Manager who may in addition to the general powers incidental to his office exercise with the sanction or consent of the Directors (which may be given generally or in any particular case by a resolution of the Board) exercise all or any of the powers exercisable by the Directors under these Presents.

121 a. added by S.R. 13/1/86
Board of Directors

122. Unless otherwise determined by General Meeting the number of Directors shall not be less than 3 nor more than 7. The General Manager for the time being shall *virtute officii* be one of the Directors.

123. The following persons, namely, Dr. Li Shu Fan, Dr. Li Shu Pui and Dr. Chik Hing Wan shall be the First Directors of the Company. The said Li Shu Fan and the said Li Shu Pui while holding the qualified number of shares shall be permanent Directors and shall not be subject to the operation of the Articles hereinafter contained relating to the rotation of Directors but nevertheless to Article 133 as to vacation of office.

S.R. on 24.1.85

124. The said Li Shu Fan shall be the permanent Chairman of Directors and while he acts as such Chairman no Director shall be nominated for appointment to the Board without his approval.

125. If the said Li Shu Fan shall for any reason cease to act as Chairman then the General Manager for the time being of the Company shall be the Chairman of Directors.

126. The Directors shall have power subject to Clause 124 hereof from time to time and at any time to appoint any qualified person as a Director either to fill a casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum fixed as above and so that no such appointment shall be effective unless a majority of the Directors concur therein. But any Director so appointed shall hold office only until the next ordinary yearly meeting of the Company but shall then be eligible for re-election at that meeting.

127. A Director who is abroad or about to go abroad may, by power of attorney, appoint any person to be an alternate (or substitute) Director during his absence abroad, and such appointment shall have effect and such appointee whilst he holds office as an alternate Director shall be entitled to notice of meetings of the Directors, and to attend and vote thereat accordingly: but he shall not require any qualification, and he shall *ipso facto* vacate office if and when the appointor returns to Hong Kong or vacates office as a Director, or removes the appointee from office, and any appointment and removal under this clause shall be effected by notice in writing under the hand of the Director making the same.

128. The qualification of a Director shall be the holding of ~~five~~ ordinary shares in the Company.

129. A Director may act before acquiring his qualification, but shall in any case acquire the same within one month from his appointment, and unless he shall do so his office shall be vacated.

130. A Director may at any time give notice in writing of his wish to resign by delivering such notice to the Company in Hong Kong and, on the acceptance of his resignation by the Board, but not before, his office shall be vacant.

131. The remuneration of the Chairman of Director shall be \$500 per annum and that of any other Director shall be such sum as the Company shall determine in General Meeting or failing such determination, \$150 per annum.

FR
18/1/46
Qualification of Directors

delete & substitute by S.R. on 24.1.85
Directors may resign

Sub. to S.R. 18/1/46
Remuneration of Directors

A Director may hold any other office or place of profit in the Company in conjunction with his Directorship and may be appointed thereto upon such terms as to remuneration, tenure of office and otherwise as the Directors may arrange.

132. The continuing Directors may act notwithstanding any vacancy in their body; but so that if the number of Directors falls below the minimum above fixed, the continuing Directors shall not except for the purpose of filling vacancies act so long as the number is below the minimum.

Directors may act notwithstanding vacancy

133. A Director shall vacate his office:—

When office of director to be vacated

- (a) If he becomes bankrupt or has a receiving order made against him or suspends payment, or compounds with his creditors.
- (b) If he becomes a lunatic or of unsound mind.
- (c) If he ceases to hold the required number of shares to qualify him for office.
- (d) If he, being ordinarily resident in Hong Kong shall have absented himself from the meetings of the Board for more than 12 consecutive months, without special leave of absence from the Directors, and the other Directors shall have resolved that his office shall be vacated.
- (e) If he remains abroad for a greater period than two years.
- (f) If, by notice in writing to the Company, he resigns his office, and such resignation is accepted by the Directors.

S.R. on 24.1.85

134. (1) No Director shall be disqualified by his office from entering into a contract or arrange-

Directors may contract with Company

ment with the Company, either as a vendor, purchaser, agent or broker or otherwise, and either as personally or by or through any firm or company in which he may be a partner or shareholder or from being otherwise interested, in any business or transaction in which the Company is interested; and no such contract or arrangement, or any contract or arrangement entered into by or on behalf of the Company with any person, firm or company of or in which any Director shall be in any way interested shall be avoided; nor shall any Director so contracting or being so interested, be liable to account to the Company for any profit realised by any such contract, arrangement, business or transaction, by reason of such Director holding the office of Director, or of the fiduciary relation thereby established; but any Director so contracting, or being so interested as aforesaid, shall disclose at the meeting of the Board at which the contract, arrangement, business or transaction is determined, the nature of his interest, if it then exists, or in any other case at the first meeting of the Board after the acquisition of his interest; and a Director shall not, as a Director, vote in respect of any contract, arrangement, business or transaction in which he is so interested as aforesaid, and if he does so vote his vote shall not be counted; but his prohibition shall not apply to any contract by or on behalf of the Company to give to the Directors or any of them any security by way of indemnity or of security for advances, or to a settlement or set-off of cross claims, and it may at any time or times be suspended or released by a general meeting. A general notice that a Director is a member of any specified firm or company, or is to be regarded as interested in any contract, arrangement, business or transaction with such firm or company, shall be sufficient disclosure under this Article, and after such general notice it shall not be necessary to give any special notice relating to any particular contract, arrangement, business or transaction with such firm or company as aforesaid.

Rotation of Directors

185. At the Ordinary Yearly Meeting to be held in each year, ~~of the Directors other than a Permanent Director~~ shall retire from office, but shall be eligible for re-election.

9.2.7
6.7.7
Rotation and retirement of directors
S R M
24.1.85

186. The Director to retire under the last preceding Article shall be the one who has been the longest in office. As between two or more who have been in office an equal length of time the Director to retire shall, in default of agreement between them, be determined by lot. The length of time a Director has been in office shall be computed from his last election or appointment where he has previously vacated office.

Which of directors to retire
delete
S R M
24.1.85

187. Subject to Article No. 124 the Company at any General Meeting at which any Director retires in manner aforesaid, shall fill up the vacated office by electing another person to be a Director and without notice in that behalf may fill up any other vacancies.

Meeting to fill up vacancies
delete
S R M
24.1.85

188. No person not being a retiring Director shall unless recommended by the Directors for election, be eligible for election to the office of Director at any General Meeting, unless he, or some other member intending to propose him, has, at least seven clear days before the meeting, left at the Registered Office a notice in writing duly signed, signifying his candidature for the office, or the intention of such member to propose him.

When candidate for office of Director must give notice

189. If at any General Meeting at which an election of the Directors ought to take place, the place of the retiring Director is not filled up, the retiring Director shall be deemed to have been re-elected and shall, if willing, continue in office until the next ordinary yearly meeting and so on from year to year until his place is filled up, unless it shall be determined at such meeting to reduce the number of Directors.

Retiring directors to remain in office till successors appointed

Power of general meeting to increase or reduce number of directors

140. The Company may from time to time in General Meeting increase or reduce the number of Directors, and may alter their qualification, and may also determine in what rotation such increased or reduced number is to go out of office, but so that the number of Directors shall never be less than three.

Power to remove director by extraordinary resolution

141. The Company may, by Extraordinary resolution, remove any Director or Directors (other than a Permanent Director) before the expiration of his or their period of office, provided that such resolution is carried by a majority of members present in person or by proxy or by attorney holding or entitled to vote in respect of half of the issued shares of the Company for the time being and by a like resolution by subject to the provisions of Article 124 appoint another person or persons in his or their stead. The person or persons so appointed shall hold office so long only as the Director or Directors in whose place he or they is or are appointed would have held the same if he or they had not been removed.

When acts of Directors or Committee valid notwithstanding defective appointment

142. All acts done by any meeting of the Directors or by a Committee of Directors, or by any person acting as a Director shall notwithstanding it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid or that they or any of them were disqualified be as valid as if every such person had been duly appointed and was qualified to be a Director.

Secretary

Secretary. Appointment of

143. The Directors may from time to time in their discretion appoint such person or firm to be the Secretary of the Company as they may think fit.

Proceedings of the Directors

Meetings of directors, quorum, &c.

144. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit and

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may, determine the quorum for the transaction of business. Until otherwise determined two Directors shall be a quorum. A Director interested is to be counted in a quorum notwithstanding his interest.

145. A Director may at any time, convene a meeting of Directors by a notice served upon each member of the Board. It shall not be necessary to give notice of a meeting of the Board to any member of the Board who is not in Hong Kong.

Director may summon meeting

146. Questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall have a second or casting vote. The Chairman may whenever he thinks fit suspend the operation of any decision of the Directors and refer same to a general meeting of the Company.

How questions to be decided

147. The Chairman shall always preside at every meeting of the Board, but if he be absent, the Directors present shall elect one of the Permanent Directors or if no Permanent Directors shall be present then any one of their number to preside at such meeting accordingly.

Who to preside at meeting of board

148. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of the Company for the time being vested in or exercisable by the Directors generally.

Powers of meeting

149. The Directors may delegate any of their powers, other than the power to make calls to committees consisting of such member or members of their body as the Directors think fit, and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such Committees either wholly or in part, and either as to person or purposes, but every Committee so formed

Power to appoint committee and to delegate

shall in the exercise of the powers so delegated, conform to any regulations that may be from time to time be imposed upon it by the Company.

Acts of Committee to be of same effect as acts of Directors

150. All acts done by any such Committee in conformity with such regulations, and in fulfilment of the purposes for which it is appointed, but not otherwise, shall have the like force and effects, as if done by the Directors, and the Directors shall have power, with the consent of the Company in General Meeting, to remunerate the members of any Special Committee, and charge such remuneration to the current expenses of the Company.

Proceedings of Committee

151. The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Director, so far as the same are applicable thereto, and are not superseded by any regulations made by the Directors under the last preceding Article.

Powers of quorum of board in certain cases

152. The powers or functions of the Board shall not cease or be suspended so long as the Board consist of a sufficient number of Directors to form a quorum, although the number of Directors present at any meeting has from any cause whatever fallen below the prescribed lowest number of Directors.

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Directors' Resolution

153. A resolution in writing signed by ^{the majority} all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

Remuneration for extra service

154. If any Director, being willing, shall be called upon to perform extra services, or to make any special exertions for any of the purposes of the Company, the Company may remunerate the Director so doing, either by a fixed sum or by a percentage of profits, or otherwise as may be determined by the Directors, and such remuneration may be either in addition to or in substitution for the share of such Director in the remuneration above provided.

Minutes

155. (1) The Directors shall cause minutes to be duly entered in a book provided for the purpose:— Minutes to be made

- (a) Of all appointments of officers, clerks, servants and employees of the Company.
- (b) Of the names of the Directors present at each meeting of the Board and of any Committee of Directors.
- (c) Of all orders made by the Directors and Committees of Directors.
- (d) Of all resolutions and proceedings of General meetings and of meetings of the Directors and Committees.

The Directors shall also cause minutes of all resolutions and proceedings of ordinary and extraordinary meetings of the Company to be duly entered in a book provided for the purpose.

(2) Any such minutes of any meeting of the Directors or of any Committees or of ordinary and extraordinary meetings of the Company if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, shall be receivable as *prima facie* evidence of the matters stated in such minutes.

Management

156. The management of the business of the Company shall be vested in the Directors who in addition to the powers and authorities by these Articles expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company, and are not hereby or by ordinance expressly directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the ordinances, and of these Articles and to any regulations from time to time made by

General Powers of Company vested in Managing Directors

the Company in General Meeting not being inconsistent with such provisions or these Articles. Provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

Specific powers given to Directors

157. Without prejudice to the general powers conferred by the last preceding Article and to the other powers conferred by these Articles it is hereby expressly declared that the Directors shall have the following powers, that is to say, power:—

To acquire property

(a) To purchase, lease, hire or otherwise acquire for the Company any property, rights, privileges or things which the Company is authorised to purchase, lease, hire or otherwise acquire, at such price whether of a pecuniary nature or not and generally on such terms and conditions as they think fit.

To pay for property in debentures, etc.

(b) At their discretion, to pay for any property, rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash, or in shares, bonds, debentures, or other securities of the Company, and any such shares may be either specifically charged upon with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital, or not so charged.

To secure contracts by mortgage

(c) To secure the fulfilment of any contracts or engagements entered into by the Company, by mortgage or charge of all or any of the property of the Company including its uncalled capital for the time being, or in such other manner as they may think fit.

(d) To appoint, and at their discretion, remove or suspend such agents in Hong Kong and at any port or place outside of Hong Kong where the Company may do business, also to appoint and at their discretion, remove or suspend, managers, secretaries, superintendents, matrons, bursars, clerks and shroffs, servants and other employees for permanent, temporary, or special services, as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments, and to require security in such instances and to such amount as they think fit, and to give award or allow any bonus, gratuity, or compensation to any officer or employee of the Company as may appear to them just or proper and to such amount as they think fit.

To appoint Agents, officers, etc.

(e) To accept from any member, on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.

To accept surrender of shares

(f) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company, any property belonging to the Company, or in which it is interested, or for any other purpose, and to execute and do all such deeds and things as may be requisite in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

To appoint trustees

(g) To enter into any arrangement with any company, firm, or person carrying on any business similar to that of this Company for mutual concessions, or for any joint working or combination, or for any restriction upon competition, or for any pooling of business, or profits that may seem desirable, and carry the same into effect.

To enter into arrangements for mutual concessions

To bring and defend actions, etc.

(h) To institute, conduct, defend, compromise or abandon any legal or other proceedings and claims whatsoever, by or against the Company, or its officers, or otherwise concerning the affairs of the Company, and also to compound, and allow time for payment or satisfaction of any debts due, and of any claims or demands by or against the Company.

To refer claims to arbitration

(i) To refer any claims or demands by or against the Company to arbitration, and observe and perform the awards.

To give receipts

(j) To make and give receipts, releases and other discharges for money payable to the Company, and for the claims and demands of the Company.

To authorise acceptances

(k) To determine who shall be entitled to accept, endorse, sign and execute on the Company's behalf, bills of exchange, promissory notes, bills of lading, dividend warrants, debentures, receipts, acceptances, indorsements, cheques, contracts and documents.

To employ agents and brokers

(l) To employ such agents or brokers and other persons as they may think necessary for furthering the interests of the Company and pay them such salaries, commissions or other remuneration as he and they may deem reasonable.

To accept security

(m) To accept such security for the fulfilment of any contracts or engagements entered into with the Company as they may think fit.

Power to invest

(n) To invest and deal with any of the moneys or funds of the Company not immediately required for the purposes thereof either by purchase of or loan upon any real or personal property (including chattels real)

stocks and shares in public Companies or upon such securities or investments (not being shares in the Company) or in such other manner as they may think fit without being liable for any loss or depreciation in consequence of such investments whether the same be usual or authorised investments of trust funds or not and from time to time to vary or realize such securities and investments.

(o) To execute in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property, both present and future, including its uncalled capital as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on. To execute mortgage in favour of directors

(p) To give to any person employed by the Company a commission on the profits of any particular business or transaction, or a share in the general profits of the Company for any period and such commission or share of profits shall be treated as part of the working expenses of the Company. To pay commission to employees of the Company

(q) To appoint and in their discretion remove or suspend Solicitors for the Company. To appoint and remove Solicitor

(r) From time to time make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants. To make bye-laws

(s) To sell, improve, manage, exchange, lease, let, mortgage, or turn to account, all or any parts or part of the land, property, rights and privileges of the Company. To deal with property of the Company

To enter into contracts

(d) To enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid, or otherwise howsoever for the purpose of the Company.

The Seal

The Seal

158. The Directors shall provide for the safe custody of the seal of the Company which shall be kept at the Registered Office of the Company.

Execution of Deeds and Signature of Cheques

Execution of deeds and signature of cheques

159. All deeds or instruments requiring the seal of the Company shall be signed by one Director and countersigned by the General Manager. All cheques, bills of exchange, negotiable instruments, agreements, contracts and other documents shall be signed by the General Manager, the other permanent Director or one or more person appointed by the Directors for such purpose.

Execution of deeds by attorney

160. The Directors may, at any time, and from time to time by Power of Attorney under seal of the Company, empower any person, either generally or in respect of any specified matters, as the attorney of the Company to execute deeds and instruments on behalf of the Company and to enter into contracts and sign the same on behalf of the Company either in Hong Kong or in any place not situate within the Colony of Hong Kong and every deed signed by such attorney, on behalf of the Company, and under his seal shall bind the Company, and have the same effect as if it were under the seal of the Company.

Interest, Bonus, Reserve Fund and Dividends

161. The profits of the Company in each year after deduction of all expenses and disbursements shall be applied firstly in paying a commission of

bonus of 10% thereof to the General Manager of the Company secondly in making good all losses (if any) of past years and thirdly in making such provision for reserve fund or improvement of the undertakings of the Company as the Directors shall deem necessary and in and towards the payment of such dividends to the Shareholders as the Directors subject to the approval of the Company in General Meeting shall determine

162. Before the declaration of a dividend the Directors may set aside any part of the net profits of the Company to create a Reserve Fund, and may apply the same either by employing it in the business of the Company or by investing it in such manner (not being the purchase of or by way of loan upon shares of the Company) as they shall think fit, and the income arising from such reserve fund shall be treated as part of the gross profits of the Company. Such reserve fund may be applied for the purpose of maintaining the property of the Company, replacing wasting assets, meeting contingencies, forming an insurance fund, or equalising dividend, or for any other purpose for which the net profits of the Company may lawfully be used, and until the same shall be so applied it shall be deemed to remain undivided profit. The Directors may also carry forward to the accounts of the succeeding year or years any profit or balance of profit which they shall not think fit to divide or to place to reserve.

163. The Directors may employ the reserve fund for the time being or any portion thereof (and that whether such fund or such portion as is proposed to be dealt with was set aside for special purpose to which it is proposed to be applied or for any purpose or not) in or for all or any of the following purposes, that is to say, in meeting contingencies, in equalising dividends, in paying special dividends, in repairing, improving or maintaining any of the property of the Company, or otherwise in the

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To establish reserve fund

Directors may deal with reserve fund

business of the Company and in or for such other purposes as the Directors shall in their discretion think conducive to the interests of the Company and in regard to any such employment as aforesaid the Directors shall not be bound to keep the reserve fund separate from the other assets.

Capital paid in advance

164. Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to participate in profits.

Declaration of dividends and bonus to employees

165. The Directors may with the sanction of the Company in General Meeting declare a dividend to be paid to the members according to their rights and interests in the profits, and may fix the time for payment and may with the like sanction declare bonuses to the Company's employees or any of them.

Dividends not to be paid out of capital

166. No dividend or bonus shall be payable except out of the profits of the Company and no dividend or bonus shall carry interest as against the Company.

No larger dividend than recommended by Board

167. No larger dividend shall be declared than is recommended by the Board but the Company in General Meeting may declare a smaller dividend.

Directors may declare and pay a dividend out of Reserve fund

168. The Directors may at any time or times with the sanction of a General Meeting declare and pay a dividend or bonus out of any reserve fund and fix the time for payment thereof.

Debts may be deducted

169. The Directors may retain any dividends or bonus upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.

Dividend and call together

170. Any General Meeting sanctioning a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable

to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the member be set off against the call. The making of a call under this Article shall be deemed ordinary business of an ordinary General Meeting which declares a dividend.

171. Any General Meeting sanctioning a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of fully paid-up shares or debentures of the Company, or fully paid-up shares or debentures of any other company, or in any one or more of such ways and the Directors shall give effect to such resolution; and, where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed, in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the Directors. When requisite a proper contract shall be filed in accordance with Section 90 of the Ordinance and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend, and such appointment shall be effective.

Dividend in specie

172. A transfer of shares shall not pass the right to any dividend or bonus declared thereon before the registration of the transfer.

Effect of transfer

173. The Directors may from time to time pay to the members such interim dividends or bonus as in their judgment the position of the Company justifies.

Interim dividends

Retention in certain cases

174. The Directors may retain the dividends or bonuses payable upon shares in respect of which any person is under the Transmission Clause (Article 77) entitled to become a member, or which any person under that Clause is entitled to transfer until such person shall become a member, in respect thereof or shall duly transfer the same.

Payments to joint holders

175. Any one of several persons who are registered as the joint holders of any share, may give effectual receipts for all dividends or bonus and payments on account of dividends or bonuses in respect of such shares.

Payment by post

176. Unless otherwise directed by the Directors any dividend or bonus may be paid by cheques or warrant sent through the post to the registered address of the member entitled, or in case of joint holders to the registered address of that one whose name stands first on the Register of Members in respect of the joint holding; and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent, and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen, or that the indorsement thereon has been forged.

Unclaimed dividends

177. All dividends or bonuses unclaimed for two years after having been declared may be forfeited by the Directors for the benefit of the Company.

Annual Returns

Annual returns

178. The Company shall make the requisite annual returns in accordance with Section 27 of the Ordinance.

Accounts

Accounts to be kept

179. The Directors shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect

of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company, and of all other matters necessary for shewing the true state and condition of the Company.

180. The Directors shall comply with the requirements of Section 77 of the Ordinance.

181. The books of account shall be kept at the Registered Office or at such other place as the Directors think fit and shall always be open to the inspection of the Directors. Where accounts to be kept

182. The Directors shall from time to time determine whether and to what extent, and at what times and places, and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of the members not being Directors, and no member not being a Director, shall have any right of inspecting any account or book or document of the Company, except as conferred by the Ordinances or authorised by the Directors, or by the Company in General Meeting. Inspection by members

183. At the Ordinary Yearly Meeting in each year, the Directors shall lay before the Company in General Meeting a duly audited Profit and Loss Account, and a Balance Sheet containing a summary of the assets and liabilities of the Company made up to a date not more than six months before the meeting, from the time when the last preceding account and balance sheet were made up. Annual account and balance sheet

184. Every such Balance Sheet shall be accompanied by a report of the Directors as to the state of the Company's affairs, the amount which they recommend (with the sanction of the Company) to be paid out of the profits by way of dividend or bonus to the members, and the amount, if any, which they propose to carry to a reserve fund, according to the provisions in that behalf hereinbefore contained; and the account, report, and balance sheet shall be signed by the General Manager and one Director. Yearly report of directors

A printed copy of such account, balance sheet and report shall, seven days previously to the meeting, be served on the registered holders of shares in the manner in which notices are hereinafter directed to be served.

Audit

185. Once at least in every year the accounts of the Company shall be examined and the correctness of the profit and loss account and balance sheet ascertained by an Auditor or Auditors.

186. The provisions of the Companies Ordinances 1911 to 1915 as to Auditors shall apply.

187. The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditors appointed to fill a casual vacancy may be fixed by the Directors.

188. Every account of the Directors when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected and thenceforth shall be conclusive.

Notices

189. Subject to the provisions of these Articles a notice or other document may be served by the Company upon any member either by advertisement in a newspaper or newspapers circulating in the Colony of Hong Kong or personally or by sending it through the post in a prepaid envelope or wrapper addressed to the member at his registered place of address as appearing in the Register of Members.

190. As regards those members who have no registered place of address, a notice posted up in the Registered Office shall be deemed to be well served on them at the expiration of twenty-four hours after it is so posted up.

Service of notices

Notices where no address

191. All notices to be given on the part of the members shall be left at or sent through the post to the Registered Office of the Company.

Notices by members how forwarded

192. Subject to the provisions of these Articles all notices which may be given by advertisement shall be advertised in at least one daily newspaper in Hong Kong and for such period as the Directors shall think fit.

Advertisements

193. All notices shall, with respect to any registered shares, to which persons are jointly entitled, be given to whichever of such persons is named first in the Register of Members, and notice so given shall be sufficient notice to all the holders of such shares.

Notice to joint holders

194. Any notice sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is put into a Post Office situated within the Colony of Hong Kong, and in proving service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly prepaid, addressed, and put into such Post Office, and a certificate in writing signed by the Secretary or other person appointed in the Board that the envelope or wrapper containing the notice was so addressed and put into such Post Office shall be conclusive evidence thereof.

When notice by post deemed to be served

195. Every person who by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share shall be bound by every notice in respect of such share which, previously to his name and address being entered upon the Register of Members shall have been duly given to the person from whom he derives his title to such share.

Transferees, etc., bound by prior notice

196. Any notice or document delivered or sent by post to, or left at the registered address of, any member, in pursuance of these Articles, shall notwithstanding such member be then deceased, and

Notices valid though member deceased

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whether or not the Company have notice of his decease, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all the purposes of these Articles be deemed a sufficient service of such notice or document on his heirs, executors, or administrators, and all persons (if any) jointly interested with him in such shares.

How notice to be signed

197. The signature to any notice to be given by the Company may be in writing or printed.

How time to be counted

198. Where a given number of days notice or notice extending over any other period is required to be given, the day of service shall, unless it is otherwise provided, be counted in such number of days' of other period.

Secrecy

Member not to be entitled to information

199. No member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion to the Directors it will be inexpedient in the interests of the members of the Company to communicate to the public.

Dissolution of the Company

Resolution to wind up Company

200. If at any meeting of the Company the Company resolves by Ordinary Resolution that the Company be wound up the Company shall be wound up accordingly.

Bad or doubtful debts may be sold

201. It shall be lawful for the liquidators to declare any bad or doubtful debts to be irrecoverable, and to sell to any person, not being a Director any claims or demands upon the estates of bankrupts and other persons, or upon the assets of deceased person, if any such claims or demands are not immediately recoverable.

202. If the Company shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the holders of all classes of shares in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding-up, on the shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, such excess shall be distributed amongst the members in proportion to the capital paid up on the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Distribution of assets

203.—(1) If the Company shall be wound up whether voluntarily or otherwise the liquidators may with the sanction of an extraordinary resolution, divide among the contributories, in specie or kind, any part of the assets of the Company, and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories, or any of them as the liquidators with the like sanction, shall think fit.

Distribution of assets in specie

(2) If thought expedient, any such division may be otherwise than in accordance with the legal rights of the contributories, (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights, or may be excluded altogether or in part; but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 185 of the Ordinance.

(3) In case any of the shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may, within ten days after the passing of the extraordinary resolution, by notice in writing, direct the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable, act accordingly.

Service of process

204. In the event of a winding-up of the Company in Hong Kong every member of the Company who is not for the time being in Hong Kong, shall be bound, within fourteen days after the passing of an effective resolution to wind up the Company voluntarily, or after the making of an order for the winding-up of the Company, to serve notice in writing on the Company, appointing some householder in Hong Kong upon whom all summons, notices, processes, orders and judgments in relation to or under the winding-up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such persons, and service upon any such appointee, whether appointed by the member or the liquidator, shall be deemed to be good personal service on such member for all purposes, and, where the liquidator, makes any such appointment he shall with all convenient speed give notice thereof to such member by advertisement in a newspaper circulating in the Colony or by a registered letter sent through the post and addressed to such member at his address as mentioned in the register of members of the Company, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

Indemnity

Indemnity

205. Every Director, General Manager, Manager, Secretary, Agent and other officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses, and expenses which any such Director,

Manager, Secretary, agent, officer or servant may incur or become liable for by reason of any contract entered into or any act or thing done by them or him as such Director, Manager, Secretary, agent, officer or servant, or in any way in the discharge of their or his duties, including travelling expenses; and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company, and have priority as between the members over all other claims.

206. No Director, General Manager, Manager, Secretary, Agent or other officer of the Company shall be liable for the acts, receipts, neglects or default of any other person holding any office under the Company or for joining in any receipt or other act for conformity or any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of person with whom any moneys, securities or effects shall be deposited, or for any loss occasioned by any error of judgment, omission, default or oversight or his part or for any loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own wilful act or default or dishonesty.

Individual responsibility of Directors

Jurisdiction

207. All orders made by the Supreme Court of Hong Kong in respect of the Company or its affairs or its members shall be binding on all the members and may be enforced against any members residing outside Hong Kong through the medium of the Courts of Justice in the place where such member resides and no member shall be entitled to dispute or question the validity or effect of any such order if application is made to any Court outside Hong Kong to enforce the same.

Jurisdiction

Names, Addresses and Descriptions of Subscribers

LI SHU FAN,
Tai Ping Building,
Medical Practitioner.

LI SHU PUI,
Tai Ping Building,
Medical Practitioner.

Dated the 3rd day of March, 1933.

WITNESS to the above Signatures :—

H. K. HUNG,
Solicitor,
HONG KONG.

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SCHEDULE "A"

WITHIN REFERRED TO

INSTRUMENT OF TRANSFER

HONG KONG SANATORIUM, LIMITED.

I (We),.....
of..... in consideration of
the sum of..... Dollars
paid to me by..... of.....
(hereinafter called "the said Transferee.") do hereby transfer
to the said Transferee.....
.....share or shares numbered.....
in the undertaking called "HONG KONG SANATORIUM, LIMITED,"
to hold unto the said Transferee,.....
.....
his Executors, Administrators or Assigns, subject to the several
conditions upon which I (we) hold the same at the time of
execution hereof and I (we), the said
.....
do hereby agree to take the said Share (or Shares) subject to the
Conditions aforesaid.

WITNESS our hands the.....day of.....

WITNESS to the Signature of }
.....

WITNESS to the Signature of }
.....

SCHEDULE "B"
WITHIN REFERRED TO

FORM OF PROXY

HONG KONG SANATORIUM, LIMITED.

I, of
being a member of and in "HONG KONG SANATORIUM, LIMITED,"
and entitled to vote...
hereby appoint
of (or failing him)
of as my proxy to vote for me and on my
behalf at the Ordinary or Extraordinary, (as the case may be)
General Meeting of the Company, to be held on the day
of , and at any adjournment thereof.

As WITNESS my hand this day of 19.....

Signed by the said

.....

in the presence of

.....