

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Pacific Textiles Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**PACIFIC TEXTILES HOLDINGS LIMITED**

**互太紡織控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01382)**

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

A notice convening the Annual General Meeting of the Company to be held at Unit B1, 7th Floor, Block B, Eastern Sea Industrial Building, 48-56 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong on Thursday, 11 August 2022 at 10:00 a.m. (the "Meeting") is set out on pages 83 to 87 of this circular. Proxy form for use in connection with the Annual General Meeting of the Company is enclosed herewith.

Whether or not you are able to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return it to the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting if you so wish.

### PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please see pages ii to iii of this document for measures being taken at the Meeting to try to prevent and control the spread of the COVID-19 at the Meeting, which all persons attending the Meeting are required to comply, including but not limited to:

1. limit the number of 2022 AGM attendees
2. compulsory body temperature checks
3. mandatory wearing of a surgical face mask throughout the 2022 AGM
4. mandatory scanning the "LeaveHomeSafe" venue QR code
5. producing valid Vaccine Pass
6. appropriate distancing and spacing between seats
7. no distribution of corporate gift or refreshments

Attendees who (i) do not comply with the precautionary measures referred to in (1) to (6) above; (ii) is having a body temperature of over 37.4 degree Celsius; (iii) is subject to any Hong Kong Government prescribed quarantine or has close contact with any person under quarantine; (iv) is subject to the Hong Kong Government's prescribed testing requirement or direction and has not tested negative; or (v) has any flu-like symptoms or any symptoms of COVID-19 or feels unwell may be denied entry into the meeting venue, at the absolute discretion of the Company as permitted by law.

For the health and safety of our shareholders, **the Company encourages shareholders, instead of attending the 2022 AGM in person, to appoint the Chairman of the 2022 AGM as their proxy to vote on the relevant resolutions at the 2022 AGM**, by completing and returning the form of proxy in accordance with the instructions printed thereon. The Company seeks the understanding and cooperation of all shareholders to minimize the risk of spreading COVID-19.

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## **PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

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The health of our shareholders, staff and stakeholders is of paramount importance to us. In view of the ongoing 2019 novel coronavirus disease (“COVID-19”), the Company will implement the following precautionary measures at the Annual General Meeting to protect attending shareholders, staff and stakeholders from the risk of infection:

### **LIMITING ATTENDANCE IN PERSON AT THE AGM VENUE**

The Company will limit attendance in person at the 2022 AGM venue in accordance with prevailing requirements or guidelines published by the Hong Kong Government and/or regulatory authorities at the time of the 2022 AGM. The Company will continue to closely monitor the development of the pandemic situation in Hong Kong and the latest announcement published by the Hong Kong Government in respect of the latest social distancing measures and further update on the 2022 AGM arrangements.

### **HEALTH AND SAFETY MEASURES FOR ATTENDANCE**

- i. Compulsory body temperature checks will be conducted for every attendee at the entrance of the 2022 AGM venue. Any person with a body temperature of over 37.4 degree Celsius may be denied entry into the 2022 AGM venue and be required to leave the 2022 AGM venue;
- ii. each attendee must scan the “LeaveHomeSafe” venue QR code prior to entry into the 2022 AGM venue;
- iii. each attendee must fulfill the prevailing Vaccine Pass requirements (by presenting valid vaccination/medical exemption/recovery record, as applicable) prior to entry into the 2022 AGM venue;
- iv. each attendee must wear a surgical face mask at any time within the 2022 AGM venue;
- v. seating at the 2022 AGM venue will be arranged so as to allow for appropriate social distancing;
- vi. No refreshments will be served, and no corporate gifts will be distributed; and
- vii. any other additional precautionary measures in accordance with the prevailing requirements or guidelines of the Hong Kong Government and/or regulatory authorities, or as considered appropriate in light of the development of the COVID-19 pandemic.

For the safety of the attendees at the AGM, the Company reserves the right to deny entry into or require any person to leave the 2022 AGM venue if such person:

- a. refuses to comply with any of the above precautionary measures;
- b. is having a body temperature of over 37.4 degree Celsius;

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## PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

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- c. is subject to any Hong Kong Government prescribed quarantine or has close contact with any person under quarantine;
- d. is subject to the Hong Kong Government's prescribed testing requirement or direction and has not tested negative; or
- e. has any flu-like symptoms or any symptoms of COVID-19 or feels unwell.

The meeting arrangement will be made pursuant to the requirements or guidelines of the Hong Kong Government and/or regulatory authorities. Shareholders are advised to check the latest updates announced by the Hong Kong Government and/or regulatory authorities from time to time.

In addition, the Company reminds all shareholders that physical attendance in person at the meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the meeting instead of attending the meeting in person, by completing and return the proxy form attached to this document.

If any shareholder chooses not to attend the meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to our registered office or to our email at [ir@pacific-textiles.com](mailto:ir@pacific-textiles.com).

If any shareholder has any question relating to the meeting, please contact Computershare Hong Kong Investor Services Limited, the Company's branch share registrar as follows:

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre  
183 Queen's Road East, Wan Chai, Hong Kong  
Website: [www.computershare.com/hk/contact](http://www.computershare.com/hk/contact)  
Tel: 2862 8555  
Fax: 2865 0990

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## DEFINITIONS

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

“2022 AGM”	the annual general meeting of the Company to be held at 10:00 a.m. on Thursday, 11 August 2022 at Unit B1, 7th Floor, Block B, Eastern Sea Industrial Building, 48-56 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong
“AGM Notice”	the notice convening the 2022 AGM as set out on pages 83 to 87 of this circular
“Articles” or “Articles of Association”	the Articles of Association of the Company, as amended from time to time
“Board”	the board of Directors of the Company
“CG Code”	Corporate Governance Code as set out in Appendix 14 of the Listing Rules
“Company”	Pacific Textiles Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the director(s) of the Company
“Existing Memorandum and Articles of Association”	the existing Memorandum of Association and Articles of Association of the Company adopted by special resolution passed on 26 January 2007 and ordinary resolution passed on 27 April 2007
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“INED(s)”	the independent non-executive Director(s) of the Company
“Latest Practicable Date”	5 July 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“Memorandum of Association”	the Memorandum of Association of the Company, as amended from time to time
“New Memorandum and Articles of Association”	the amended and restated Memorandum of Association and Articles of Association of the Company set out in Appendix III to this circular (with proposed changes marked up against the consolidated version of the Existing Memorandum and Articles of Association posted on the website of the Stock Exchange) proposed to be adopted by the Shareholders with effect from the passing of the relevant special resolution at the 2022 AGM
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	share(s) with a nominal value of HK\$0.001 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to allot, issue and deal with additional Shares in the manner set out in the resolution numbered 5 of the AGM Notice
“Share Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares in the manner set out in the resolution numbered 6 of the AGM Notice
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial Shareholders”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent

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LETTER FROM THE BOARD

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PACIFIC TEXTILES HOLDINGS LIMITED

互太紡織控股有限公司\*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01382)

*Executive Directors:*

Mr. Masaru OKUTOMI

(Chairman and Chief Executive Officer)

Mr. WAN Wai Loi (Vice Chairman)

Mr. TOU Kit Vai (Chief Financial Officer)

Mr. Kyuichi FUKUMOTO

*Registered office:*

P. O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

*Non-executive Director:*

Mr. LAU Yiu Tong

*Head office and principal place of  
business in Hong Kong:*

Unit B1, 7th Floor, Block B

Eastern Sea Industrial Building

48-56 Tai Lin Pai Road

Kwai Chung

New Territories

Hong Kong

*Independent Non-executive Directors:*

Dr. CHAN Yue Kwong, Michael

Mr. NG Ching Wah

Mr. SZE Kwok Wing, Nigel

12 July 2022

*Dear Shareholders,*

**PROPOSALS FOR GENERAL MANDATES  
TO ISSUE SHARES AND TO REPURCHASE SHARES  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
ADOPTION OF THE NEW MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

**1. INTRODUCTION**

The purpose of this circular is to provide you information regarding the resolutions to be proposed at the 2022 AGM of the Company in relation to the Share Issue Mandate, the Share Repurchase Mandate, the re-election of the retiring Directors, the adoption of the New Memorandum and Articles of Association, and to give you the AGM Notice.

\* For identification purpose only

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## LETTER FROM THE BOARD

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### 2. SHARE ISSUE MANDATE

At the last annual general meeting of the Company held on 12 August 2021, a general mandate was granted to the Directors to allot, issue and deal with Shares in accordance with the Listing Rules. Such general mandate will lapse at the conclusion of the 2022 AGM.

An ordinary resolution no. 5 set out in the AGM Notice will be proposed at the 2022 AGM to grant Share Issue Mandate to the Directors so as to give the Directors the flexibility to issue Shares when it is in the interest of the Company. As at the Latest Practicable Date, the issued share capital of the Company comprised 1,411,208,000 fully paid-up Shares. If there is no allotment or repurchase of the Shares prior to the date of the 2022 AGM, the Company shall be authorized under the Share Issue Mandate to allot, issue and deal with a maximum of 141,120,800 Shares, being 10% of the Shares in issue as at the date of the 2022 AGM.

In addition, an ordinary resolution no. 7 as set out in the AGM Notice will be proposed at the 2022 AGM to grant to the Directors to extend the Share Issue Mandate by adding any Shares repurchased under the Share Repurchase Mandate to the total number of Shares which may be allotted and issued under the Share Issue Mandate.

### 3. SHARE REPURCHASE MANDATE

At the last annual general meeting of the Company held on 12 August 2021, a general mandate was given to the Directors to repurchase Shares in accordance with the Listing Rules. Such general mandate will lapse at the conclusion of the 2022 AGM.

An ordinary resolution no. 6 as set out in the AGM Notice will be proposed at the 2022 AGM to grant Share Repurchase Mandate to the Directors. If there is no allotment or repurchase of the Shares prior to the date of the 2022 AGM, the Company shall be authorized under the Share Repurchase Mandate to repurchase a maximum of 141,120,800 Shares, being 10% of the Shares in issue as at the date of the 2022 AGM.

An explanatory statement, as required by the Listing Rules, to provide Shareholders with all the information reasonably necessary for them to make an informed decision on the proposed resolution in relation to the Share Repurchase Mandate is set out in the Appendix I to this circular.

### 4. RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board comprises Mr. Masaru Okutomi, Mr. Wan Wai Loi, Mr. Tou Kit Vai and Mr. Kyuichi Fukumoto who are executive Directors; Mr. Lau Yiu Tong who is non-executive Director; Dr. Chan Yue Kwong, Michael, Mr. Ng Ching Wah and Mr. Sze Kwok Wing, Nigel who are independent non-executive Directors.

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## LETTER FROM THE BOARD

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### Retirement by rotation

Pursuant to article 130 of the Articles, at every annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement at least once every three years. Accordingly, Mr. Masaru Okutomi (executive Director), Dr. Chan Yue Kwong, Michael (independent non-executive Director) and Mr. Ng Ching Wah (independent non-executive Director) will retire from the Board at the 2022 AGM and, being eligible, will offer themselves for re-election as Directors. Pursuant to article 114 of the Articles, Mr. Kyuichi Fukumoto, appointed as executive Director effective from 1 February 2022, will hold office until the next following general meeting of the Company and being eligible, will offer himself for re-election as Director.

### Retirement of INEDs

The Company has 3 INEDs. Dr. Chan Yue Kwong, Michael, Mr. Ng Ching Wah and Mr. Sze Kwok Wing, Nigel were appointed as independent non-executive Directors with effect from 1 May 2007, and as at the Latest Practicable Date, have served more than 15 years. The details of the independent non-executive Directors are set out as follows:

<b>Independent Non-Executive Directors</b>	<b>Appointed with effect from</b>	<b>Length of tenure as at the Latest Practicable Date</b>
Dr. Chan Yue Kwong, Michael	1 May 2007	15 years
Mr. Ng Ching Wah	1 May 2007	15 years
Mr. Sze Kwok Wing, Nigel	1 May 2007	15 years

Based on the independence criteria as set out in Rule 3.13 of the Listing Rules, the nomination committee of the Company had assessed and reviewed the annual written confirmation of independence of each of the independent non-executive Directors for the year ended 31 March 2022 and came to a conclusion that all independent non-executive Directors remain independent.

Dr. Chan Yue Kwong, Michael (“**Dr. Chan**”) and Mr. Ng Ching Wah (“**Mr. Ng**”), who will retire at the Annual General Meeting and, being eligible, offer themselves for re-election for the purpose of complying with Code Provision A.4.3 of the CG Code.

Dr. Chan and Mr. Ng were appointed as INEDs in 2007. Since they were appointed, both of Dr. Chan and Mr. Ng have been able to fulfill all the requirements regarding independence of INEDs and have provided annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. To the best knowledge of the Directors, as at the Latest Practicable Date, the Company is not aware of any matters or events that may occur and affect the independence of Dr. Chan and Mr. Ng.

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## LETTER FROM THE BOARD

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The Board is of the opinion that Dr. Chan and Mr. Ng have performed their duty as INED to the satisfaction of the Board and remain independent notwithstanding the length of their service and believes that their valuable professional knowledge and general business acumen will continue to generate significant contribution to the Board, the Company and the Shareholders as a whole.

Pursuant to Code Provision A.4.3 of the CG Code, a separate ordinary resolution will be proposed at the Annual General Meeting to approve the re-election of each of Dr. Chan and Mr. Ng as INEDs.

Biographical details of the retiring Directors who proposed to be re-elected at 2022 AGM are set out in the Appendix II to this circular.

### **5. PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Board proposed to seek the approval from the Shareholders at the 2022 AGM to amend the Existing Memorandum and Articles of Association for the purposes of, among others, (i) to allow general meetings to be held as an electronic meeting (also referred to as a virtual general meeting) or a hybrid meeting; (ii) to bring the Memorandum of Association and Articles of Association in line with the relevant requirements of the applicable laws of the Cayman Islands and the Listing Rules; and (iii) to make other consequential amendments and some housekeeping improvements. The Existing Memorandum and Articles of Association will then be replaced by the New Memorandum and Articles of Association with effect from the date of the passing of the relevant special resolution at the 2022 AGM.

Details of the proposed amendments and the full text of the New Memorandum and Articles of Association (mark-up against the Existing Memorandum and Articles of Association) are set out in Appendix III to this circular. The Shareholders are advised that the New Memorandum and Articles of Association are available only in English and the Chinese translation of the New Memorandum and Articles of Association contained in Appendix III to this circular is for reference only. In case of any inconsistency, the English version shall prevail.

A special resolution will be proposed at the 2022 AGM to approve the adoption of the New Memorandum and Articles of Association.

The legal advisers to the Company as to Hong Kong laws and the Cayman Islands laws have respectively confirmed that the proposed amendments to the Existing Memorandum and Articles of Association conform with the applicable requirements under the Listing Rules and do not violate the laws of the Cayman Islands. The Company confirms that there is nothing unusual about the proposed amendments to the Memorandum of Association and Articles of Association for a Cayman Islands company listed on the Stock Exchange.

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## LETTER FROM THE BOARD

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### 6. 2022 AGM

An AGM Notice convening the 2022 AGM is set out on pages 83 to 87 of this circular to consider, if thought fit, to pass the resolutions in relation to, inter alia, the Share Issue Mandate, the Share Repurchase Mandate, the extension of the Share Issue Mandate, the re-election of the retiring Directors and the proposed adoption of the New Memorandum and Articles of Association.

### 7. VOTING BY POLL

Pursuant to the article 90 of the Articles, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded or otherwise required under the Listing Rules. A poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least five members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and entitled to vote; or
- (c) any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (d) any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Pursuant to the Rule 13.39(4) of the Listing Rules, any vote of Shareholders at general meeting of the Company must be taken by way of poll. The Chairman of the meeting will therefore demand a poll for every resolution put to the vote of the 2022 AGM in accordance with article 90 of the Articles. The results of the poll will be published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.pacific-textiles.com](http://www.pacific-textiles.com)).

### 8. ACTIONS TO BE TAKEN

Proxy form for use at the 2022 AGM is enclosed with this circular. Whether or not you intend to be present at the 2022 AGM, you are requested to complete the proxy form and return it to the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the 2022 AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the 2022 AGM if you so wish.

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## LETTER FROM THE BOARD

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### 9. RECOMMENDATION

The Board considers that the Share Issue Mandate, the Share Repurchase Mandate, the extension of the Share Issue Mandate, the re-election of the retiring Directors and the proposed adoption of the New Memorandum and Articles of Association are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the 2022 AGM.

Yours faithfully

By order of the Board

**Pacific Textiles Holdings Limited**

**Masaru Okutomi**

*Chairman & CEO*

The following serves as an explanatory statement in compliance with the Listing Rules to give all the information reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution numbered 6 of the AGM Notice in relation to the Share Repurchase Mandate.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company was HK\$1,411,208 comprising 1,411,208,000 Shares.

Subject to the passing of the relevant ordinary resolution to approve the Share Repurchase Mandate (as set out in resolution numbered 6 of the AGM Notice) and on the basis that no further Shares are issued or repurchased, the Company would be authorized under the Share Repurchase Mandate to repurchase a maximum of 141,120,800 Shares during the period ending on the earliest of the date of the next annual general meeting following the 2022 AGM, the date by which the next annual general meeting following the 2022 AGM of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

### **2. REASONS FOR REPURCHASES**

The Board wishes to state that it has no immediate plans to repurchase any Shares but consider that the Share Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per share of the Company and/or liquidity of the Shares.

There might be material adverse impact on the working capital or gearing position of the Company as compared with the financial position of the Company as at 31 March 2022 (being the date to which the latest audited financial statements of the Company were made up) in the event that the Share Repurchase Mandate is carried out in full during the proposed repurchase period. However, the Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

### **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and all applicable laws of the Cayman Islands and the Listing Rules. Subject to the foregoing, any repurchases by the Company may be made out of its funds which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase.

**4. MARKET PRICES**

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

	<b>Highest Per Share</b>	<b>Lowest Per Share</b>
	<i>HK\$</i>	<i>HK\$</i>
July 2021	4.75	4.08
August 2021	4.56	4.03
September 2021	4.22	3.88
October 2021	4.10	3.81
November 2021	4.35	3.84
December 2021	4.16	3.52
January 2022	4.12	3.65
February 2022	4.09	3.72
March 2022	3.84	3.19
April 2022	3.74	3.35
May 2022	3.71	3.41
June 2022	3.66	3.14
the Latest Practicable Date	3.14	3.03

**5. DIRECTORS, ASSOCIATES AND CONNECTED PERSON**

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their respective associates, has any present intention to sell any Shares to the Company or its subsidiaries under the Share Repurchase Mandate in the event that such mandate is approved by Shareholders.

No connected person, as defined in the Listing Rules, has notified the Company that he/she has a present intention to sell any Shares to the Company, nor has he/she undertaken not to do so in the event that the Share Repurchase Mandate is approved by Shareholders.

**6. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the Listing Rules, all applicable laws of the Cayman Islands and in accordance with the Memorandum and Articles of Association of the Company.

**7. EFFECT OF TAKEOVERS CODE**

If on the exercise of the power to repurchase Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, Toray Industries, Inc. is beneficially interested in 405,394,000 Shares representing approximately 28.73% of the issued share capital of the Company.

In the event that the Directors exercise in full the power to repurchase Shares under the Share Repurchase Mandate, then (if the shareholdings otherwise remain the same) the interest of Toray Industries, Inc. in the Company would be increased from approximately 28.73% to approximately 31.92% of the total issued share capital of the Company. In the opinion of the Directors, such increase would give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors have no present intention to exercise the Share Repurchase Mandate to an extent which may result in any possible mandatory offer being made under the Takeovers Code.

**8. SHARES REPURCHASES MADE BY THE COMPANY**

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

The biographical details of four retiring Directors who are proposed to be re-elected at the 2022 AGM are set out below:

**Mr. Masaru Okutomi (“Mr. Okutomi”)**

Executive Director, aged 64.

Mr. Okutomi joined the Group on 1 July 2019 as executive Director and the Vice Chairman of the Board. With effect from 1 October 2021, Mr. Okutomi was re-designated from the vice Chairman of the Board to the Chairman of the Board and the Chief Executive Officer of the Group, and continue to serve as an executive Director, a member of the Remuneration Committee and a member of the Nomination Committee. Moreover, he is a director of various subsidiaries of the Group and a non-executive director of Teejay Lanka Plc., an associated company of the Group, whose shares are listed on the Colombo Stock Exchange in Sri Lanka. Mr. Okutomi is responsible to lead the management team and oversee the overall production and operation of the Group, providing corporate directions and formulating business strategies of the Group. Mr. Okutomi holds a bachelor’s degree in law from Hitotsubashi University in 1981 and after his graduation, he joined the merchandise sales department (textiles) of Toray. Toray is a company listed on the Tokyo Stock Exchange and is a substantial shareholder of the Company. He also held various senior positions including the managing director of Toray Industries (South China) Co., Ltd. and Toray Industries (H.K.) Ltd. from May 2016 to 30 June 2019, and the deputy managing director of Toray Industries (China) Co., Ltd. from May 2016 to 30 June 2019, and has been given the title as senior director in Toray. Mr. Okutomi has extensive experience in management of textiles business.

Save as disclosed above, Mr. Okutomi had not held directorship in any other public listed companies in the last three years.

Save as disclosed above, Mr. Okutomi does not have relationship with other Directors, senior management or substantial shareholders of the Company.

As at the Latest Practicable Date, Mr. Okutomi does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Okutomi has been appointed for an initial term of two years on the terms and conditions of his appointment with effect from 1 July 2019. The term of the appointment has been extended thereafter and his existing term is two years up to 30 June 2023. His appointment is subject to retirement by rotation and re-election at the annual general meeting in accordance with the provisions of the Articles.

For the year ended 31 March 2022, the total amount of emoluments payable to Mr. Okutomi was approximately HK\$4,432,000. The amount of emoluments (includes directors fees, salaries and discretionary bonus) payable to Mr. Okutomi is determined having regard to his duties and responsibilities, the Company’s performance, prevailing market conditions and by reference to the emoluments for directors of other listed companies.

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

**Dr. Chan Yue Kwong, Michael (“Dr. Chan”)**

Independent Non-executive Director, aged 70.

Dr. Chan has been appointed as an Independent Non-executive Director of the Company since 2007. Dr. Chan has been the Chairman of the Remuneration Committee, a member of the Audit Committee and a member of the Nomination Committee since 2007. He was the former chairman and is currently the non-executive director of Cafe de Coral Holdings Limited, a Hong Kong listed company which he joined in 1984, and has considerable experience in planning and management. Dr. Chan has also been an independent non-executive director of Starlite Holdings Limited since 1993, Tse Sui Luen Jewellery (International) Limited since 2010, Modern Dental Group Limited since 2015 and Human Health Holdings Limited since 2016, and a non-executive director of Tao Heung Holdings Limited since 2007, the abovementioned companies are listed on the Main Board of the Stock Exchange. Dr. Chan holds a Bachelor of Arts, a Master degree in City Planning from the University of Manitoba, Canada, an Honorary Doctorate Degree in Business Administration and is also bestowed as Honorary Fellow from Lingnan University. He is currently the adviser of the Quality Tourism Services Association, the Honorary Chairman of the Hong Kong Institute of Marketing. Dr. Chan was the former chairman of Business Enterprise Management Centre of The Hong Kong Management Association and was also a member of the advisory committee of the department of management and marketing of the Hong Kong Polytechnic University.

Save as disclosed above, Dr. Chan had not held directorship in any other public listed companies in the last three years.

Save as disclosed above, Dr. Chan does not have relationship with other Directors, senior management or substantial Shareholders of the Company.

As at the Latest Practicable Date, Dr. Chan does not have any interest in the Shares within the meaning of Part XV of the SFO.

Dr. Chan has been appointed for an initial term of two years on the terms and conditions of his appointment with effect from 1 May 2007. The term of the appointment has been extended thereafter and his existing term is two years up to 30 April 2023. His appointment is subject to retirement by rotation and re-election at the annual general meeting in accordance with the provisions of the Articles.

For the year ended 31 March 2022, the total amount of emoluments payable to Dr. Chan was HK\$262,500. The amount of emoluments payable to Dr. Chan is determined having regard to his duties and responsibilities, the Company’s performance, prevailing market conditions and by reference to the emoluments for directors of other listed companies.

As at the Latest Practicable Date, Dr. Chan held seven listed company directorships. Dr. Chan attended all the meetings of the Board and the Board committees held in the current financial year. Details of the attendance records are set out in the Corporate Governance Report. Based on the satisfactory attendance record of Dr. Chan and his valuable contribution at the Board and Board committees meetings in the past years, the members of the Nomination Committee were of the view that Dr. Chan would be able to continue devoting sufficient time to discharge his duties as an INED. Dr. Chan is fully aware of the responsibilities and expected time involvements in the Company and has also confirmed that he will continue to devote sufficient time for the discharge of his functions and responsibilities as an INED of the Company. The Nomination Committee has taken into account the skill mix of the Board, the diverse qualifications, experience and educational background of Dr. Chan, and his extensive business experience, knowledge and profession brought to the Board. The Board, through the recommendation by the Nomination Committee, believed that Dr. Chan would be able to devote sufficient time to the Board.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to Rules 13.51(2) of the Listing Rules in connection with the re-election of Dr. Chan.

#### **Mr. Ng Ching Wah (“Mr. Ng”)**

Independent Non-executive Director, aged 73.

Mr. Ng has been appointed as an Independent Non-executive Director of the Company since 2007. Mr. Ng has been the Chairman of Nomination Committee, a member of the Audit Committee and a member of the Remuneration Committee since 2007. Mr. Ng has over 35 years of senior management experience in the telecommunications industry. Mr. Ng was a director and a member of the executive committee for Advanced Info Service Public Company Limited, a Thailand listed company. He was an independent director of China Digital TV Holding Co. Ltd., a New York Stock Exchange listed company and a non-executive director of HKC International Holdings Limited, a Hong Kong listed company. He was the chief executive officer of Hong Kong CSL Limited. He was the chief executive officer of SmarTone Telecommunications Holdings Limited, a Hong Kong listed company and the President of PCCW Mobility Services Limited. Mr. Ng was the Honorary Advisor of the Communications Association of Hong Kong. Mr. Ng was a member of the Digital 21 Strategy Advisory Committee (D21SAC) and an appointed member of Communications Authority, an independent statutory body established under the Communications Authority Ordinance in April 2012. Mr. Ng graduated from the Chinese University of Hong Kong in 1975, with a Bachelor of Business and Administration.

Save as disclosed above, Mr. Ng had not held directorship in any other public listed companies in the last three years.

Save as disclosed above, Mr. Ng does not have relationship with other Directors, senior management or substantial Shareholders of the Company.

As at the Latest Practicable Date, Mr. Ng does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Ng has been appointed for an initial term of two years on the terms and conditions of his appointment with effect from 1 May 2007. The term of the appointment has been extended thereafter and his existing term is two years up to 30 April 2023. His appointment is subject to retirement by rotation and re-election at the annual general meeting in accordance with the provisions of the Articles.

For the year ended 31 March 2022, the total amount of emoluments payable to Mr. Ng was HK\$262,500. The amount of emoluments payable to Mr. Ng is determined having regard to his duties and responsibilities, the Company's performance, prevailing market conditions and by reference to the emoluments for directors of other listed companies.

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

**Mr. Kyuichi Fukumoto (“Mr. Fukumoto”)**

Executive Director, aged 51.

Mr. Fukumoto joined the Group in 1 February 2022 as an executive Director. Moreover, he is a director of various subsidiaries of the Group. Mr. Fukumoto is responsible for the Group's budgetary control and setting up of key performance indicators for fulfilling corporate goal and targets. Mr. Fukumoto is leading the project of setting up a new factory in Vietnam. Mr. Fukumoto graduated from the faculty of law in Tokyo University in 1995 and joined Toray Industries, Inc. since 1995. Toray is a company listed on the Tokyo Stock Exchange and is a substantial shareholder of the Company. Mr. Fukumoto started his career at the general administration section of Chiba Plant of Toray after graduation. During his career with Toray, he held various positions in the Finance Department and the Finance and Controller's Division during June 2007 to January 2012. He was the chief administrative officer of Toray Plastics (America), Inc. from June 2014 to April 2017. Mr. Fukumoto also held various senior positions including, general manager of the administration department of Toray Industries (China) Co., Ltd. (“**Toray China**”) from July 2011 to December 2011 and a director of Toray China from January 2012 to May 2014. Prior to joining the Group, he was a senior staff of the Fibers & Textiles Strategic Business Planning Department of Toray from May 2017 to March 2019 and was an Assistant General Manager of the said Department since April 2019 to end of 2021.

Save as disclosed above, Mr. Fukumoto had not held directorship in any other public listed companies in the last three years.

Save as disclosed above, Mr. Fukumoto does not have relationship with other Directors, senior management or substantial shareholders of the Company.

As at the Latest Practicable Date, Mr. Fukumoto does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Fukumoto has been appointed for an initial term of two years on the terms and conditions of his appointment with effect from 1 February 2022. The term of the appointment could be extended thereafter and his existing term is two years up to 31 January 2024. His appointment is subject to retirement by rotation and re-election at the annual general meeting in accordance with the provisions of the Articles.

In accordance with his appointment letter, Mr. Fukumoto is entitled to directors fee and salaries amounted to approximately HK\$3,200,000 per annum and discretionary bonus, which are determined having regard to his duties and responsibilities, the Company's performance, prevailing market conditions and by reference to the emoluments for directors of other listed companies.

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

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**APPENDIX III    PROPOSED ADOPTION OF THE NEW MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

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THE COMPANIES ACT (AS REVISED) LAW (2004 REVISION)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED  
MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

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PACIFIC TEXTILES HOLDINGS LIMITED

---

(adopted by special resolution passed on ~~26 January 2007~~ and ordinary  
resolution passed on ~~27 April 2007~~ [•] 2022)

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**APPENDIX III    PROPOSED ADOPTION OF THE NEW MEMORANDUM  
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THE COMPANIES ACT (AS REVISED) LAW (2004 REVISION)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED  
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**APPENDIX III    PROPOSED ADOPTION OF THE NEW MEMORANDUM  
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CAYMAN ISLANDS

The Companies Act (As Revised)~~Law (2004 Revision~~ (Cap. 22)

Company Limited by Shares

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AMENDED AND RESTATED

MEMORANDUM OF ASSOCIATION

OF

PACIFIC TEXTILES HOLDINGS LIMITED

(adopted by special resolution passed on ~~26 January 2007~~ and ordinary resolution passed on ~~27 April 2007~~[•] 2022)

- 1 The name of the Company is Pacific Textiles Holdings Limited.
- 2 The Registered Office of the Company shall be at the offices of ~~M&C~~Maples Corporate Services Limited, PO Box 309~~GT~~, Uglan House, ~~South Church Street, George Town, Grand Cayman, KY1-1104~~, Cayman Islands or at such other place in the Cayman Islands as the Board may from time to time decide.
- 3 The objects for which the Company is established are unrestricted and shall include, but without limitation, the following:
  - 3.1 To carry on business as an investment company and as an investment holding company and to acquire and hold shares, stocks, debenture stock, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any company, corporation or undertaking of whatever nature and wherever constituted or carrying on business, and shares, stock, debenture stock, bonds, obligations and other securities issued or guaranteed by any government, sovereign ruler, commissioners, trust, local authority or other public body, and to vary, transpose, dispose of or otherwise deal with from time to time as may be considered expedient any of the Company's investments for the time being.
  - 3.2 To subscribe for, conditionally or unconditionally, to underwrite, issue on commission or otherwise, take, hold, deal in and convert stocks, shares and securities of all kinds and to enter into partnership or into any arrangement for sharing profits, reciprocal concessions or cooperation with any person or company and to promote and aid in promoting, to constitute, form or organise any company, joint venture, syndicate or partnership of any kind, for the purpose of acquiring and undertaking any property and liabilities of the Company or of advancing, directly or indirectly, the objects of the Company or for any other purpose which the Company may think expedient.

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**APPENDIX III      PROPOSED ADOPTION OF THE NEW MEMORANDUM  
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- 3.3 To exercise and enforce all rights and powers conferred by or incidental to the ownership of any shares, stock, obligations or other securities including without prejudice to the generality of the foregoing all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special proportion of the issued or nominal amount thereof, to provide managerial and other executive, supervisory and consultant services for or in relation to any company in which the Company is interested upon such terms as may be thought fit.
- 3.4 To stand surety for or to guarantee, indemnify, support or secure the performance of all or any of the obligations of any person, firm or company whether or not related or affiliated to the Company in any manner and whether by personal covenant or by mortgage, charge or lien upon the whole or any part of the undertaking, property and assets of the Company, both present and future, including its uncalled capital or by any such method and whether or not the Company shall receive valuable consideration therefor.
- ~~3.5.1~~ To carry on the business of promoters and entrepreneurs and to carry on business as  
3.4.1 financiers, capitalists, concessionaires, merchants, brokers, traders, dealers, agents, importers and exporters and to undertake and carry on and execute all kinds of investment, financial, commercial, mercantile, trading and other operations.
- ~~3.5.2~~ To carry on whether as principals, agents or otherwise howsoever the business of  
3.4.2 realtors, developers, consultants, estate agents or managers, builders, contractors, engineers, manufacturers, dealers in or vendors of all types of property including the provision of any services.
- ~~3.6~~ To purchase or otherwise acquire, to sell, exchange, surrender, lease, mortgage, charge,  
3.5 convert, turn to account, dispose of and deal with real and personal property and rights of all kinds and, in particular, mortgages, debentures, produce, concessions, options, contracts, patents, annuities, licences, stocks, shares, bonds, policies, book debts, business concerns, undertakings, claims, privileges and choses in action of all kinds.
- ~~3.7~~ To engage in or carry on any other lawful trade, business or enterprise which may at any  
3.6 time appear to the Directors capable of being conveniently carried on in conjunction with any of the aforementioned businesses or activities or which may appear to the Directors likely to be profitable to the Company.

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### APPENDIX III      PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

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In the interpretation of this Memorandum of Association in general and of this Clause 3 in particular no object, business or power specified or mentioned shall be limited or restricted by reference to or inference from any other object, business or power, or the name of the Company, or by the juxtaposition of two or more objects, businesses or powers and that, in the event of any ambiguity in this Clause or elsewhere in this Memorandum of Association, the same shall be resolved by such interpretation and construction as will widen and enlarge and not restrict the objects, businesses and powers of and exercisable by the Company.

- 4 Except as prohibited or limited by the Companies Act (As Revised) ~~Law (2004 Revision)~~, the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Act (As Revised) ~~Law (2004 Revision)~~ and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate, irrespective of any question of corporate benefit, in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz: to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, debenture stock, loans, loan stock, loan notes, bonds, convertible bonds, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the Directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to members of the Company; to contract with persons for the provision of advice, the management and custody of the Company's assets, the listing of the Company's shares and its administration; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors and officers liability insurance; to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.

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**APPENDIX III      PROPOSED ADOPTION OF THE NEW MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

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- 5      The liability of each member is limited to the amount from time to time unpaid on such member's shares.
  
- 6      The share capital of the Company is HK\$5,000,000 divided into 5,000,000,000 shares of a nominal or par value of HK\$0.001 each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Act (As Revised) ~~Law (2004 Revision)~~ and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.
  
- 7      If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section ~~174~~193 of the Companies Act (As Revised) ~~Law (2004 Revision)~~ and, subject to the provisions of the Companies Act (As Revised) ~~Law (2004 Revision)~~ and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

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**APPENDIX III    PROPOSED ADOPTION OF THE NEW MEMORANDUM  
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THE COMPANIES ACT (AS REVISED) LAW (2004 REVISION)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED  
ARTICLES OF ASSOCIATION

OF

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PACIFIC TEXTILES HOLDINGS LIMITED

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(adopted by special resolution passed on ~~26 January 2007~~ and ordinary  
resolution passed on ~~27 April 2007~~)[•] 2022)

**APPENDIX III    PROPOSED ADOPTION OF THE NEW MEMORANDUM  
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AMENDED AND RESTATED

ARTICLES OF ASSOCIATION

OF

PACIFIC TEXTILES HOLDINGS LIMITED

(adopted by special resolution passed on 26 January 2007 and ordinary resolution passed  
on 27 April 2007[•] 2022)

**Table A**

- |   |   |                         |
|---|---|-------------------------|
| 1 | The regulations contained in Table A in the First Schedule to the Companies Act Law shall not apply to the Company. | Exclusion of<br>Table A |
|---|---|-------------------------|

**Interpretation**

- |   |   |                |
|---|---|----------------|
| 2 | The marginal notes to these Articles shall not affect the interpretation hereof. In these Articles, unless there be something in the subject or context inconsistent therewith: | Interpretation |
|---|---|----------------|

“~~these~~ Articles” shall mean the present Articles of Association and all supplementary, amended or substituted Articles for the time being in force;

“~~A~~associate” shall have meaning given to it in the Listing Rules; ~~mean, in relation to any Director:~~

- (i) ~~his spouse and any of his or spouse’s children or step-children, natural or adopted, under~~have the age of 18 (together, the “family interests”);
- (ii) ~~the trustees, acting in their capacity as such trustees, of any trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object and any company (a “trustee-controlled company”) in the equity capital of which the trustees, acting in their capacity as such trustees, are directly or indirectly interested so as to exercise 30 per cent. (or such other amount as may from time to time be specified in the HK Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary (together, the “trustee interests”);~~

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## APPENDIX III    PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

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(iii) ~~a holding company of a trustee-controlled company or a subsidiary of any such holding company;~~

(iv) ~~any company in the equity capital of which he, his family interests, any of the trustee referred to in paragraph (ii) above, acting in their capacity as such trustees, and/or any trustee interests taken together are directly or indirectly interested (other than through their respective interests in the capital of the Company) so as to exercise or control the exercise of 30 per cent. (or such other amount as may from time to time be specified in the HK Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board and any other company which is its subsidiary or holding company or a fellow subsidiary of any such holding company; and~~

~~any other persons who would be deemed to be an “Associate” of the Director under the Listing Rules~~

“Auditors” shall mean the persons appointed by the Company from time to time to perform the duties of auditors of the Company;

“black rainstorm warning” shall have the meaning given to it in the Interpretation and General Clauses Ordinance (Cap. 1 of the Laws of Hong Kong);

“Board” shall mean the majority of the Directors present and voting at a meeting of Directors at which a quorum is present;

“business day” shall mean a day on which the Exchange generally is open for the business of dealing in securities in Hong Kong. Notwithstanding the foregoing, where the Exchange is closed for business of dealing in securities in Hong Kong on a day by reason of a gale warning, black rainstorm warning or other similar event, such day shall for the purpose of any notice sent under these Articles be counted as a business day;

“capital” shall mean the share capital from time to time of the Company;

~~“the Chairman” shall mean the Chairman presiding at any meeting of members or of the Board;~~

“close associate” shall have the meaning given to it in the Listing Rules;

~~“the Companies Law Act” or “the Law Act” shall mean the Companies Act (As Revised) Law (2004 Revision, Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;~~

~~“the Companies Ordinance” shall mean the Companies Ordinance (Cap. 32622 of the Laws of Hong Kong) as in force from time to time;~~

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## APPENDIX III    PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

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“~~the Company~~” or “~~this Company~~” shall mean Pacific Textiles Holdings Limited;

“~~the Company’s Website~~” shall mean the website of the Company, the address or domain name of which has been notified to members;

“Director” shall mean any director ~~form~~from time to time of the Company;

“dividend” shall include bonus dividends and distributions permitted by the ~~Law~~Act to be categorised as dividends;

“dollars” and “HK\$” shall mean dollars legally current in Hong Kong;

“electronic” shall have the meaning given to it in the Electronic Transactions Act (As Revised)~~Law 2000~~ of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;

“electronic communication” shall mean a communication sent by electronic transmission in any form through any medium, in each case, as may be selected or approved by the Board;

“electronic facilities” shall mean video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing and/or any other video-communication, internet or online conferencing application or telecommunications facilities or any other electronic platform by means of which all persons participating in a meeting are capable of hearing and being heard by, or otherwise communicating (in such manner as may be determined by the Board) with, each other;

“electronic meeting” shall mean a general meeting of the members of the Company at which the members (or their proxies) may participate solely by electronic means;

“electronic platform” shall include, without limitation, website addresses, webinars, and conference call systems;

“Electronic Signature” shall mean an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;

“Exchange” shall mean The Stock Exchange of Hong Kong Limited;

“gale warning” shall have the meaning given to it in the Interpretation and General Clauses Ordinance (Cap. 1 of the Laws of Hong Kong);

“holding company” shall have the meaning attributed to such term in the Companies Ordinance;

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## APPENDIX III PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

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~~“HK Code on Takeovers and Mergers” shall mean the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong as amended from time to time;~~

~~“Hong Kong” shall mean the Hong Kong Special Administrative Region of the People’s Republic of China and its dependencies;~~

“hybrid meeting” shall mean a general meeting of the members of the Company at which the members (or their proxies) may attend and participate by (a) being physically present at the Principal Meeting Place and where applicable, one or more Meeting Locations (b) by electronic means;

“Listing Rules” shall mean the Rules Governing the Listing of Securities on the Exchange as amended from time to time;

“Meeting Location” shall have the meaning given to it in Article 89A;

“month” shall mean a calendar month;

“ordinary resolution” shall mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting held in accordance with these Articles and includes an ordinary resolution passed pursuant to Article 96;

“physical meeting” shall mean a general meeting of the members of the Company at which the members (or their proxies) may attend and participate by being physically present at the Principal Meeting Place and where applicable, one or more Meeting Locations;

“Principal Meeting Place” shall have the meaning given to it in Article 89A;

“principal register” shall mean the register of members of the Company maintained at such place within or outside the Cayman Islands as the Board shall determine from time to time;

~~“published in the newspapers” shall mean published as a paid advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper, being in each case a newspaper published daily and circulating generally in Hong Kong in accordance with the Listing Rules;~~

“published on the Exchange’s website” shall mean published in English and Chinese on the Exchange’s website in accordance with the Listing Rules;

“recognised clearing house” shall have the meaning ascribed thereto in Part I of Schedule 1 of the Securities and Futures Ordinance ~~of Hong Kong and any (Cap. 571 of the Laws of Hong Kong)~~ and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefore;

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“~~the register~~” shall mean the principal register and any branch registers;

“rights issue” shall mean an offer by way of rights to existing holders of securities of the Company which enables those holders to subscribe for securities in proportion to their existing holdings;

“seal” shall include the common seal of the Company, the securities seal or any duplicate seal adopted by the Company pursuant to Article 162;

“Secretary” shall mean the person appointed as company secretary by the Board from time to time;

“share” shall mean a share in the capital of the Company;

“shareholders” or “members” shall mean the persons who are duly registered as the holders from time to time of shares in the register including persons who are jointly so registered;

“special resolution” shall have the same meaning as ascribed thereto in the LawAct and shall include a unanimous written resolution of all members: for this purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of which notices specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution passed pursuant to Article 96;

App 13  
Part B r.1

“subsidiary” ~~and “holding company”~~ shall have the meanings attributed to such terms in the Companies Ordinance, but interpreting the term “subsidiary” in accordance with the definition of “subsidiary” under the Listing Rules;

“transfer office” shall mean the place where the principal register is situate for the time being;

subject as aforesaid, any words defined in the LawAct shall, if not inconsistent with the subject and/or context, bear the same meanings in these Articles;

“writing” or “printing” shall include writing, printing, lithograph, photograph, type-writing and every other mode of representing words or figures in a legible and non-transitory form and, only where used in connection with a notice served by the Company on members or other persons entitled to receive notices hereunder, shall also include a record maintained in an electronic medium which is accessible in visible form so as to be useable for subsequent reference;

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words importing either gender shall include the other gender and the neuter;

words importing persons and the neuter shall include companies and corporations and vice versa; ~~and~~

words denoting the singular shall include the plural and words denoting the plural shall include the singular;

Sections 8 and 19(3) of the Electronic Transactions Act (As Revised) of the Cayman Islands shall not apply to these Articles to the extent it imposes obligations or requirements in addition to those set out in these Articles;

references to persons attending meetings by *electronic means* means attendance at hybrid meetings or electronic meetings via the electronic facilities or electronic platform(s) stated in the notice of such general meeting; and

a reference to a meeting shall mean a meeting convened and held in any manner permitted by these Articles, and persons attending and participating by means of electronic facilities or electronic platforms shall be deemed to be present at that meeting for all purposes of the Act, the Listing Rules or these Articles, and attend, participate, attending, participating, attendance and participation shall be construed accordingly.

**Share Capital and Modification of Rights**

- 3    The authorised share capital of the Company at the date of the adoption of these Articles is HK\$5,000,000 divided into 5,000,000,000 shares of HK\$0.001 each.
- 4    Subject to the provisions of these Articles and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Board may determine. Subject to the ~~Law~~Act and to any special rights conferred on any shareholders or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof is, liable to be redeemed. No shares shall be issued to bearer.
- 5    Subject to the Listing Rules, the Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine. No warrants shall be issued to bearer for so long as a recognised clearing house (in its capacity as such) is a member of the Company. Where warrants are issued to bearer, no new warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed and the Company has received an indemnity in such form as the Board shall think fit with regard to the issue of any such new warrant.

Capital  
App-3  
r-9

Issue of  
shares  
App-3  
r-6(1)

Issue of  
warrants  
App-3  
r-2(2)

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- 6 If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the ~~Law~~Act, be varied or abrogated with the consent in writing of the holders of not less than three-fourths ~~of the voting rights in nominal value~~ of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class. To every such separate meeting all the provisions of these Articles relating to general meetings shall ~~mutates~~mutatis mutandis apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third ~~in nominal value~~ of the issued shares of that class, ~~and that any holder of shares of the class present in person (or in the case of a corporation, by its duly authorised representative) or by proxy may demand a poll.~~
- 7 The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
- 8 Subject to the ~~Law~~Act, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of shares, the Company shall have the power to purchase or otherwise acquire all or any of its own shares (which expression as used in this Article includes redeemable shares) provided that the manner of purchase has first been authorised by a resolution of the shareholders, and to purchase or otherwise acquire warrants for the subscription or purchase of its own shares, and shares and warrants for the subscription or purchase of any shares in any company which is its holding company and may make payment therefor in any manner authorised or not prohibited by law, including out of capital, or to give, directly or indirectly, by means of a loan, a guarantee, a gift, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any shares or warrants in the Company or any company which is a holding company of the Company and should the Company purchase or otherwise acquire its own shares or warrants neither the Company nor the Board shall be required to select the shares or warrants to be purchased or otherwise acquired rateably or in any other manner as between the holders of shares or warrants of the same class or as between them and the holders of shares or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such purchase or other acquisition or financial assistance shall only be made in accordance with any relevant code, rules or regulations issued by the Exchange or the Securities and Futures Commission of Hong Kong from time to time in force.
- 9 The Company in general meeting may, from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

How class rights may be modified

App  
3 r.15  
~~6(2)~~  
App 13  
part B  
r.2(1)

Company may purchase and finance the purchase of own shares and warrants

Power to increase capital

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|----|---|---|
| 10 | Subject to the provisions of the <u>LawAct</u> , the <u>Listing Rules</u> and the Memorandum of Association of the Company, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holders are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.  | Redemption  |
| 11 | Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price, and if purchases are by tender, tenders shall be available to all shareholders alike.  | App <sup>3</sup><br>r8-(1)&(2)  |
| 12 | The purchase or redemption of any share shall not be deemed to give rise to the purchase or redemption of any other share.  | Purchase or redemption not to give rise to other purchases or redemptions |
| 13 | The holder of the shares being purchased, surrendered or redeemed shall be bound to deliver up to the Company at its principal place of business in Hong Kong or such other place as the Board shall specify the certificate(s) thereof for cancellation and thereupon the Company shall pay to him the purchase or redemption monies in respect thereof.   | Certificates to be surrendered for cancellation                           |
| 14 | Subject to the provisions of the <u>LawAct</u> , of the Memorandum of Association of the Company, and of these Articles relating to new shares, the unissued shares in the Company (whether forming part of its original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration, and upon such terms, as the Board shall determine.   | Shares at the disposal of the Board                                       |
| 15 | The Company may, unless prohibited by law, at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that the conditions and requirements of the <u>LawAct</u> shall be observed and complied with, and in each case the commission shall not exceed 10 per cent. of the price at which the shares are issued.  | Company may pay commissions   |
| 16 | Except as otherwise expressly provided by these Articles or as required by law or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not <u>be</u> bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any shares or any interest in any fractional part of a share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder. | Company not to recognise trusts in respect of shares                      |

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### Register of Members and Share Certificates

- 17 The Board shall cause to be kept at such place within or outside the Cayman Islands as it deems fit a principal register of the members and there shall be entered therein the particulars of the members and the shares issued to each of them and other particulars required under the LawAct.
- 18 If the Board considers it necessary or appropriate, the Company may establish and maintain a branch register or registers of members at such location or locations within or outside the Cayman Islands as the Board thinks fit. The principal register and the branch register(s) shall together be treated as the register for the purposes of these Articles.
- 19 The Board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.
- 20 Notwithstanding anything contained in this Article, the Company shall as soon as practicable and on a regular basis record in the principal register all transfers of shares effected on any branch register and shall at all times maintain the principal register in such manner as to show at all times the members for the time being and the shares respectively held by them, in all respects in accordance with the Companies LawAct.
- 21 Except when a register is closed and, if applicable, subject to the additional provisions of Article ~~24~~23, the principal register and any branch register shall during business hours be kept open to the inspection of any member without charge.
- 22 The reference to business hours in Article 21 is subject to such reasonable restrictions as the Company in general meeting may impose, but so that not less than two hours in each business day is to be allowed for inspections.
- 23 The register may, on ~~14 days~~10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Exchange's website or published in the newspapers, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of these Articles with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed.

Share  
register  
App 3  
r.1(1)

App 13  
Part B  
r.3(2)  
App 3  
r.20

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23A In lieu of, or apart from, closing the register pursuant to other provisions in these Articles, the Board may fix in advance a date as the record date for any such determination of members entitled to receive notice of, or to vote at any general meeting of the members or any adjournment thereof, or for the purpose of determining the members entitled to receive payment of any dividend or distribution, or in order to make a determination of members for any other purpose.

24 Any register held in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Board may impose) be open to inspection by a member without charge and any other person on payment of a such fee of such amount not exceeding HK\$1.00 ~~(or such higher~~ the maximum amount as may from time to time be permitted under the Listing Rules) as the Board may determine for each inspection. Any member may require a copy of the register, or any part thereof, on payment of HK\$0.25, or such lesser sum as the Company may prescribe, for every 100 words or fractional part thereof required to be copied. The Company shall cause any copy so required by any person to be sent to that person within a period of 10 days commencing on the date next after the day on which the request is received by the Company.

App-13  
Part-B  
r.3(2)

25 Every person whose name is entered as a member in the register shall be entitled without payment to receive, within the relevant time limit as prescribed in the LawAct or as the Exchange may from time to time determine, whichever is shorter, after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide), one certificate for all his shares of each class or, if he shall so request, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming an Exchange board lot, upon payment, in the case of a transfer, of a sum equal to the relevant maximum amount as the Exchange may from time to time determine for every certificate after the first or such lesser sum as the Board shall from time to time determine, such numbers of certificates for shares in Exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders. All certificates for shares shall be delivered personally or sent through the post addressed to the member entitled thereto at his registered address as appearing in the register.

Share  
certificates  
App-3  
r.1(1)

26 Every certificate for shares or debentures or representing any other form of security of the Company shall be issued under the seal of the Company, which shall only be affixed with the authority of the Board.

Share  
certificates to  
be sealed  
App-3  
r.2(1)

27 Every share certificate shall specify the number and class of shares in respect of which it is issued and the amount paid thereon or the fact that they are fully paid, as the case may be, and may otherwise be in such form as the Board may from time to time prescribe.

Every  
certificate to  
specify  
number and  
class of  
shares

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28 The Company shall not be bound to register more than four persons as joint holders of any share. If any share shall stand in the names of two or more persons, the person first named in the register shall be deemed the sole holder thereof as regards service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the share.

Joint holders  
App 3  
r.1(2)

29 If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, not exceeding such amount as may from time to time be permitted under the Listing Rules (or such lesser sum as the Board may from time to time require) and on such terms and conditions, if any, as to publication of notices, evidence and indemnity, as the Board thinks fit and where it is defaced or worn out, after delivery up of the old certificate to the Company for cancellation.

Replacement  
of share  
certificates  
App 3  
r.1(1)

**Lien**

30 The Company shall have a first and paramount lien on every share (not being a fully paid up share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share; and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid up shares) standing registered in the name of a member (whether solely or jointly with others) for all the debts and liabilities of such member or his estate to the Company and whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether such person is a member of the Company or not.

Company's  
lien  
App 3  
r.1(2)

The Company's lien (if any) on a share shall extend to all dividends and bonuses declared in respect thereof. The Board may resolve that any share shall for some specified period be exempt wholly or partially from the provisions of this Article.

Lien extends  
to dividends  
and bonuses

31 ~~The~~Subject to these Articles, the Company may sell in such manner as the Board thinks fit any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of the sum presently payable or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the shares or the person, of which the Company has notice, entitled to the shares by reason of such holder's death, mental disorder or bankruptcy.

Sales of  
shares  
subject to  
lien

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- 32 The net proceeds of such sale by the Company after the payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability or engagement in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale and upon surrender, if required by the Company, for cancellation of the certificate for the share sold) be paid to the holder immediately before such sale of the share. For giving effect to any such sale, the Board may authorise any person to transfer the shares sold to the purchaser thereof and may enter the purchaser's name in the register as holder of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. Application or proceeds of such sale
- Calls on Shares**
- 33 The Board may from time to time make such calls as it may think fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal amount of the shares or by way of premium or otherwise) 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. A call may be revoked or postponed as the Board may determine. Calls, how made
- 34 At least 14 days' notice of any call shall be given to each member specifying the time and place of payment and to whom such payment shall be made. Notice of call
- 35 A copy of the notice referred to in Article 34 shall be sent in the manner in which notices may be sent to members by the Company as herein provided. Copy of noticeto be sent
- 36 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 or places as the Board shall specify. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made. Every member liable to pay call at appointed time and place
- 37 In addition to the giving of notice in accordance with Article 35, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members affected by notice published on the Exchange's website or by advertisement published in the newspapers or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided. Notice of call may be published in newspapers or given by electronic means
- 38 A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed. When call deemed to have been made
- 39 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. Liability of joint holders

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## APPENDIX III    PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

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- 40 The Board may from time to time at its discretion extend the time fixed for any call, and may extend such time as to all or any of the members, whom by reason of residence outside Hong Kong or other cause the Board considers it reasonable to grant an extension to, but no member shall be entitled to any such extension as a matter of grace and favour. Board may extend time fixed for call
- 41 If the sum or any instalment payable in respect of any call is unpaid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 15 per cent. per annum as the Board shall determine from the day appointed for the payment thereof to the time of ~~the~~ actual payment, but the Board may waive payment of such interest wholly or in part. Interest on calls
- 42 No member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another member) at any general meeting, either personally or by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member until all sums or instalments due from him to the Company in respect of any call, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid. Suspension of privileges while call in arrears
- 43 At 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 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, and the proof of the matters aforesaid shall be conclusive evidence of the debt. Evidence in action for call
- 44 Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date, whether on account of the nominal value of the share and/or by way of premium or otherwise, shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, liabilities of joint holders, forfeiture and the like, shall apply as if such sum had become payable by virtue of a call duly made and notified. Sums payable on allotment/in future deemed a call
- 45 The Board may, if it thinks 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 uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the moneys so advanced the Company may pay interest at such rate (if any) as the Board may decide. The Board may at any time repay the amount so advanced upon giving to such member not less than one month's notice in writing of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. No such sum paid in advance of calls shall entitle the member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable. Payment of calls in advance  
App 3  
r.3(1)

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**Transfer of Shares**

- 46 Transfers of shares may be effected by an instrument of transfer in the usual common form or in such other form as the Board may approve, which is consistent with the standard form of transfer as prescribed by the Exchange and approved by the Board. All instruments of transfer must be left at the registered office of the Company or at such other place as the Board may appoint and all such instruments of transfer shall be retained by the Company. Form of transfer
  
- 47 The instrument of transfer shall be executed by or on behalf of the transferor and by or on behalf of the transferee PROVIDED that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so. The instrument of transfer of any share shall be in writing and shall be executed with a manual signature or facsimile signature (which may be machine imprinted or otherwise) by or on behalf of the transferor and transferee PROVIDED that in the case of execution by facsimile signature by or on behalf of a transferor or transferee, the Board shall have previously been provided with a list of specimen signatures of the authorised signatories of such transferor or transferee and the Board shall be reasonably satisfied that such facsimile signature corresponds to one of those specimen signatures. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register in respect thereof. Execution
  
- 48 The Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share which is not fully paid up or on which the Company has a lien. Board may refuse to register a transfer  
App 3  
r-1(2)
  
- 49 If the Board shall refuse to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal. Notice of refusal
  
- 50 The Board may also decline to register any transfer of any shares unless:
  - 50.1 the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates (which shall upon registration of the transfer be cancelled) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; Requirements as to transfer
  - 50.2 the instrument of transfer is in respect of only one class of ~~shares~~ shares;
  - 50.3 the instrument of transfer is properly stamped (in circumstances where stamping is required);
  - 50.4 in the case of a transfer to joint holders, the number of joint holders to which the share is to be transferred does not exceed four;
  - 50.5 the shares concerned are free of any lien in favour of the Company; and

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## APPENDIX III PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

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- 50.6 ~~A~~ fee of such amount not exceeding the maximum amount as the Exchange may from time to time determine to be payable (or such lesser sum as the Board may from time to time require) is paid to the Company in respect thereof. Requirements as to transfer  
App 3  
r.1(1)
- 51 No transfer shall be made to an infant or to a person in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs or under other legal disability. No transfer to an infant etc
- 52 Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued without charge to the transferee in respect of the shares transferred to him, and if any of the shares included in the certificate so given up shall be retained by the transferor, a new certificate in respect thereof shall be issued to him without charge. The Company shall also retain the instrument(s) of transfer. Certificate to be given up on transfer
- 53 The registration of transfers may, on ~~14 days~~ 10 business days’ notice (or on 6 business days’ notice in the case of a rights issue) being given by advertisement published on the Exchange’s website or published in the newspapers, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided, be suspended and the register closed at such times ~~and~~ for such periods as the Board may from time to time determine, provided always that such registration shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). In the event that there is an alteration of book closure dates, the Company shall give at least 5 business days’ notice before the announced closure, or the new closure, whichever is earlier. If, however, there are exceptional circumstances (e.g. during a gale warning or black rainstorm warning) that render the giving of such publication of advertisement impossible, the Company shall comply with these requirements as soon as practicable. When transfer books and register may close  
App 13  
Part B  
r.3(2)
- Transmission of Shares**
- 54 In the case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him. Death of registered holder or of joint holder of shares
- 55 Any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a member may, upon such evidence as to his title being produced as may from time to time be required by the Board and subject as hereinafter provided, either be registered himself as holder of the share or elect to have some other person nominated by him registered as the transferee thereof. Registration of personal representatives and trustee in bankruptcy

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

Notice of election to be registered/  
Registration of nominee

57 A person becoming entitled to a share by reason of the death or bankruptcy or winding-up of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Article ~~82~~99 being met, such a person may vote at meetings.

Retention of dividends, etc., until transfer or transmission of shares of a deceased or bankrupt member

**Forfeiture of Shares**

58 If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may, at any time during such time as any part thereof remains unpaid, without prejudice to the provisions of Article 42, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment.

If call or instalment not paid notice may be given

59 The notice shall name a further day (not earlier than the expiration of 14 days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is unpaid will be liable to be forfeited. The Board may accept a surrender of any share liable to be forfeited hereunder and in such case, references in these Articles to forfeiture shall include surrender.

Form of notice

60 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share, and not actually paid before the forfeiture.

If notice not complied with shares may be forfeited

61 Any share so forfeited shall be deemed to be the property of the Company, and may be re-allotted sold or otherwise disposed of on such terms and in such manner as the Board thinks fit and at any time before a re-allotment, sale or disposition the forfeiture may be cancelled by the Board on such terms as it thinks fit.

Forfeited share to be deemed property of Company

62 A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with

Arrears to be paid not with standing forfeiture

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(if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding 15 per cent. per annum as the Board may prescribe, and the Board may enforce the payment thereof if it thinks fit, and without any deduction or allowance for the value of the shares forfeited, at the date of forfeiture. For the purposes of this Article any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the shares or by way of premium, shall notwithstanding that time has not yet arrived, be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.

- 63 A statutory declaration in writing that the declarant is a Director or Secretary, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any re-allotment, sale or disposition thereof and the Board may authorise any person to execute a letter of re-allotment or transfer the share in favour of the person to whom the share is re-allotted, sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the subscription or purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, re-allotment, sale or other disposal of the share.

Evidence of forfeiture
- 64 When any share shall have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register. Notwithstanding the above, no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.

Notice after forfeiture
- 65 Notwithstanding any such forfeiture as aforesaid, the Board may at any time, before any share so forfeited shall have been re-allotted, sold, 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 it thinks fit.

Power to redeem forfeited shares
- 66 The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.

Forfeiture not to prejudice Company's right to call or instalment
- 67 The provisions of these Articles as to forfeiture shall apply in the case of non- payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Forfeiture for non-payment of any sum due on shares

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**Alteration of Capital**

68 The Company may from time to time by ordinary resolution:

68.1 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;

Consolidation and division of capital and sub-division and cancellation of shares

68.2 cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the LawAct; and

68.3 sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association of the Company, subject nevertheless to the provisions of the LawAct, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

69 The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorised and subject to any conditions prescribed by the LawAct.

Reduction of capital

**Borrowing Powers**

70 The Board may from time to time at its discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof.

Power to borrow

71 The Board 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 it thinks fit and, in particular, by the issue of debentures, debenture stock, bonds or other securities of the Company, whether outright or as collateral security for any debts, liability or obligations of the Company or of any third party.

Conditions on which money may be borrowed

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| 72 | Debentures, debenture stock, bonds 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                                |
| 73 | 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                        |
| 74 | The Board shall cause a proper register to be kept, in accordance with the provisions of the <del>Law</del> Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the <del>Law</del> Act in regard to the registration of mortgages and charges therein specified and otherwise. | Register of charges to be kept            |
| 75 | If the Company issues debentures or debenture stock (whether as part of a series or as individual instruments) not transferable by delivery, the Board shall cause a proper register to be kept of the holders of such debentures.   | Register to debentures or debenture stock |
| 76 | 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.  | Mortgage of uncalled capital              |

### General Meetings

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| 77 | The Company shall in each <u>financial</u> year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it; <del>and not more than 15 months shall elapse (or such longer period as the Exchange may authorise) between the date of one annual general meeting of the Company and that of the next. So long as the first annual general meeting of the Company is held within 18 months of its incorporation, it need not be held in the year of its incorporation or in the following years. The annual general meeting shall be held at such time and place as the Board shall appoint.</del>  | When annual general meeting to be held<br>App 13<br>Part B<br>r.3(3)<br>r.4(2)<br>App 3<br>r.14(1) |
| 78 | All general meetings other than annual general meetings shall be called extraordinary general meetings. <u>All general meetings (including an annual general meeting, any adjourned meeting or postponed meeting) may be held (a) as a physical meeting in any part of the world, and at one or more locations as provided in Article 89A, or (b) as a hybrid meeting, or (c) as an electronic meeting, as may be determined by the Board.</u>   | Extraordinary general meeting  |
| 79 | The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any <del>two</del> <u>one</u> or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the <u>voting rights, on a one vote per share basis, in the share capital paid up capital</u> of the Company which carries the right of voting at general meetings of the Company. <del>General meetings may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its</del> | Convening of extraordinary general meeting<br>App 3<br>r.14(5)                                     |

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nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

- 80 An annual general meeting ~~and any extraordinary general meeting called for the passing of a special resolution~~ shall be called by not less than 21 days' notice in writing and any ~~other~~ extraordinary general meeting shall be called by not less than 14 days' notice in writing. The Subject to the requirements under the Listing Rules, the notice shall be ~~inclusive~~exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place, and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting and in the case of special business (as defined in Article 85) the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.

Notice of meetings  
App 13  
Part B  
r.3(1)  
App 3  
r.14(2)

80A Notice of every general meeting shall specify:

80A.1 the time and date of the meeting;

80A.2 in the case of a physical meeting or a hybrid meeting, the Principal Meeting Place, and where there is more than one meeting location, the other Meeting Locations(s), in each case as determined by the Board pursuant to Article 89A;

80A.3 if the meeting is to be a hybrid meeting or an electronic meeting, the notice shall include a statement to that effect and shall include details of the electronic facilities and/or the electronic platform by means of which the members may participate at such meeting (which electronic facilities and/or electronic platform may vary from time to time and from meeting to meeting as the Board, in its sole discretion, may see fit), or where such details will be made available by the Company prior to the meeting; and

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80A.4 particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of the business.

81 Notwithstanding that a meeting of the Company is called by shorter notice than that referred to in Article ~~8079~~, it shall be deemed to have been duly called if it is so agreed:

81.1 in the case of a meeting called as ~~the~~an annual general meeting, by all the members of the Company entitled to attend and vote thereat or their proxies; and

81.2 in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

82 There shall appear with reasonable prominence in every notice of general meetings of the Company a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and, ~~on a poll,~~ vote instead of him and that a proxy need not be a member of the Company.

83 The accidental omission to give any such notice to, or the non-receipt of any such notice by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.

Omission to give notice/instrument of proxy

84 In ~~cases~~ where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the non-receipt of such instrument of proxy by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.

**Proceedings at General Meetings**

85 All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

Special business

85.1 the declaration and sanctioning of dividends;

85.2 the consideration and adoption of the accounts and balance sheets and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet;

85.3 the election of Directors in ~~the~~ place of those retiring;

85.4 the appointment of Auditors; and

85.5 the fixing of, or the determining of the method of fixing of, the remuneration of the Directors and of the Auditors; and

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~~85.6 the granting of any mandate or authority to the Directors to offer, allot, grant options over, or otherwise dispose of the unissued shares of the Company representing not more than 20 per cent. (or such other percentage as may from time to time be specified in the Listing Rules) in nominal value of its then existing issued share capital and the number of any securities repurchased pursuant to Article 85.7; and~~

~~85.7 the granting of any mandate or authority to the Directors to repurchase securities of the Company.~~

- 86 For all purposes the quorum for a general meeting shall be two members present in person (or in the case of a corporation, by its duly ~~authorised~~authorised representative) or by proxy provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy. No business (except the appointment of a Chairman) shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business.

Quorum
- 87 If within 15 minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Board, and if at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the member or members present in person (or in the case of a corporation, by its duly ~~authorised~~authorised representative) or by proxy 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
- 88 The Chairman of the Board of Directors shall take the chair at every general meeting, or, if there be no such Chairman or, if at any general meeting such Chairman shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors 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 (whether in person or represented by proxy or duly authorised representative) shall choose one of their own number to be Chairman.

Chairman of general meeting
- 89 Subject to Article 89C, ~~the~~ Chairman may, with the consent of any general meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place(s), and change the form of the meeting (physical meeting, hybrid meeting or electronic meeting) as the meeting shall determine. Whenever a meeting is adjourned for 14 days or more, at least ~~seven~~7 clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

Power to adjourn general meeting/ business of adjourned meeting

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89A The Board may, at its absolute discretion, determine that any general meeting shall be held as a physical meeting, as a hybrid meeting or as an electronic meeting, and in each case may determine the principal place of the meeting (the “Principal Meeting Place”) and any other meeting location(s) at which members may attend and participate at such meeting (each a “Meeting Location”), provided always that an electronic meeting shall not require a Principal Meeting Place or any other Meeting Location. Persons entitled to attend such a general meeting may do so by being physically present at the Principal Meeting Place or any other designated Meeting Location, or, in the case of a hybrid meeting or an electronic meeting, by means of virtual attendance by electronic means. Any member or (in the case of a member being a corporation) its duly authorised representative or any proxy attending and participating in such way or any member participating in a hybrid meeting or an electronic meeting by electronic means is deemed to be present at and shall be counted in the quorum of the meeting. The following provisions shall apply to such arrangement and to a hybrid meeting and an electronic meeting:

Physical  
Meetings,  
Hybrid  
Meetings and  
Electronic  
Meetings

89A.1 a hybrid meeting shall be treated as if it has commenced and been held at the Principal Meeting Place, whilst an electronic meeting shall not require a Principal Meeting Place or any other Meeting Location;

89A.2 members (or their proxies) present in person or (in the case of a member being a corporation) by its duly authorised representative at the Principal Meeting Place or any other designated Meeting Location(s) and/or members (or their proxies) participating in a hybrid meeting by electronic means shall be counted in the quorum for and entitled to vote at the meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the Chairman is satisfied that adequate facilities are available throughout the meeting to ensure that members (or their proxies) attending by being physically present at the Principal Meeting Place and all other designated Meeting Locations and members (or their proxies) participating in a hybrid meeting by electronic means are able to participate in the business for which meeting has been convened;

89A.3 where members (or their proxies) attend a meeting by being physically present at one of the Meeting Locations (other than the Principal Meeting Place) and/or where members (or their proxies) participate in a hybrid meeting or an electronic meeting by electronic means, a failure (for any reason) of communication equipment, or any other failure in the arrangements for enabling those in a Meeting Location other than the Principal Meeting Place to participate in the business for which the meeting has been convened or, in the case of a hybrid meeting or an electronic meeting, the inability of one or more members (or their proxies) to access, or continue to access, the electronic facilities despite adequate electronic facilities having been made available by the Company, shall not affect the validity of the meeting, or any business conducted there or any action taken pursuant to such business provided that there is a quorum present throughout the meeting; and

89A.4 if any of the Meeting Locations is outside Hong Kong and in the case of a hybrid meeting, the provisions of these Articles concerning the service and giving of notice for the meeting, and the time for lodging proxies, shall apply by reference to the Principal Meeting Place.

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89B The Board and, at any general meeting, the Chairman may from time to time make arrangements for managing attendance at the Principal Meeting Place, any Meeting Location(s) and/or participation in a hybrid meeting by electronic means (whether involving the issue of tickets or some other means of identification, passcode, seat reservation, electronic voting or otherwise) as it shall in its absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a member who, pursuant to such arrangements, is not entitled to attend, in person or (in the case of a member being a corporation) by its duly authorised representative, or by proxy, at any Meeting Location shall be entitled so to attend at one of the other Meeting Locations; and the entitlement of any member so to attend the meeting or adjourned meeting at such Meeting Location or Meeting Locations shall be subject to any such arrangement as may be for the time being in force and by the notice of meeting or adjourned meeting stated to apply to the meeting.

89C If it appears to the Chairman that:

89C.1 the electronic facilities at the Principal Meeting Place or at such other Meeting Location(s) at which the meeting may be attended have become inadequate for the purposes referred to in Article 89A.1 or are otherwise not sufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the notice of the meeting; or

89C.2 in the case of a hybrid meeting, electronic facilities being made available by the Company have become inadequate; or

89C.3 it is not possible to ascertain the view of those present or to give all persons entitled to do so a reasonable opportunity to communicate and/or vote at the meeting; or

89C.4 there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting or it is not possible to secure the proper and orderly conduct of the meeting;

then, without prejudice to Article 89A.3 and, any other power which the Chairman may have under these Articles or at common law, the Chairman may, at his absolute discretion, without the consent of the meeting, and before or after the meeting has started and irrespective of whether a quorum is present, interrupt or adjourn the meeting (including adjournment for indefinite period). All businesses conducted at the meeting up to the time of such adjournment shall be valid.

89D The Board and, at any general meeting, the Chairman may make any arrangement and impose any requirement or restriction as the Board or the Chairman, as the case may be, considers appropriate to ensure the security and orderly conduct of a meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place and determining the number and frequency of and the time allowed for questions that may be raised at a meeting. Members shall also comply with all requirements or restrictions imposed by the owner of the premises at which the meeting is held. Any decision made under

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this Article shall be final and a person who refuses to comply with any such arrangements, requirements or restrictions may be refused entry to the meeting or ejected (physically or electronically) from the meeting.

89E If, after the sending of notice of a general meeting but before the meeting is held, or after the adjournment of a meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is inappropriate, impracticable, unreasonable or undesirable for any reason to hold the general meeting on the date or at the time and place and/or by means of the electronic facilities specified in the notice calling the meeting, they may change or postpone the meeting to another date, time and/or place and/or change the electronic facility or facilities and/or change the form of the meeting from a physical meeting to a hybrid meeting (or vice versa) without approval from the members. This Article shall be subject to the following:

89E.1 when a meeting is so postponed, the Company shall endeavour to post a notice of such postponement on the Company's Website as soon as practicable (provided that failure to post such a notice shall not affect the automatic postponement of such meeting);

89E.2 when a meeting is postponed in accordance with this Article, the Board shall fix the date, time and place, including any electronic facility (if applicable), for the postponed meeting and 7 clear days' notice at the least of the postponed meeting shall be given by one of the means specified in Article 209 and shall specify the date, time and place and electronic facility (if applicable) of the postponed meeting, and the date and time by which proxies shall be submitted in order to be valid at such postponed meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the postponed meeting unless revoked or replaced by a new proxy); and

89E.3 notice of the business to be transacted at the postponed meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the postponed meeting is the same as that set out in the original notice of general meeting circulated to the members.

89F All persons seeking to attend and participate in a hybrid meeting or an electronic meeting shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Article 89C, any inability of a person or persons to attend or participate in a general meeting by means of electronic facilities shall not invalidate the proceedings of that meeting.

89G Without prejudice to other provisions in Article 89, a physical meeting may also be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

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89H Without prejudice to Articles 89A to 89G, and subject to the Act and the Listing Rules, the Board may resolve to enable persons entitled to attend an electronic meeting to do so by simultaneous attendance by electronic means with no member necessarily in physical attendance at the electronic meeting. Each member or (in the case of a member being a corporation) its duly authorised representative or its proxy shall be counted in the quorum for, and entitled to vote at, the electronic meeting in question, and that general meeting shall be duly constituted and its proceedings valid if the chairman of the electronic meeting is satisfied that adequate facilities are available throughout the electronic meeting to ensure that members attending the electronic meeting who are not present together at the same place may, by electronic means, attend and speak or communicate and vote at it.

Electronic Meetings

~~90~~ At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded or otherwise required under the Listing Rules. A poll may be demanded by:

Right to demand a poll and what is to be evidence of the passing of a resolution where poll not demanded  
App 13 Part B r.2(3)

~~90.1~~ the Chairman of the meeting; or

~~90.2~~ at least five members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and entitled to vote; or

~~90.3~~ any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or

~~90.4~~ any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

90 At any general meeting a resolution put to the vote of the meeting shall be decided on a poll save that the Chairman may, in good faith, allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

Must vote by poll  
LR 13.39(4)

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91 ~~Where a resolution is voted on by a show of hands as permitted under the Listing Rules, Unless a poll is so required or demanded and, in the latter case, not withdrawn,~~ a declaration by the Chairman that ~~athe resolution has on a show of hands~~ been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company’s book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of ~~or~~ against such resolution.

92 ~~If a poll is required or demanded as aforesaid, it~~ A poll shall (subject as provided in Article 94) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting ~~at which the poll was required or demanded,~~ as the Chairman directs. No notice need ~~to be~~ given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was ~~taken~~ required or demanded. ~~The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting at which the poll was demanded or the taking of the poll, whichever is earlier.~~

Poll

92A All resolutions put to the members at electronic meetings shall be voted on by a poll, which poll votes may be cast by such electronic means as the Board may, in its absolute discretion, deem appropriate for the purposes of the electronic meetings.

93 ~~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.~~

Business may proceed not with standing demand for poll

93 [RESERVED]

94 ~~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.

In what case poll taken without adjournment

95 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is ~~taken~~ required or demanded, shall be entitled to a second or casting vote.

Chairman to have casting vote

96 A resolution in writing (in one or more counterparts), including a special resolution, signed by all members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly appointed representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member to sign.

Written resolutions

**Votes of Members**

97 Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting ~~on a show of hands~~ (a) every member who is present in person (or, in the case of a member being a corporation by its duly authorised representative) or by proxy shall have the right to speak, (b) on a show of hands, every member

Votes of members App 3 r.14(3)

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present in such manner shall have one vote, and (c) on a poll every member present in such manner person ~~(or, in the case of a member being a corporation, by its duly authorised representative) or by proxy~~ shall have one vote for each share registered in his name in the register, except, in the cases of sub-paragraphs (b) and (c) above, where a member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration. Notwithstanding anything contained in these Articles, where more than one proxy is appointed by a recognised clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. On a poll a member entitled to more than one vote is under no obligation to cast all his votes in the same way.

- 98 Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

Counting of votes  
App 3  
r.14(4)
- 99 Any person entitled under Article 5554 to be registered as a shareholder 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 at least 48 hours before the time of the holding of the meeting or adjourned meeting (as the case may be) at which he proposed to vote, he shall satisfy the Board of his right to be registered as the holder of such shares or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

Votes in respect of deceased and bankrupt members
- 100 Where there are joint registered holders of any share, 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; but 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 being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding. 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.

Votes of joint holders
- 101 A member in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote, whether on a show of hands or on a poll, by any person authorised in such circumstances to do so, and such person may vote on a poll by proxy.

Votes of member of unsound mind
- 102 Save as expressly provided in these Articles or as otherwise determined by the Board, no person other than a member duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

Qualification for voting
- 103 No objection shall be raised as to the qualification of any person exercising or purporting to exercise any vote or to the admissibility of any vote except at the meeting or adjourned meeting at which the person exercising or purporting to exercise his vote or the vote objected to is given

Objections to voting

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or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. In the case of any dispute as to the admission or rejection of any vote, the Chairman of the meeting shall determine the same and such determination shall be final and conclusive.

104 Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. ~~On a poll~~ Votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).

Proxies  
App 13  
Part B  
r.2(2)  
App 3  
r.18

105 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.

Instrument  
appointing  
proxy to be  
in writing  
App 3  
r.11(2)

106 The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority, (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid provided always that the Chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex or cable or facsimile confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

Delivery of  
authority for  
appointment  
of proxy

107 Every instrument of proxy, whether for a specified meeting or otherwise, shall be in common ~~form~~ or such other form that complies with the Listing Rules as the Board may from time to time approve, provided that it shall enable a member, according to his intention, to instruct his proxy to vote in favour of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates.

Form of  
proxy  
App 3  
r.11(1)

108 The instrument appointing a proxy to vote at a general meeting shall: (a) be deemed to confer authority ~~to demand or join in demanding a poll and~~ to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit; and (b) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates, provided that the meeting was originally held within 12 months from such date.

Authority  
under  
instrument  
appointing  
proxy

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109 A vote given in accordance with the terms of an instrument of proxy or resolution of a member shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or power of attorney or other authority under which the proxy or resolution of a member was executed or revocation of the relevant resolution or the transfer of the share in respect of which the proxy was given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its registered office, or at such other place as is referred to in Article 106, at least two hours before the commencement of the meeting or adjourned meeting at which the proxy is used.

When vote by proxy/representative valid though authority revoked

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

Corporations/clearing houses acting by representatives at meetings  
~~App-13~~  
~~Part-B~~  
~~r.2(2)~~  
App 3  
r. 18

111 If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if such person were an individual member of the Company holding the number and class of shares specified in such authorisation, including, where a show of hands is allowed, the right to vote individually on a show of hands, notwithstanding any contrary provision contained in these Articles.

~~App-13~~  
~~Part-B~~  
~~r-6~~  
App 3  
r.19

**Registered Office**

112 The registered office of the Company shall be at such place in the Cayman Islands as the Board shall from time to time appoint.

Registered office

**Board of Directors**

113 The number of Directors shall not be less than two.

Constitution

114 The Board shall have ~~the~~ power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the ~~first annual~~~~next following~~ general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting.

Board may fill vacancies/appoint additional Directors  
App 3  
r.4(2)

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115 The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall not be less than two. Subject to the provisions of these Articles and the ~~Law~~Act, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. ~~Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election.~~

Power of general meeting to increase or reduce the number of Directors

116 No person shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless during the period, which shall be at least ~~seven~~7 days, commencing no earlier than the day after the ~~dispatch~~despatch of the notice of the meeting appointed for such election and ending no later than ~~seven~~7 days prior to the date of such meeting, there has been given to the Secretary notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

Notice to be given when person proposed for election  
~~App 3~~  
~~r.4(4)~~  
~~r.4(5)~~

117 The Company shall keep at its registered office a register of directors and officers containing their names and addresses and ~~occupations and~~ any other particulars required by the ~~Law~~Act and shall send to the ~~Register~~Registrar of Companies of the Cayman Islands a copy of such register and shall from time to time notify to the Registrar of Companies of the Cayman Islands any change that takes place in relation to such Directors as required by the ~~Law~~Act.

Register of Directors and notification of changes to Registrar

118 The Company may by ordinary resolution at any time remove any Director (including a ~~M~~anaging Director or other executive Director) before the expiration of his ~~period~~term of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed. Nothing in this Article should be taken as depriving a Director removed under any provisions of this Article of compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director or as derogatory from any power to remove a Director which may exist apart from the provision of this Article.

Power to remove Directors by ordinary resolution  
~~App 13~~  
~~Part B~~  
~~r.5(1)~~  
~~App 3~~  
~~r.4(3)~~

119 A Director may at any time by notice in writing delivered to the registered office of the Company or at a meeting of the Board, appoint any person (including another Director) to be his alternate Director in his place during his absence and may in like manner at any time determine such appointment. Such appointment, unless previously approved by the Board, shall have effect only upon and subject to being so approved, provided that the Board may not withhold approval of any such appointment where the proposed appointee is a Director.

Alternate Directors

120 The appointment of an alternate Director shall determine on the happening of any event which, were he a Director, would cause him to vacate such office or if his appointor ceases to be a Director.

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- 121 An alternate Director shall (except when absent from Hong Kong), be entitled to receive and waive (in lieu of his appointor) notices of meetings of the Directors and shall be entitled to attend and vote as a Director and be counted in the quorum at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative and he need not use all his votes or cast all the votes he uses in the same way. If his appointor is for the time being absent from Hong Kong or otherwise not available or unable to act (as to which a certificate by the alternate shall in the absence of actual notice to the contrary to other Directors be conclusive), his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Board may from time to time determine in relation to any committee of the Board, the provisions of this Article shall also apply *mutatis mutandis* to any meeting of any such committee of which his appointor is a member. An alternate Director shall not, save as aforesaid, have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.
- 122 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.
- 123 In addition to the provisions of Articles 119 to 122, a Director may be represented at any meeting of the Board (or of any committee of the Board) by a proxy appointed by him, in which event the presence or vote of the proxy shall for all purposes be deemed to be that of the Director. A proxy need not himself be a Director and the provisions of Articles 104 to 109 shall apply *mutatis mutandis* to the appointment of proxies by Directors save that an instrument appointing a proxy shall not become invalid after the expiration of twelve months from its date of execution but shall remain valid for such period as the instrument shall provide or, if no such provision is made in the instrument, until revoked in writing and save also that a Director may appoint any number of proxies although only one such proxy may attend in his stead at meetings of the Board (or of any committee of the Board).
- 124 A Director need not hold any qualification shares. No Director shall be required to vacate office or be ineligible for re-election or re-appointment as a Director and no person shall be ineligible for appointment as a Director by reason only of his having attained any particular age. Qualification of Directors
- 125 The Directors shall be entitled to receive by way of remuneration for their services ~~to~~ such sum as shall from time to time be determined by the Company in general meeting or by the Board, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall Directors' remuneration

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- only rank in such division in proportion to the time during such period for which he has held office. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.
- 126 Payment to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must first be approved by the Company in general meeting. App-B  
Part-B  
r-5(4)
- 127 The Directors shall be entitled to be paid all ~~expense~~expenses, including travel expenses, reasonably incurred by them in or in connection with the performance of their duties as Directors including their expenses of ~~traveling~~travelling to and from Board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors. Directors'  
expenses
- 128 The Board may grant special remuneration to any Director, who shall perform any special or extra services at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be ~~arranged~~agreed. Special  
remuneration
- 129 The remuneration of an Executive Director (as appointed according to Article 137) or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Board and may be by way of salary, commission, or participation in profits or otherwise or by all or any of those modes and with such other benefits (including share option and/or pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time decide. Such remuneration shall be in addition to such remuneration as the recipient may be entitled to receive as a Director. Remuneration  
of Managing  
Directors,  
etc.
- 130 The office of a Director shall be vacated: When office  
of Director  
to be vacated
- 130.1 if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong; App-13  
Part-B  
r-5(1)
- 130.2 if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Board resolves that his office be vacated;
- 130.3 if, without leave, he is absent from ~~the~~ meetings of the Board (unless an alternate Director appointed by him attends in his place) for a continuous period of 12 months, and the Board resolves that his office be vacated;
- 130.4 if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

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- 130.5 if he ceases to be or is prohibited from being a Director by law or by virtue of any provisions in these Articles;
- 130.6 if he shall be removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office; or
- 130.7 if he shall be removed from office by an ordinary resolution of the members of the Company under Article 118.

At every annual general meeting of the Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director ~~appointed~~ required to stand for re-election pursuant to Article 114 or Article 115 shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

Retirement  
by rotation

- 131 No Director or proposed Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being any member or so interested be liable to account to the Company for any profit so realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall, if his interest in such contract or arrangement is material, declare the nature of his interest at the earliest meeting of the Board at which it is practicable for him to do so, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may subsequently be made by the Company.
- 132 Any Director may continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company in which the Company may be interested and (unless otherwise agreed between the Company and the Director) no such Director shall be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any such other company. The Directors may exercise the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors,

Directors  
may contract  
with  
Company  
App 3  
Part B  
r-5(3)

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executive directors, managers or other officers of such company) and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or is about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in the manner aforesaid.

133 A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profit or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.

134 A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his close Associates (or, if required by the Listing Rules, his other associates) has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

Director may not vote where he has a material interest  
App-3  
r.4(1)

134.1 the giving of any security or indemnity either:

134.1.1 to the Director or any of his close Associates in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or

Director may vote in respect of certain matters  
App-3  
Note-1

134.1.2 to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his close Associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

134.2 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or any of his close Associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

134.3 ~~any proposal concerning any other company in which the Director or any of his Associates is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or any of his Associates is/are beneficially interested in shares of that company, provided that, the Director and any of his Associates is/are not, in aggregate beneficially interested in 5 per cent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of any of his Associates is derived) or of the voting rights; [RESERVED]~~

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

135 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of or terminating the appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals shall be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not prohibited from voting under Article 134.1) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

Director may vote on proposals not concerning own appointment

136 If any question shall arise at any meeting of the Board as to the materiality of a Director’s interest or the significance of a contract, arrangement or transaction or proposed contract, arrangement or transaction or as to the entitlement of any Director to vote or form part of a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman of the meeting (or, where such question relateds to the interest of the Chairman, to the other Directors at the meeting) and his ruling (or, as appropriate, the ruling of the other Directors) in relation to any other Director (or, as appropriate, the Chairman) shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned (or, as appropriate, the Chairman) as known to such Director ( or, as appropriate, the Chairman) has not been fairly disclosed to the Board.

Who to decide whether a Director may vote

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**Managing Directors**

- 137 The Board may from time to time appoint any one or more of its body to the office of ~~M~~managing Director, ~~J~~joint ~~M~~managing Director, ~~D~~deputy ~~M~~managing Director, or other ~~E~~xecutive Director and/or such other employment or executive office in the management of the business of the Company as it may decide for such period and upon such terms as it thinks fit and upon such terms as to remuneration as it may decide in accordance with Article 129.

Power to appoint Managing Directors, etc.
- 138 Every Director appointed to an office under Article 137 hereof shall, without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company, be liable to be dismissed or removed therefrom by the Board.

Removal of Managing Director, etc.
- 139 A Director appointed to an office under Article 137 shall be subject to the same provisions as to removal as the other Directors, and he shall, without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company, *ipso facto* and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.

Cessation of appointment
- 140 The Board may from time to time entrust to and confer upon a ~~M~~managing Director, ~~J~~joint ~~M~~managing Director, ~~D~~deputy ~~M~~managing Director or ~~E~~xecutive Director all or any of the powers of the Board that it may think fit. But the exercise of all powers by such Director shall be subject to such regulations and restrictions as the Board may from time to time make and impose, and the said powers may at any time be withdrawn, revoked or varied but no person dealing in good faith and without notice of such withdrawal, revocation or variation shall be affected thereby.

Powers may be delegated
- 141 Subject to any exercise by the Board of the powers conferred by Articles 144 to 146, the management of the business of the Company shall be vested in the Board which, in addition to the powers and authorities by these Articles expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the ~~Law Act~~ expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the ~~Law Act~~ and of these Articles and to any regulation from time to time made by 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 Board which would have been valid if such regulation had not been made.

General powers of Company vested in Board

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142 Without prejudice to the general powers conferred by these Articles, it is hereby expressly declared that the Board shall have the following powers:

142.1 to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed; and

142.2 to give to any Directors, officers or employees of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration.

143 Except as would ~~be permitted by the Companies Ordinance~~ if the Company were a company incorporated in Hong Kong, ~~be permitted by Section 157H of the Companies Ordinance as in force at the date of adoption of these Articles~~, and except as permitted under the Companies ~~Law~~Act, the Company shall not directly or indirectly:

App 13  
Part B  
r.5(2)

143.1 make a loan to a Director or his ~~close Associates~~ or a director of any holding company of the Company or a body corporate controlled by such a director or Director;

143.2 enter into any guarantee or provide any security in connection with a loan made by any person to a Director or such a director or a body corporate controlled by such a director or Director; or

143.3 if any one or more of the Directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

**Managers**

144 The Board may from time to time appoint a general manager, manager or managers of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes and pay the working expenses of any of the staff of the general manager, manager or managers who may be employed by him or them in connection with the conduct of the business of the Company.

Appointment and remuneration of managers

145 The appointment of such general manager, manager or managers may be for such period as the Board may decide and the Board may confer upon him or them all or any of the powers of the Board as it may think fit.

Tenure of office and powers

146 The Board may enter into such agreement or agreements with any such general manager, manager or managers upon such terms and conditions in all respects as the Board may in its absolute discretion think fit, including a power for such general manager, manager or managers to appoint an assistant manager or managers or other employees whatsoever under them for the purpose of carrying on the business of the Company.

Terms and conditions of appointment

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**Proceedings of Directors**

- 147 The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in any part of the world and may determine the quorum necessary for the transaction of business. Unless otherwise determined two Directors shall be a quorum. For the purposes of this Article an alternate Director shall be counted in a quorum in place of the Director who appointed him and an alternate Director who is an alternate for more than one Director shall for quorum purposes be counted separately in respect of himself (if he is a Director) and in respect of each Director for whom he is an alternate (but so that nothing in this provision shall be ~~constructed~~construed as authorising a meeting to be constituted when only one person is physically present). A meeting of the Board or any committee of the Board may be held by means of a telephone or tele-conferencing or any other telecommunications facility provided that all participants are thereby able to communicate contemporaneously by voice with all other participants and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

Meetings of Directors/  
Quorum etc.
  
- 148 A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Board. Failing any determination by the Board, not less than 48 hours notice thereof shall be given to each Director either in writing or by telephone or by facsimile, telex or telegram at the address or telephone, facsimile or telex number from time to time notified to the Company by such Director or in such other manner as the Board may from time to time determine provided that notice need not ~~to~~ be given to any Director or alternate Director for the time being absent from Hong Kong.

Convening of board meeting
  
- 149 Subject to Articles 131 to 136, 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.

How questions to be decided
  
- 150 The Board may elect a Chairman of its meetings and determine the period for which he is to hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present within 15 minutes after the time appointed for holding the same, the Directors present ~~shall~~may choose one of their number to be Chairman of the meeting.

Chairman
  
- 151 A meeting of the Board 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 these Articles for the time being vested in or exercisable by the Board generally.

Power of meeting
  
- 152 The Board may delegate any of its powers to committees consisting of such member or members of the Board (including alternate Directors in the absence of their appointers) as the Board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Board.

Power to appoint committee and to delegate

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- 153 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 effect as if done by the Board, and the Board shall have power, with the consent of the Company in general meeting, to remunerate the members of any such committee, and charge such remuneration to the current expenses of the Company. Acts of committee to be of same effect as act of Directors
- 154 The meetings and proceedings of any such committee consisting of two or more members of the Board shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto and are not replaced by any regulations imposed by the Board pursuant to Article 152. Proceedings of committee
- 155 The Board shall cause minutes to be made of:
- 155.1 all appointments of officers made by the Board; Minutes of proceedings of meetings and Directors
- 155.2 the names of the Directors present at each meeting of the Board and of committees appointed pursuant to Article 152;
- 155.3 all declarations made or notices given by any Director ~~of~~ his interest in any contract or proposed contract or of his holding of any office or property whereby any conflict of duty or interest may arise; and
- 155.4 all resolutions and proceedings at all meetings of the Company and of the Board and of such committees.
- Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the chairman of the meeting or by the chairman of the succeeding meeting.
- 156 All acts *bona fide* done by any meeting of the Board or by a committee of Directors or by any person acting as Director shall, notwithstanding that it shall be afterwards discovered that there was some defect in the appointment of such Director 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 or member of such committee as the case may be. When acts of Directors or committee to be valid notwithstanding defects
- 157 The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company but for no other purpose. Directors' powers when vacancies exist
- 158 Unless otherwise required by the Listing Rules, A resolution in writing signed by each and every one of the Directors (or their respective alternates pursuant to Article 121) shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and may consist of several documents in like form each signed by one or more of the Directors or alternate Directors. Notwithstanding the foregoing, a resolution which relates to any matter or business in which a substantial shareholder of the Company (as defined in the Listing Rules
- Directors' resolutions

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from time to time), or a Director, has an interest conflicting with that of the Company which the Board determines, prior to the passing of such resolution, to be material, shall not be passed by a resolution in writing and shall only be passed at a meeting of the Directors held in accordance with these Articles.

### Secretary

159 The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board. Anything by the ~~Law~~Act or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary appointed by the Board, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specifically in that behalf by the Board.

Appointment  
of Secretary

160 A provision of the ~~Law~~Act or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.

Same person  
not to act in  
two  
capacities at  
once

### General Management and Use of the Seal

161 The Board shall provide for the safe custody of the seal which shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf, and every instrument to which such seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Board for the purpose. The securities seal which shall be a facsimile of the common seal with the word "Securities" engraved thereon shall be used exclusively for sealing securities issued by the Company and for sealing documents creating or evidencing securities so issued. The Board may either generally or in any particular case resolve that the securities seal or any signatures or any of them may be affixed to certificates for shares, warrants, debentures or any other form of security by facsimile or other mechanical means specified in such authority or that any such certificates sealed with the securities seal need not be signed by any person. Every instrument to which the seal is affixed as aforesaid shall, as regards all persons dealing in good faith with the Company, be deemed to have been affixed to that instrument with the authority of the Directors previously given.

Custody and  
use of seal

162 The Company may have a duplicate seal for use outside of the Cayman Islands as and where the Board shall determine, and the Company may by writing under the seal appoint any agents or agent, committees or committee abroad to be the agents of the Company for the purpose of affixing and using such duplicate seal and they may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the seal, the reference shall, when and so far as may be applicable, be deemed to include any such duplicate seal as aforesaid.

Duplicate  
seal

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- 163 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, indorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the Board shall from time to time determine. Cheques and banking arrangements
- 164 The Board may from time to time and at any time, by power of attorney under the seal, appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. Power to appoint attorney
- 165 The Company may, by writing under its seal, empower any person, either generally or in respect of any specified matter, as its attorney to execute deeds and instruments on its behalf in any part of the world and to enter into contracts and sign the same on its behalf 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. Execution of deeds by attorney
- 166 The Board may establish any committees, regional or local boards or agencies for managing any of the affairs of the Company, either in the Cayman Islands, Hong Kong, the People's Republic of China or elsewhere, and may appoint any persons to be members of such committees, regional or local boards or agencies and may fix their remuneration, and may delegate to any committee, regional or local board or agent any of the powers, authorities and discretions vested in the Board (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby. Regional or local boards
- 167 The Board may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or provident or superannuation funds or (with the sanction of an ordinary resolution) employee or executive share option schemes for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or is allied or associated with the Company or with any such subsidiary company, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and holding or who have held any salaried employment or office in the Company or such other company, and the wives, widows, families and ~~dependants~~dependents of any such persons. The Board may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or Power to establish pension funds and employee share option schemes

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to advance the interests and well-being of the Company or of any such other company as aforesaid, and may make payments for or towards the insurance of any such persons as aforesaid, and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. The Board may do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

**Capitalisation of Reserves**

168 The Company in general meeting may upon the recommendation of the Board by ordinary resolution resolve that it is desirable to capitalise all or any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts or funds or to the credit of the profit and loss account or otherwise available for distribution (and not required for the payment or provision of dividend on any shares with a preferential right to dividend) and accordingly that such sums be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares, debentures or other securities of the Company to be allotted and distributed credited as fully paid up to and amongst such members in proportion aforesaid or partly in the one way and partly in the other, and the Board shall give effect to such resolution, provided that a share premium account and a capital redemption reserve and any reserve or fund representing unrealised profits may, for the purposes of this Article, only be applied in paying up unissued shares to be issued to members of the Company as fully paid up shares or paying up calls or instalments due or payable on partly paid securities of the Company subject always to the provisions of the ~~Law~~Act.

Power to capitalise

169 Wherever such a resolution as referred to in Article 168 shall have been passed the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid up shares, debentures or other securities, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Board:

Effect of resolution to capitalise

169.1 to make such provision by the issue of fractional certificates or by payment in cash or otherwise (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned) as they think fit in cases where shares, debentures or other securities become distributable in fractions;

169.2 to exclude the right of participation or entitlement of any member with a registered address outside any territory where in the absence of a registration statement or other special or onerous formalities the circulation of an offer of such right or entitlement would

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or might be unlawful or where the Board consider the costs, expense or possible delays in ascertaining the existence or extent of the legal and other requirements applicable to such offer or the acceptance of such offer out of proportion to the benefits of the Company; and

169.3 to authorise any person to enter on behalf of all members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares, debentures or other securities to which they may be entitled upon such capitalisation, or, as the case may require, for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

170 The Board may, in relation to any capitalisation sanctioned under Article 169 in its absolute discretion specify that, and in such circumstances and if directed so to do by a member or members entitled to an allotment and distribution credited as fully paid up of unissued shares or debentures in the Company pursuant to such capitalisation, shall allot and distribute credited as fully paid up the unissued shares, debentures or other securities to which that member is entitled to such person or persons as that member may nominate by notice in writing to the Company, such notice to be received not later than the day for which the general meeting of the Company to sanction the capitalisation is convened.

**Dividends and Reserves**

171 Subject to the ~~Law~~Act and these Articles, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.

Power to declare dividends

172 The dividends, interest and bonuses and any other benefits and advantages in the nature of income receivable in respect of the Company’s investments, and any commissions, trusteeship, agency, transfer and other fees and current receipts of the Company shall, subject to the payment thereof of the expenses of management, interest upon borrowed money and other expenses which in the opinion of the Board are of a revenue nature, constitute the profits of the Company available for distribution.

173 The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company and, in particular (but without prejudice to the generality of the foregoing), if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts *bona fide*, the Board shall not incur any responsibility to the holders of shares conferring any ~~preferenee~~preferential rights.

Board’s power to pay interim dividends

174 The Board may also pay half-yearly or at other intervals to be ~~settled~~selected by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits available for distribution justify the payment.

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175 The Board may in addition from time to time declare and pay special dividends on shares of any class of such amounts and on such dates as they think fit, and the provisions of Article 173 as regards the powers and the exemption from liability of the Board as relate to declaration and payment of interim dividends shall apply, *mutatesmutatis mutandis*, to the declaration and payment of any such special dividends. Powers of Directors to declare and pay special dividends

176 No dividend shall be declared or payable except out of the profits and reserves of the Company lawfully available for distribution including share premium. No dividend shall carry interest against the Company. Dividends not to be paid out of capital

177 ~~Wherever~~Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve: Scrip dividends

EITHER

177.1 that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply: As to cash election

177.1.1 the basis of any such allotment shall be determined by the Board;

177.1.2 the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

177.1.3 the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded;

177.1.4 the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised ("the non-elected shares") and in satisfaction thereof shares shall be allotted credited as fully paid to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company or any part of any of the Company's reserve accounts (including any special account, share premium account and capital redemption reserve (if there be any such reserve)) or profit or loss account or amounts otherwise available for distribution as the Board may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis;

OR

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177.2 that shareholders entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:

As to scrip election

177.2.1 the basis of any such allotment shall be determined by the Board;

177.2.2 the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing to shareholders of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

177.2.3 the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded;

177.2.4 the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised ("the elected shares") and in lieu thereof shares shall be allotted credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company's reserve accounts (including any special account, share premium account and capital redemption reserve (if there be any such reserve)) or profit and loss account or amounts otherwise available for distribution as the Board may determine, a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.

178 The shares allotted pursuant to the provisions of Article 177 shall be of the same class as the class of, and shall rank *pari passu* in all respects with the shares then held by the respective allottees save only as regards participation:

178.1 in the relevant dividend (or share or cash election in lieu thereof as aforesaid); or

178.2 in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend, unless contemporaneously with the announcement by the Board of its proposal to apply the provisions of Article 177.1 or 177.2 in relation to the relevant dividend or contemporaneously with its announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of Article 177 shall rank for participation in such distributions, bonuses or rights.

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179 The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of Article 178 with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Board may authorise any person to enter into on behalf of all members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.

180 The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of Article 177 a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

181 The Board may on any occasion determine that rights of election and the allotment of shares under Article 177 shall not be made available or made to any shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the circulation of an offer of such rights of election or the allotment of shares would or might be unlawful, or where the Board considers the costs, expenses or possible delays in ascertaining the existence or extent of the legal and other requirements applicable to such offer or the acceptance of such offer out of proportion to the benefit of the Company, and in any such case the provisions aforesaid shall be read and construed subject to such determination.

182 The Board shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. The Company may apply the share premium account in any manner permitted by the Companies ~~Law Act~~. The Company shall at all times comply with the provisions of the Companies ~~Law Act~~ in relation to the share premium account.

Share premium and reserves

183 The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (including shares, warrants and other securities of the Company) as the Board may from time to time think fit, and so that it shall not be necessary to keep any reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute by way of dividend.

184 Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid *pro rata* according to

Dividends to be paid in proportion to paid up capital

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the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purpose of this Article no amount paid up on a share in advance of calls shall be treated as paid up on the share.

- 185 The Board may retain any dividends or other moneys payable on or in respect of a share 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. Retention of dividends, etc.
- 186 The Board may retain any dividends or other monies payable upon shares in respect of which any person is, under the provisions as to the transmission of shares hereinbefore contained, entitled to become a member, or in respect of which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.
- 187 The Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise. Deduction of debts
- 188 Any general meeting sanctioning a dividend may make a call on the members of such amount as the meeting resolves, 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. Dividend and call together
- 189 The Board, with the sanction of the members in general meeting, may direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may disregard fractional entitlements, round the same up or down, or provide that the same shall accrue to the benefit of the Company, 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 as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. Where required, a contract shall be filed in accordance with the provisions of the Law Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective. Dividend in specie
- 190 A transfer of shares shall not pass therewith the right to any dividend or bonus declared thereon before the registration of the transfer. Effect of transfer
- 191 Any resolution declaring or resolving upon the payment of a dividend or other distribution on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or made to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may

**APPENDIX III    PROPOSED ADOPTION OF THE NEW MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

be a date prior to that on which the resolution is passed, and thereupon the dividend or other distribution shall be payable or made to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares.

192 If two or more persons are registered as joint holders of any shares, any one of such persons may give effectual receipts for any dividends, interim and special dividends or bonuses and other moneys payable or rights or property distributable in respect of such shares.

Receipt for dividends by joint holders of share

193 Unless otherwise directed by the Board, any dividend, interest or other sum payable in cash to a Payment by post holder of shares may be paid by cheque 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 the person whose name stands first in the register in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares and shall be sent at his or their risk, and the payment of any such cheque or warrant by the bank on which it is drawn 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 any endorsement thereon has been forged.

Payment by post

194 The Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise its power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

App 3  
r.13(1)

195 All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the exclusive benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof or be required to account for any money earned thereon. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Board and shall revert to the Company and after such forfeiture no member or other person shall have any right to or claim in respect of such dividends or bonuses.

Unclaimed dividend  
App 3  
r.3(2)

**Untraceable Shareholders**

196 The Company shall be entitled to sell any shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if and provided that:

Sale of shares of untraceable shareholders

196.1 all cheques or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years;

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## APPENDIX III PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

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196.2 the Company has not during that time or before the expiry of the three month period referred to in Article 196.4 below received any indication of the whereabouts or existence of the member or person entitled to such shares by death, bankruptcy or operation of law;

196.3 during the 12-year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and

App-3  
r.13-(2)(a)

196.4 upon expiry of the 12-year period, the Company has caused an advertisement to be published in the newspapers, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided, giving notice of its intention to sell such shares, and a period of three months has elapsed since such advertisement and the Exchange has been notified of such intention.

App-3  
r.13-(2)(b)

The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds.

197 To give effect to any sale contemplated by Article 196 the Company may appoint any person to execute as transferor an instrument of transfer of the said shares and such other documents as are necessary to effect the transfer, and such documents shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be ~~obligated~~obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares or other securities in or of the Company or its holding company if any) or as the Board may from time to time think fit.

### Document Destruction

198 The Company shall be entitled to destroy all instruments of transfer, probate, letters of administration, stop notices, powers of attorney, certificates of marriage or death and other documents relating to or affecting title to securities in or of the Company (“Registrable Documents”) which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the register if purporting to have been made on the basis of an instrument of transfer or Registrable Document so destroyed was duly and properly made and every instrument of transfer or Registrable Document so destroyed was a valid and effective

Destruction  
of registrable  
documents,  
etc.

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## APPENDIX III    PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

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instrument or document duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, provided always that:

198.1 the provisions aforesaid shall apply only to the destruction of a document in good faith and without express notice of the Company of any claim (regardless of the parties thereto) to which the document might be relevant;

198.2 nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and

198.3 references herein to the destruction of any document include references to the disposal thereof in any manner.

Notwithstanding any provision contained in these Articles, the Directors may, if permitted by applicable law, authorise the destruction of any documents referred to in this Article or any other documents in relation to share registration which have been microfilmed or electronically stored by the Company or by the share registrar on its behalf provided always that this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document might be relevant to a claim.

### Annual Returns and Filings

199 The Board shall make the requisite annual returns and any other requisite filings in accordance with the LawAct.

Annual returns and filings

### Accounts

200 The Board shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions and otherwise in accordance with the LawAct.

Accounts to be kept  
App 13  
Part B  
r.4(1)

201 The books of account shall be kept at the Company's principal place of business in Hong Kong or, subject to the provisions of the LawAct, at such other place or places as the Board thinks fit and shall always be open to the inspection of the Directors.

Where accounts are to be kept

202 The Board shall from time to time determine whether, to what extent, 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 (other than officers of the Company) and no member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by Lawthe Act or any other relevant law or regulation or as authorised by the Board or by the Company in general meeting.

Inspection by members

**APPENDIX III      PROPOSED ADOPTION OF THE NEW MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

203 The Board shall, commencing with the first annual general meeting cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Directors' report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an Auditors' report on such accounts prepared pursuant to Article 206 and such other reports and accounts as may be required by law.

Annual profit and loss account and balance sheet  
App-13  
Part-B  
r.4(2)

204 Copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting be sent in the manner in which notices may be served by the Company as provided herein to every member of the Company and every holder of debentures of the Company, provided that the Company shall not be required to send copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

Annual report of Directors and balance sheet to be sent to members etc.

205 To the extent permitted by and subject to due compliance with these Articles, the ~~Law~~Act and all applicable rules and regulations, including, without limitation, the rules of the Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 204 shall be deemed satisfied in relation to any member or any holder of debentures of the Company by sending to such person instead of such copies, not less than 21 days before the date of the annual general meeting, in any manner not prohibited by these Articles and the ~~Law~~Act, a summary financial statement derived from the Company's annual accounts, together with the Directors' report and the Auditors' report on such accounts, which shall ~~be in the forms~~form and containing the information required by these Articles, the ~~Law~~Act and all applicable laws and regulations, provided that any person who is otherwise entitled to the annual accounts of the Company, together with the Director's report and the Auditor's report thereon may, if he so requires, by notice in writing served on the Company, demand that the Company sends to him, in addition to the summary financial statement, a complete printed copy of the Company's annual accounts, together with the Directors' report and the Auditor's report thereon.

App-13  
Part-B  
r.3(3)  
App-3  
r.5

**Audit**

206 The Auditors shall audit the profit and loss account and balance sheet of the Company in each year and shall prepare a report thereon to be annexed thereto. Such report shall be laid before the Company at its annual general meeting in each year and shall be open to inspection by any member. The Auditors shall at the next annual general meeting following their appointment and at any other time during their term of office, upon request of the Board or any general meeting of the members, make a report on the accounts of the Company in general meeting during their tenure of office.

Auditors  
App-13  
Part-B  
r.4(2)

207 The Company shall at ~~any~~every annual general meeting by ordinary resolution appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The removal of an Auditor before the expiration of his period of office shall require the approval of an ordinary resolution of the members in general meeting. The remuneration of the Auditors shall be fixed by the Company by ordinary resolution at the annual general meeting at

Appointment and remuneration of Auditors  
App 3 r.17

**APPENDIX III PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION**

which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board. No person may be appointed as the, or an, Auditor, unless he is independent of the Company. The Board may before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint Auditors. The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Board under this Article may be fixed by the Board.

208 Every statement of accounts audited by the Auditors and presented by the Board at an annual general meeting shall after approval at such meeting be conclusive except as regards any error discovered therein within three months of the approval thereof. Whenever any such error is discovered within that period, it shall forthwith be corrected, and the statement of account amended in respect of the error shall be conclusive.

When accounts to be deemed settled

**Notices**

209 Except as otherwise provided in these Articles, any notice or document may be served by the Company and any notices may be served by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means by transmitting it to any electronic number or address or website supplied by the member to the Company or by placing it on the Company’s Website provided that the Company has obtained either (a) the member’s prior express positive confirmation in writing or (b) the members’ deemed consent, in the manner specified in the Listing Rules, to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such electronic means, or (in the case of notice) by advertisement published in the ~~newspapers-manner prescribed under the Listing Rules.~~ In the case of joint holders of a share, all notices shall be given to that holder for the time being any one of the joint holders and notice so given shall be sufficient notice to all the joint holders.

Services of notices App 3 r.7(+)

210 Notice of every general meeting shall be given in any manner hereinbefore authorised to:

210.1 every person shown as a member in the register of members as of the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the register of members;

210.2 every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a member of record where the member of record but for his death or bankruptcy would be entitled to receive notice of the meeting;

210.3 the Auditors;

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**APPENDIX III    PROPOSED ADOPTION OF THE NEW MEMORANDUM  
AND ARTICLES OF ASSOCIATION**

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210.4 each Director and alternate Director;

210.5 the Exchange; and

210.6 such other person to whom such notice is required to be given in accordance with the Listing Rules.

No other person shall be entitled to receive notices of general meetings.

211 A member shall be entitled to have notice served on him at any address within Hong Kong. Any member who has not given an express positive confirmation in writing to the Company in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the transfer office and shall have remained there for a period of 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.

Members out  
of Hong  
Kong  
App-3  
r-7(2)

App-3  
r-7(3)

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

When notice  
deemed to be  
served

213 Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.

214 Any notice served by advertisement shall be deemed to have been served on the day of issue of the official publication and/or newspaper(s) in which the advertisement is published (or on the last day of issue if the publication and/or newspaper(s) are published on different dates).

215 Any notice given by electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the Listing Rules or any applicable laws or regulations.

216 A notice may be given by the Company to the person or persons entitled to a share in consequence of the death, mental disorder or bankruptcy of a member by sending it through the post in a prepaid letter addressed to him or them by name, or by the title of representative of

Service of  
notice to  
persons  
entitled on  
death, mental  
disorder or  
bankruptcy  
of a member

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## APPENDIX III    PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

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the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, within Hong Kong supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.

- 217 Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which prior to his name and address being entered on the register shall have been duly given to the person from whom he derives his title to such share. Transferee bound by prior notices
- 218 Any notice or document delivered or sent to any member in pursuance of these Articles, shall notwithstanding that such member be then deceased and whether or not the Company has notice of his death be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such shares. Notice valid though member deceased
- 219 The signature to any notice to be given by the Company may be written or printed by means of facsimile or, where relevant, by Electronic Signature. How notice to be signed

### Information

- 220 No member shall be entitled to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the members or the Company to communicate to the public. Member not entitled to information
- 221 The Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its members including, without limitation, information contained in the register of members and transfer books of the Company. Directors entitled to disclose information

### Winding Up

- 222 Subject to the Companies Act, the Company may by special resolution resolve that the Company be wound up voluntarily. App 3 r.21
- 222~~3~~ If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the Company and any other sanction required by the ~~Law~~Act divide among the members *in specie* or kind the whole or any part of the assets of the Company (whether the assets shall consist of property of one kind or shall consist of properties of different kinds) and may for such purpose set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority or sanction vest the whole or any part of such assets in trustees upon such Power to distribute assets *in specie* following liquidation

**APPENDIX III PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION**

trusts for the benefit of the members as the liquidator, with the like authority or sanction and subject to the LawAct, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

2234 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 members 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 amongst the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. This Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Distribution of assets in liquidation

2245 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 14 days after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong and stating that person's full name, address and occupation upon whom all summonses, notices, process, 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 person, 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 as he shall deem appropriate or by a registered letter sent through the post and addressed to such member at his address as appearing in the register, and such notice shall be deemed to be service on the day following that on which the advertisement first appears or the letter is posted.

Service of process

**Indemnities**

2256 Every Director, Auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director, Auditor or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted.

Indemnities of Directors and officers

2267 Subject to the Companies LawAct, if any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.

**APPENDIX III PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION**

**Financial Year**

2278 Unless the Directors otherwise prescribe, The financial year of the Company shall begin on 1 April and end on 31 March in each year ~~be prescribed by the Board and may, from time to time, be changed by it.~~

Financial year

**Amendment of Memorandum and Articles**

2289 Subject to the Law Act, the Company may at any time and from time to time by special resolution alter or amend its Memorandum of Association and Articles of Association in whole or in part.

Amendment of Memorandum and Articles  
App 3  
r.16  
~~App 13~~  
~~Part B~~  
~~r.1~~

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## NOTICE OF ANNUAL GENERAL MEETING

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### PACIFIC TEXTILES HOLDINGS LIMITED

互太紡織控股有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01382)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the Company will be held at Unit B1, 7th Floor, Block B, Eastern Sea Industrial Building, 48-56 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong on Thursday, 11 August 2022 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditor for the year ended 31 March 2022.
2. To consider and declare a final dividend for the year ended 31 March 2022.
3. To re-elect the following retiring directors and authorize the board of directors to fix the remuneration of directors:
  - (a) Mr. Masaru Okutomi as an executive Director;
  - (b) Dr. Chan Yue Kwong, Michael as an independent non-executive Director;
  - (c) Mr. Ng Ching Wah as an independent non-executive Director; and
  - (d) Mr. Kyuichi Fukumoto as an executive Director.
4. To re-appoint PricewaterhouseCoopers as auditor of the Company and authorize the board of directors to fix the remuneration of the auditor.
5. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company with or without modifications:

#### **ORDINARY RESOLUTION**

**“THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options or warrants which would or might require shares to be issued, allotted or disposed of be and is hereby generally and unconditionally approved;

\* For identification purpose only

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options or warrants which would or might require shares to be issued, allotted or disposed of whether during the continuance of the Relevant Period or after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares upon the exercise of the subscription or conversion rights attaching to any warrants or any securities which are convertible into shares of the Company; or (iii) an issue of shares upon the exercise of options which may be granted under any option scheme or similar arrangement for the time being adopted for the issue of shares or rights to acquire shares of the Company; or (iv) any scrip dividend or other similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by its Articles of Association or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting;

and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company appearing on its register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company with or without modifications:

### ORDINARY RESOLUTION

“**THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Stock Exchange and the Securities and Futures Commission for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or equivalent rules or regulations of such other stock exchange, as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the share capital of the Company to be purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by its Articles of Association or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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7. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company with or without modifications:

### ORDINARY RESOLUTION

“**THAT** conditional upon resolutions numbered 5 and numbered 6 set out in the notice convening this meeting being passed, the exercise by the directors of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company in accordance with the general mandate granted pursuant to resolution numbered 5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares of the Company purchased by the Company under the authority granted pursuant to resolution numbered 6 set out in the notice convening this meeting, provided that the amount of share capital repurchased by the Company shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution.”

8. To consider and, if thought fit, pass the following resolution as a special resolution of the Company with or without modifications:

### SPECIAL RESOLUTION

“**THAT:**

- (a) the proposed amendments (the “**Proposed Amendments**”) to the existing Memorandum of Association and Articles of Association of the Company (the “**Existing Memorandum and Articles of Association**”), the details of which are set out in Appendix III to the circular of the Company dated 12 July 2022, be and are hereby approved;
- (b) the new Memorandum of Association and Articles of Association of the Company (the “**New Memorandum and Articles of Association**”), which contains all the Proposed Amendments and a copy of which has been produced to this meeting and marked “A” and initialled by the chairman of the meeting, be and is hereby approved and adopted in substitution for and to the exclusion of the Existing Memorandum and Articles of Association with immediate effect after the close of this meeting; and
- (c) any director or company secretary of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents and make all such arrangements that he shall, in his absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments and the adoption of New Memorandum and Articles of Association, including without limitation, attending to the necessary registration and/or filings for and on behalf of the Company.”

By order of the Board  
**Pacific Textiles Holdings Limited**  
**Chan Sau Yee**  
*Company Secretary*

Hong Kong, 12 July 2022

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- (i) Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
- (ii) In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof shall be deposited at the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the annual general meeting or any adjourned meeting.
- (iii) The Register of the Members of the Company will be closed from 8 August 2022 to 11 August 2022 (both days inclusive) for the purpose of determining the identity of members who are entitled to attend and vote at the AGM, during which period no transfer of shares of the Company will be registered. In order to qualify for attending the AGM, all transfers accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 5 August 2022.
- (iv) The Register of Members of the Company will be closed from 18 August 2022 to 22 August 2022 (both days inclusive) for the purpose of determining the identity of members who are entitled to the final dividend for the year ended 31 March 2022, during which period no transfer of shares of the Company will be registered. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 17 August 2022.
- (v) With regard to resolutions numbered 3 and 5 to 7, details of the re-election of Directors and general mandates to issue and to repurchase shares are set out in the circular to shareholders dated 12 July 2022.
- (vi) The translation into Chinese language of this notice is for reference only. In case of inconsistency, the English version shall prevail.