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

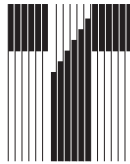
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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional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

**If you have sold or transferred** all your shares in Tern Properties Company Limited 太興置業有限公司, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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**TERN PROPERTIES COMPANY LIMITED****太興置業有限公司***(Incorporated in Hong Kong with limited liability)***(Stock Code: 277)**

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

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A notice convening the annual general meeting of Tern Properties Company Limited 太興置業有限公司 to be held in the conference room of Woo, Kwan, Lee & Lo, 25th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong on Wednesday, 6 August 2014 at 12:00 noon is set out on pages 59 to 63 of this circular to be despatched to shareholders together with this circular.

If you do not intend or are unable to be present at the annual general meeting and wish to appoint a proxy/proxies to attend, speak and vote on your behalf, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or adjourned meeting should you so wish.

7 July 2014

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## DEFINITIONS

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*In this circular (other than in the notice of AGM), unless the context otherwise requires, the following expressions shall have the following meanings:*

“AGM”	the annual general meeting of the Company to be held in the conference room of Woo, Kwan, Lee & Lo, 25th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong on Wednesday, 6 August 2014 at 12:00 noon
“Articles of Association”	the articles of association of the Company, as originally adopted, or as from time to time altered in accordance with the Companies Ordinance
“Board”	the board of Directors
“Company”	Tern Properties Company Limited 太興置業有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	2 July 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“New Articles of Association”	the new articles of association of the Company proposed to be adopted at the AGM
“New Companies Ordinance”	Companies Ordinance, Chapter 622 of the Laws of Hong Kong
“Predecessor Companies Ordinance”	Companies Ordinance, Chapter 32 of the Laws of Hong Kong, which was in force immediately prior to 3 March 2014

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## DEFINITIONS

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“Securities and Futures Ordinance”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Sow Pin Trust”	a discretionary trust of which the trustee is Credit Suisse Trust Limited, a substantial shareholder of the Company, and the beneficiaries are the family members of Mr. Chan Hoi Sow
“Statutory Changes”	has the meaning as defined in the section titled “Adoption of New Articles of Association” in the Letter from the Chairman
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers

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## LETTER FROM THE CHAIRMAN

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### **TERN PROPERTIES COMPANY LIMITED**

**太興置業有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 277)**

*Directors:*

Mr. Chan Hoi Sow (*Chairman and Managing Director*)

Mr. Chan Yan Tin, Andrew

Mr. Chan Siu Keung, Leonard

Ms. Chan Yan Mei, Mary-ellen\*

Mr. Chan Kwok Wai\*\*

Mr. Tse Lai Han, Henry\*\*

Mr. Leung Kui King, Donald\*\*

*Registered office:*

26th Floor,

Tern Centre, Tower I,

237 Queen's Road Central,

Hong Kong

\* *Non-Executive Director*

\*\* *Independent Non-Executive Director*

7 July 2014

*To the Shareholders,*

Dear Sir or Madam,

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

#### **INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to (i) the re-election of Directors; (ii) the granting to the Directors of general mandates for the issue of Shares and the buy-back of Shares up to 20% and 10% respectively of the Company's issued Shares as at the date of the resolutions; and (iii) the adoption of the New Articles of Association.

#### **RE-ELECTION OF DIRECTORS**

The Board currently consists of seven Directors, namely Mr. Chan Hoi Sow, Mr. Chan Yan Tin, Andrew, Mr. Chan Siu Keung, Leonard, Ms. Chan Yan Mei, Mary-ellen, Mr. Chan Kwok Wai, Mr. Tse Lai Han, Henry and Mr. Leung Kui King, Donald.

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## LETTER FROM THE CHAIRMAN

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Pursuant to Article 103 of the existing Articles of Association, Mr. Chan Hoi Sow, Mr. Chan Yan Tin, Andrew and Mr. Chan Kwok Wai shall retire by rotation at the AGM and, being eligible, offer themselves for re-election.

In compliance with the requirement of code provision E.1.1 of the Corporate Governance Code set out in Appendix 14 of the Listing Rules, a separate resolution will be proposed at the AGM for the re-election of each individual Director whether such Director is an executive Director, non-executive Director or independent non-executive Director.

Mr. Chan Kwok Wai has served as an independent non-executive Director for more than 9 years and in accordance with the requirement of code provision A.4.3 of the corporate governance code, the re-election of him will be subject to a separate resolution to be approved by the Shareholders. As an independent non-executive Director with in-depth understanding of the Company's operations and business, Mr. Chan Kwok Wai has expressed objective views and given independent guidance to the Company over the years, and he continues demonstrating a firm commitment to his role. The Board considers that the long service of Mr. Chan Kwok Wai would not affect his exercise of independent judgement and is satisfied that Mr. Chan Kwok Wai has the required character, integrity and experience to continue fulfilling the role of an independent non-executive Director. The Board also considers that the re-election of Mr. Chan Kwok Wai as a Director is in the best interest of the Company and Shareholders as a whole.

Brief biographical details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix I to this circular.

### **GENERAL MANDATE TO BUY BACK SHARES**

At the annual general meeting of the Company held on 7 August 2013, a general mandate was given by the Company to the Directors to exercise the powers of the Company to buy back Shares. This general mandate will lapse at the conclusion of the AGM.

An ordinary resolution will be proposed at the AGM to give a general and unconditional mandate to the Directors to exercise the powers of the Company to buy back at any time until the next annual general meeting of the Company following the passing of the ordinary resolution or such earlier period as stated in the ordinary resolution Shares up to a maximum of 10% of the aggregate number of Shares in issue at the date of the passing of the ordinary resolution (i.e. not exceeding 30,775,852 Shares based on 307,758,522 Shares in issue as at the Latest Practicable Date and assuming that the number of issued Shares remain the same at the date of passing the resolution) (the "Buy-Back Mandate").

An explanatory statement providing the requisite information as required under the Listing Rules is set out in Appendix II to this circular.

### **GENERAL MANDATE TO ISSUE SHARES**

At the annual general meeting of the Company held on 7 August 2013, a general mandate was given by the Company to the Directors to exercise the powers of the Company to issue Shares. This general mandate will lapse at the conclusion of the AGM.

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## LETTER FROM THE CHAIRMAN

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At the AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to issue during the period up to the next annual general meeting of the Company following the passing of the ordinary resolution or such earlier period as stated in the ordinary resolution Shares representing up to 20% of the aggregate number of Shares in issue at the date of the passing of the resolution (i.e. not exceeding 61,551,704 Shares based on 307,758,522 Shares in issue as at the Latest Practicable Date and assuming that the number of issued Shares remain the same at the date of passing the resolution) (the “Issue Mandate”). In addition, an ordinary resolution will be proposed to authorise extension of the Issue Mandate which would increase the limit of the Issue Mandate by adding to it the aggregate number of Shares bought back under the Buy-Back Mandate.

### ADOPTION OF NEW ARTICLES OF ASSOCIATION

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

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

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

1. inserting provisions in the former memorandum of association of the Company (the “**Memorandum**”) regarding company name and member’s limited liabilities into the Articles of Association (those provisions in the Memorandum having been statutorily regarded as provisions of the Articles of Association pursuant to section 98 of the New Companies Ordinance);

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## LETTER FROM THE CHAIRMAN

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2. not having objects clause provisions in the New Articles of Association but giving the Company the capacity, rights, powers and privileges of a natural person of full age;
3. amending the definition of “Companies Ordinance” to make reference to the New Companies Ordinance and where appropriate, to make references to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);
4. deleting, adding or modifying certain definitions as appropriate;
5. amending the provisions relating to various ways to alter the Company’s capital in light of the abolishment of the par value for shares;
6. deleting references relating to “memorandum”, “nominal value”, “nominal amount of the shares”, “premium”, “share premium account” and “capital redemption reserve” or similar wordings in the existing Articles of Association and where applicable, replacing references to nominal value of shares with total voting rights;
7. broadening the disclosure of interest by Directors to include the disclosure of interests of the Directors’ “connected entity” (within the meaning given under section 486 of the New Companies Ordinance);
8. requiring the Board to give the reasons for declining to register a share transfer if requested by the transferor or transferee;
9. removing the Company’s power to convert any paid up shares into stock (and vice versa);
10. reducing the threshold for demanding a poll such that Shareholders holding at least 5% (instead of one-tenth) of the total voting rights of all the Shareholders having the right to vote at the meeting can demand a poll;
11. allowing any document signed by any two Directors or any one Director and the secretary of the Company and expressed to be executed by the Company to have the effect as if such document had been executed under the Company’s common seal; and
12. removing the Company’s power to issue warrants to bearer.

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



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## LETTER FROM THE CHAIRMAN

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In view of the amount of amendments proposed to be made to the existing Articles of Association, the Board proposes that the New Articles of Association (with all proposed amendments to the existing Articles of Association incorporated) be adopted to replace the existing Articles of Association. Please refer to Appendix III of this circular for further particulars and details relating to the changes to the existing Articles of Association brought about by the adoption of the New Articles of Association. A copy of the New Articles of Association showing all changes made to the existing Articles of Association will be available for inspection during normal business hours on any weekday (except public holidays) at the registered office of the Company in Hong Kong at 26th Floor, Tern Centre, Tower I, 237 Queen's Road Central, Hong Kong from the date of this circular up to and including the date of the AGM and at the AGM.

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

### **ANNUAL GENERAL MEETING**

At the AGM, resolutions will be proposed to the Shareholders to consider the ordinary resolutions relating to, among other things, the re-election of retiring Directors, the grant of the Buy-Back Mandate, the Issue Mandate and the extension of the Issue Mandate and the special resolution relating to the adoption of the New Articles of Association. The notice of AGM is set out on pages 59 to 63 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. If you do not intend or are unable to be present at the AGM and wish to appoint a proxy/proxies to attend, speak and vote on your behalf, you are requested to complete the accompanying form of proxy and return it to the registered office of the Company in accordance with the instructions printed thereon not later than 48 hours before the time fixed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting if you so desire.

### **VOTING BY WAY OF POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the AGM will be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

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## LETTER FROM THE CHAIRMAN

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### RECOMMENDATION

The Directors consider that the re-election of the retiring Directors, the granting of the Buy-Back Mandate, the Issue Mandate, the extension of the Issue Mandate and the adoption of the New Articles of Association are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions to be proposed at the AGM to give effect to them.

Yours faithfully,  
**Chan Hoi Sow**  
*Chairman*

The biographical details of three Directors proposed to be re-elected at the AGM are set out as follows:

**Chan Hoi Sow**

Mr. Chan Hoi Sow, aged 80, has been the Chairman and Managing Director of the Group since 1987. Mr. Chan has more than 30 years experience in property investment and development in Hong Kong, the Mainland China and overseas. He is also a director of various members of the Group. He is also a director of Beyers Investments Limited, a substantial shareholder of the Company holding 100% and 50% respectively of the issued share capital of Noranger Company Limited (“Noranger”) and Evergrade Investments Limited (“Evergrade”). Noranger and Evergrade, substantial shareholders of the Company, hold 47.41% and 8.39% respectively of the issued Shares. Save as disclosed above, he has not held any directorship in other listed public companies in the last three years or any other positions with the Company or other members of the Group.

He is the father of Mr. Chan Yan Tin, Andrew, an Executive Director of the Company and Ms. Chan Yan Mei, Mary-ellen, a Non-Executive Director of the Company. He is the founder of the Sow Pin Trust. As at the Latest Practicable Date, Mr. Chan was interested in 173,772,896 Shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance, representing approximately 56.46% of the issued Shares. Save as disclosed above, he does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

The Company has entered into an appointment letter with Mr. Chan on 1 April 2012 and he is subject to retirement by rotation and re-election at the AGM and vacation of office in accordance with the provisions of the Articles of Association. His emoluments comprise salary and other benefits. His emoluments are to be determined with reference to the prevailing market practice, the Company’s remuneration policy, his duties and responsibilities with the Group and his contribution to the Group. For the year ended 31 March 2014, he received a salary of HK\$418,950 per month and year end bonus of HK\$1,399,000. He was also entitled to rent-free accommodation provided by the Company of rateable value of HK\$2,867,000 per year.

Save as disclosed above, Mr. Chan has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

**Chan Yan Tin, Andrew**

Mr. Chan Yan Tin, Andrew, aged 50, has been an Executive Director of the Company since January 2004. He was an Executive Director from October 1987 to April 2001 and a Non-Executive Director from April, 2001 to January 2004. He graduated from Simon Fraser University in Canada, and has extensive experience in property investment and development in Hong Kong, the Mainland China and overseas. He is also a director of various members of the Group. Save as disclosed above, he has not held any directorship in other listed public companies in the last three years or any other positions with the Company or other members of the Group.

Mr. Chan is a son of Mr. Chan Hoi Sow who is the Chairman and Managing Director of the Group. He is also the brother of Ms. Chan Yan Mei, Mary-ellen who is a Non-Executive Director of the Company. He is a discretionary beneficiary of the Sow Pin Trust. As at the Latest Practicable Date, Mr. Chan has beneficial interest in 172,528,896 Shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance, representing approximately 56.05% of the issued Shares. Save as disclosed above, he does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

The Company has entered into an appointment letter with Mr. Chan on 1 April 2012 and he is subject to retirement by rotation and re-election at the AGM and vacation of office in accordance with the provisions of the Articles of Association. His emoluments comprise salary and other benefits. His emoluments are to be determined with reference to the prevailing market practice, the Company's remuneration policy, his duties and responsibilities with the Group and his contribution to the Group. For the year ended 31 March 2014, he received a salary of HK\$161,400 per month and year end bonus of HK\$153,710.

Save as disclosed above, Mr. Chan has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

#### **Chan Kwok Wai**

Mr. Chan, aged 55, has been an Independent Non-Executive Director since September 2004. He is also the chairman of the audit committee, the chairman of the remuneration committee and the chairman of the nomination committee. He holds a bachelor degree in Accounting and Commerce, and is an associate member of the CPA Australia and a member of the Hong Kong Securities Institute. He has extensive experience in finance and accounting industry. Mr. Chan is currently a director of High Progress Consultants Limited. He is also an independent non-executive director of Chinese Estates Holdings Limited, National Electronics Holdings Limited, Far East Consortium International Limited and China Investments Holdings Limited, and was an independent non-executive director of Junefield Department Stores Group Limited for the period from 31 December 2002 to the conclusion of its annual general meeting held on 29 May 2013, all of which are listed public companies in Hong Kong. Save as disclosed above, he has not held any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group.

As at the Latest Practicable Date, Mr. Chan did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Chan does not have any relationship with any Directors, senior management or substantial shareholders or controlling shareholders of the Company.

Mr. Chan's term of service with the Company is three years, from 1 April 2014 to 31 March 2017 and is subject to retirement by rotation and re-election at the AGM and vacation of office in accordance with the provisions of the Articles of Association. His emoluments

comprise a director's fee to be determined by the Board with authorisation from time to time given by the Shareholders in general meeting. His director's fee is to be determined with reference to the prevailing market practice, the Company's remuneration policy, his duties and responsibilities with the Group and his contribution to the Group. For the year ended 31 March 2014, he received a director's fee of HK\$80,000 per annum.

Save as disclosed above, Mr. Chan has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

This appendix serves as an explanatory statement, as required by Rule 10.06(b) of the Listing Rules, to provide requisite information to shareholders for their consideration of the Buy-Back Mandate and also constitutes the memorandum as required under Section 239(2) of the New Companies Ordinance.

## **1. LISTING RULES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to buy back their shares on the Stock Exchange or on any other stock exchange on which the shares of the companies may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose subject to certain restrictions, the most important of which are summarized below:

- (a) The shares proposed to be purchased by the company are fully-paid up.
- (b) The company has previously sent to its shareholders an explanatory statement complying with the Listing Rules.
- (c) The shareholders of the company have given a specific approval or a general mandate to the directors of the company to make such purchase, by way of an ordinary resolution which complies with the Listing Rules and which has been passed at a general meeting of the company duly convened and held.

The company must report the outcome of the general meeting called to consider the proposed purchases to the Stock Exchange immediately following the meeting.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the share capital of the Company comprised 307,758,522 Shares in issue, all of which are fully paid up.

Subject to the passing of the proposed ordinary resolution and on the basis that no further Shares are issued or bought back prior to the AGM, the Company would be allowed under the Buy-Back Mandate to buy back a maximum of 30,775,852 Shares which are fully paid up, representing 10% of the aggregate number of Shares in issue as at the Latest Practicable Date and date of the passing of the proposed ordinary resolution.

## **3. REASONS FOR BUY-BACKS**

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

#### 4. FUNDING OF BUY-BACKS

It is proposed that buy-back of Shares under the Buy-Back Mandate in these circumstances would be financed from available cash flow or working capital facilities of the Company and its subsidiaries.

In buy back Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association and the Companies Ordinance. The Companies Ordinance provides that the amount of capital repaid in connection with a share buy-back may only be paid from the distributable profits of the company or from the proceeds of a new issue of shares made for the purpose.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 March 2014) in the event that the proposed buy-back of Shares were to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the Buy-Back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 5. SHARE PRICES

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

	<b>Highest Price</b> <i>HK\$</i>	<b>Lowest Price</b> <i>HK\$</i>
<b>2013</b>		
July	4.700	4.700
August	4.900	4.550
September	4.650	4.600
October	_*	_*
November	_*	_*
December	4.850	4.720
<b>2014</b>		
January	_*	_*
February	_*	_*
March	_*	_*
April	_*	_*
May	_*	_*
June	_*	_*
July (up to the Latest Practicable Date)	_*	_*

\* There was no trading of shares during the month.

**6. GENERAL**

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

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company under the Buy-Back Mandate if such Buy-Back Mandate is approved by the Shareholders.

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

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

As at the Latest Practicable Date, Mr. Chan Hoi Sow, Mr. Chan Yan Tin, Andrew and Ms. Chan Yan Mei, Mary-ellen together with their respective associates (as defined in the Listing Rules) (the "said Persons") were beneficially interested in 174,564,896 Shares, representing approximately 56.72% of the aggregate number of Shares in issue. In the event that the Directors exercised the Buy-Back Mandate in full, then (if the present shareholdings otherwise remained the same) the interests of the said Persons in the Company would be increased to approximately 63.02% of the aggregate number of Shares in issue and the said Persons would not be required to make a mandatory offer under Rules 26 and 32 of the Takeovers Code by reason of such increase. The Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any buy-backs made under the Buy-Back Mandate. The Directors have no present intention to exercise the Buy-Back Mandate to the extent that the number of Shares held by the public would be reduced to less than 25% of the aggregate number of Shares in issue.

**7. SHARE BUY-BACK MADE BY THE COMPANY**

The Company had not bought back any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.



**8. RESPONSIBILITY STATEMENT**

This circular includes particulars given in compliance with the Listing Rules for the purpose of providing information with regard to the Company.

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this circular the omission of which would make any statement contained herein misleading.

The following are the changes to the existing Articles of Association introduced by the New Articles of Association. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the New Articles of Association.

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
1A	<p>The name of the Company is “<u>TERN PROPERTIES COMPANY LIMITED 太興置業有限公司</u>”.</p> <p>* <i><u>The name of the Company was changed to TERN PROPERTIES COMPANY LIMITED 太興置業有限公司 on 15th March, 1988.</u></i></p>
1B	<p><u>The Company has the capacity, rights, powers and privileges of a natural person of full age and, in addition and without limit, the Company may do any act that it is permitted or required to do by these Articles or any ordinance or rule of law, and has power to acquire, hold and dispose of land.</u></p>
1C	<p><u>The liability of the members is limited.</u></p>
1D	<p><u>Upon any increase of capital the Company is to be at liberty to issue any new shares either in Hong Kong Dollars or in any other currency or partly in one currency and partly in another and with any preferential, deferred, qualified or special rights, privileges or conditions attached thereto. The rights for the time being attached to any shares having preferential, deferred, qualified or special rights, privileges or conditions attached thereto, may be altered or dealt with in accordance with these Articles, but not otherwise.</u></p>
1E	<p><u>The regulations contained in Table A in the First model articles set out in Schedule 1 to the Companies (Model Articles) Notice (Chapter 622H of the Laws of Hong Kong) Ordinance shall not apply to the Company.</u></p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
2	<p>“the Companies Ordinance” or “the Ordinance” shall mean the Companies Ordinance (Chapter <del>326</del><u>22</u> of the <del>laws</del><u>Laws</u> of Hong Kong) and any amendments thereto or re-enactment thereof for the time being in force and includes every other ordinance incorporated therewith or substituted therefor and in the case of any such substitution the references in these Articles to the provisions of the Ordinance shall be read as references to the provisions substituted therefor in the new Ordinance;</p> <p>“share(s)” shall mean share(s) <del>in the capital</del> of the Company <del>and includes stock except where a distinction between stock and shares is expressed or implied;</del></p> <p>“shareholder(s)” or “member(s)” shall mean the duly registered holder(s) from time to time of the share(s) <del>in the capital</del> of the Company;</p> <p>“the Board” shall mean the <u>board of</u> Directors from time to time <del>of the Company</del> or (as the context may require) the majority of Directors present and voting at a meeting of the Directors;</p> <p>“<u>Director(s)</u>” shall mean the director(s) of the Company</p> <p>“<del>Entitled Person</del>” shall mean an “<u>entitled person</u>” as defined under the Companies Ordinance;</p> <p>“<del>relevant financial reporting</del> documents” shall mean the “<u>relevant financial reporting</u> documents” as defined under the Companies Ordinance;</p> <p>“associate” shall have the meaning ascribed to it under the Listing Rules <u>and “associates” shall be construed accordingly;</u></p> <p>“newspaper” shall mean a newspaper published <del>daily</del> and circulating generally in Hong Kong <del>and specified in the list of newspapers issued and published in the Gazette for the purposes of Section 71A of the Companies Ordinance by the Chief Secretary for Administration;</del></p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p><u>“close associate” shall have the meaning ascribed to it under the Listing Rules;</u></p> <p><u>“connected entity” shall have the meaning given by Section 486 of the Companies Ordinance and “connected entities” shall be construed accordingly;</u></p> <p><u>“Stock Exchange” shall mean The Stock Exchange of Hong Kong Limited;</u></p> <p><u>“%” shall mean per cent.;</u></p>
4	<p>The Board may issue warrants to subscribe for any class of shares or securities of the Company on such terms as it may from time to time determine <del>subject to the approval of the shareholders in general meeting (unless they are issued by the Board under the authority of a general mandate granted to it by the shareholders). 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 new such warrant.</del></p>
5(B)	<p>All or any of the special rights (unless otherwise provided for by the terms of issue) attached to the shares or any class of the shares (if the capital is divided into different classes of shares) may, subject to the provisions of <del>Section 64 of the Companies Ordinance</del>, be varied or abrogated either with the consent in writing of the holders of <del>not less than three-fourths in nominal value</del> <u>representing at least 75% of the total voting rights of holders of the issued shares or the issued shares</u> of that class (if the capital is divided into different classes of shares) or with the sanction of a special resolution passed at a general meeting of the holders of the shares or at a separate general meeting of the holders of the shares of that class (if the capital is divided into different classes of shares). To every such separate general meeting the provisions of these Articles relating to general meetings shall <i>mutatis mutandis</i> apply, but so that the necessary quorum shall be not less than two persons holding or representing by proxy <del>one-third in nominal value of the total voting rights of holders of issued shares</del> of that class, and at an adjourned meeting one person holding shares of that class or his proxy, and that any holder of shares of the class present in person or by proxy may demand a poll.</p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
Immediately preceding Article 6	<b>Shares and Increase of Capital</b>
6	<p>The Company may exercise any powers conferred or permitted by the Ordinance or any other ordinance from time to time to <del>acquire</del> <u>buy back</u> its own shares or to give directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company and should the Company <del>acquire</del> <u>buy back</u> its own shares neither the Company nor the Board shall be required to select the shares to be <del>acquired</del> <u>bought back</u> rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such <del>acquisition</del> <u>buy-back</u> or financial assistance shall only be made or given in accordance with any relevant rules or regulations issued by <del>the Stock Exchange of Hong Kong Limited</del> or the Securities and Futures Commission of Hong Kong or any other relevant regulatory authorities from time to time.</p>
7	<p><i>Deleted.</i> 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.</p>
9	<p><u>Subject to the provisions of the Companies Ordinance,</u> <del>The</del> Company may <del>by ordinary resolutions,</del> before the issue of any new shares, determine that the same, or any of them shall be offered in the first instance, <del>and either at par or at a premium,</del> to all the existing holders of any class of shares in proportion as nearly as may be to the number of shares of such class held by them respectively, or make any other provisions as to the issue and allotment of such shares, but in default of any such determination or so far as the same shall not extend, such shares may be dealt with as if they formed part of the capital of the Company existing prior to the issue of the same.</p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
11	Subject to the provisions of the Companies Ordinance <del>(and in particular Section 57B thereof)</del> and of these Articles relating to new shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times, for such consideration and generally on such terms as the Board shall in its absolute discretion think fit, <del>but so that no shares shall be issued at a discount, except in accordance with the provisions of the Companies Ordinance.</del>
12	The Company may <u>in connection with the issue of any shares exercise all powers of paying commission conferred or permitted by the Companies Ordinance 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 Companies Ordinance shall be observed and complied with, and in each case the commission shall not exceed ten per cent. of the price at which the shares are issued.</u>
17	Every certificate for shares or warrants or debentures or representing any other form of securities of the Company shall be issued under the seal of the Company, which for this purpose may be any official seal as permitted by Section <u>12673A</u> of the Ordinance.
18	Every share certificate hereafter issued shall specify the number and class of shares in respect of which it is issued <del>and the amount paid thereon</del> and may otherwise be in such form as the Board may from time to time prescribe. If at any time the share capital of the Company is divided into different classes of shares, every share certificate shall comply with Section <u>17957A</u> of the Ordinance. A share certificate shall relate to only one class of shares.
19	<p><del>(A)</del> The Company shall not be bound to register more than four persons as joint holders of any share.</p> <p><del>(B)</del> 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.</p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
20	If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, not exceeding such maximum amount as may from time to time be prescribed by the <u>Stock Exchange Listing Rules</u> and on such terms and conditions, if any, as to publication of notices, evidence and indemnity as the Board thinks fit and in the case of wearing out or defacement, after delivery up of the old certificate. In the case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Company any exceptional costs and the reasonable out-of-pocket expenses incidental to the investigation by the Company of the evidence of such destruction or loss and of such indemnity.
24	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 <del>(whether on account of the nominal value of shares or by way of premiums)</del> 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.
27	In addition to the giving of notice in accordance with Article 26, 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 by notice to be inserted once in <del>The Hong Kong Government</del> Gazette and once at least in an English language newspaper and in a Chinese language newspaper.
35	Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date, <del>whether on account of the nominal value of the share and/or by way of premium,</del> shall for all purposes of these Articles be deemed to be a call duly made, notified, and payable on the date fixed for payment, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture and the like, shall apply as if such sums had become payable by virtue of a call duly made and notified. The Board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the time of payment.

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
37	All transfers of shares may be effected by an instrument of transfer in the usual or common form or in such other form as prescribed by <del>T</del> the Stock Exchange of Hong Kong Limited or in such form as the Board may accept and may be under hand or, if the transferor or transferee is a clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time. All instruments of transfer must be left at the registered office or at such other place as the Board may appoint.
39	The Board may, in its absolute discretion, <del>and without assigning any reason,</del> refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.
40	<p>The Board may also decline to recognize any instrument of transfer unless:–</p> <ul style="list-style-type: none"> <li>(i) a fee not exceeding such maximum amount as may from time to time be prescribed by the <del>Stock Exchange Listing Rules</del> is paid to the Company in respect thereof;</li> <li>(ii) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;</li> <li>(iii) the instrument of transfer is in respect of only one class of share;</li> <li>(iv) the shares concerned are free of any lien in favour of the Company; and</li> <li>(v) the instrument of transfer is properly stamped.</li> </ul>



Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
42	<p>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. <u>If the Board declines to register a transfer, the transferee or transferor may request a statement of the reasons for the refusal. If such request is made, the Board shall, within 28 days after receiving the request,</u></p> <p>(i) <u>send the person who made the request a statement of the reasons; or</u></p> <p>(ii) <u>register the transfer.</u></p>
43	<p>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 with a fee not exceeding such maximum amount as may from time to time be prescribed by the <u>Stock Exchange Listing Rules</u> 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 with a fee not exceeding such maximum amount as may from time to time be prescribed by the <u>Stock Exchange Listing Rules</u>. <del>The Company shall also retain the transfer.</del></p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
53	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding twenty per cent. per annum as the Board may prescribe, and the Board may enforce the payment thereof if it thinks fit, and without any deduction or allowance for the value of the shares, at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Article any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, <del>whether on account of the nominal value of the share or by way of premium,</del> shall notwithstanding that 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.
58	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, <del>whether on account of the nominal value of the share or by way of premium,</del> as if the same had been payable by virtue of a call duly made and notified.
Immediately preceding Article 59	<b>Stock</b>
59	<del><i>Deleted.</i> The Company may by ordinary resolution convert any fully paid up shares into stock, and may from time to time by like resolution reconvert any stock into fully paid up shares of any denomination. After the passing of any resolution converting all the fully paid up shares of any class into stock any shares of that class which subsequently become fully paid up and rank <i>pari passu</i> in all other respects with such shares shall, by virtue of this Article and such resolution, be converted into stock transferable in the same units as the shares already converted.</del>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
60	<del><i>Deleted.</i> The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations as and subject to which the shares from which the stock arose might prior to conversion have been transferred or as near thereto as circumstances admit, but the Board may from time to time, if it thinks fit, fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose. No warrants to bearer shall be issued in respect of any stock.</del>
61	<del><i>Deleted.</i> The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding up, voting at meetings and other matters, as if they held the shares from which the stock arose, but no such rights, privileges or advantages (except participation in the dividends and profits and in the assets on winding up of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such rights, privileges or advantages.</del>
62	<del><i>Deleted.</i> Such of the provisions of these presents as are applicable to paid up shares shall apply to stock, and the words “share” and “shareholder” therein shall include “stock” and “stockholder”.</del>
63	<p>(A) <del>The Company may from time to time by ordinary resolution</del>  <u>Subject to the provisions of the Ordinance, the Company may from time to time alter its share capital in any one or more of the ways set out below:–</u></p> <p>(i) <u>increase its share capital by allotting and issuing new shares;</u></p> <p>(ii) <u>increase its share capital without allotting and issuing new shares, if the funds or other assets for the increase are provided by the members of the Company;</u></p> <p>(iii) <u>capitalise its profits, with or without allotting and issuing new shares;</u></p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p>(iv) <u>allot and issue bonus shares with or without increasing its share capital;</u></p> <p>(iv) <u>convert all or any of its shares into a larger or smaller number of shares</u> <del>consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; on any consolidation of fully paid shares into shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any 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;</del></p> <p>(iiv) <del>cancel any shares that</del> <u>which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled; and</u></p> <p>(a) <u>at the date the resolution for cancellation is passed, have not been taken or agreed to be taken by any person; or</u></p> <p>(b) <u>have been forfeited.</u></p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p>(iii) <del>sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies Ordinance, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.</del></p> <p>(B) <u>On any consolidation of fully paid shares, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit.</u></p> <p>(CB) <del>The Subject to the provisions of the Companies Ordinance, the Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner authorised and subject to any conditions prescribed by law.</del></p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
64	<p><del>The</del>Subject to the provisions of the Companies Ordinance, the Company shall, in <u>respect of each of its financial year</u>, hold a general meeting as its annual general meeting in addition to any other meeting <del>in that year</del> and shall specify the meeting as such in the notice calling it; <del>and not more than fifteen months or such longer period as the Registrar of Companies may in any particular case authorise in writing shall elapse between the date of one annual general meeting of the Company and that of the next.</del> The annual general meeting shall be held at such time and place(s) as the Board shall appoint.</p>
67	<p>An annual general meeting <del>and a meeting called for the passing of a special resolution</del> shall be called by twenty-one days' notice in writing at the least, and a meeting of the Company other than an annual general meeting <del>or a meeting for the passing of a special resolution</del> shall be called by at least fourteen days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place <u>(and if the meeting is to be held in two or more places, the principal place of the meeting and the other place or places of the meeting)</u>, the day and the hour of meeting and; <del>in case of special business,</del> the general nature of <del>that the</del> <u>business to be dealt with</u>, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company <u>and also to the Auditors</u>, provided that subject to the provisions of the Companies Ordinance, a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed:—</p> <p>(i) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and</p> <p>(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together <del>holding not less than ninety-five per cent. in nominal value of the shares giving that right</del> <u>representing at least 95% of the total voting rights at the meeting of all the members.</u></p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
73	<p>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 as the meeting shall determine. Whenever a meeting is adjourned for fourteen days or more, at least seven clear days' notice, specifying the place(s), the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.</p>
74	<p>At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is taken as may from time to time be required under the Listing Rules or any other applicable laws, rules or regulations or unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:–</p> <ul style="list-style-type: none"> <li>(i) by the Chairman of the meeting; or</li> <li>(ii) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or</li> <li>(iii) by any member or members present in person or by proxy and representing not less than <del>one-tenth</del> <u>5%</u> of the total voting rights of all the members having the right to vote at the meetings; <del>or</del></li> <li>(iv) <del>by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.</del></li> </ul>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	Unless a poll is so taken as required under the Listing Rules or any other applicable laws, rules or regulations or unless a poll be so demanded and not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.
80	Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a show of hands every member who (being an individual) is present in person <u>or by proxy</u> or (being a corporation) is present by a <del>representative</del> duly authorised <u>representative</u> <del>under Section 115 of the Companies Ordinance</del> shall have one vote, and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder which is fully paid up or credited as fully paid up (but so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of this Article as paid up on the share). On a poll a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
85	Any member of the Company entitled to attend and vote at a meeting of the Company or a meeting of the holders of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and <u>to speak and</u> vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.



Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
87	<p>The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be (i) deposited at the registered office of the Company or at such other place as is specified in the notice of meeting or in the instrument of proxy issued by the Company or, (ii) <u>if an electronic address is specified by the Company, in the notice of meeting or in the instrument of proxy issued by the Company, specifically for the purpose of receiving such instruments and the aforesaid authorities and documents for that meeting, sent or transmitted by electronic means to such electronic address subject to any conditions or limitations imposed by the Company, in each case not less than forty-eight hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote or, in the case of a poll taken more than forty-eight hours after it was demanded, not less than twenty-four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. In calculating the periods mentioned above, no account is to be taken of any part of a day that is a public holiday.</u> No instrument appointing a proxy shall be valid after expiration of twelve months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.</p>
99	<p>The Board may grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or 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, <del>or</del> participation in profits or otherwise as may be arranged.</p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
101(A)	<p>A Director shall vacate his office:–</p> <ul style="list-style-type: none"><li data-bbox="512 442 1353 549">(i) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;</li><li data-bbox="512 602 1129 634">(ii) if he becomes a lunatic or of unsound mind;</li><li data-bbox="512 687 1353 900">(iii) if he absents himself from the meetings of the Board during a continuous period of six months, without special leave of absence from the Board, and his alternate Director (if any) shall not during such period have attended in his stead, and the Board passes a resolution that he has by reason of such absence vacated his office;</li><li data-bbox="512 953 1353 1059">(iv) if he <u>ceases to be a Director or becomes prohibited from being a Director by reason of any order made under any provision of the Companies Ordinance or any ordinance or any rule of law;</u></li><li data-bbox="512 1112 1353 1176">(v) if by notice in writing delivered to the Company at its registered office he resigns his office;</li><li data-bbox="512 1229 1353 1293">(vi) if he shall be removed from office by notice in writing served upon him signed by all his co-Directors; or</li><li data-bbox="512 1347 1353 1410">(vii) if he shall be removed from office by an ordinary resolution of the Company under Article 109.</li></ul>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
102(E)	<p><del>Where</del>Subject to paragraph (H) of this Article, <del>where</del> arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) <del>and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director together with any of his associates own 5 per cent. or more (as defined in paragraph (I) of this Article).</del></p>
102(G)	<p><del>A</del>If a Director <del>or his connected entity</del>, who to <del>his</del>the Director's knowledge (<del>whether he being aware or ought reasonably to be aware</del>) is in any way, whether directly or indirectly, interested in a <del>transaction</del>, contract or arrangement or <del>a proposed transaction</del>, contract or arrangement with the Company, <del>the Director</del> shall declare the nature <del>and extent of his such</del> interest at the meeting of the Board at which the question of entering into the <del>transaction</del>, contract or arrangement is first taken into consideration if he knows <del>his such</del> interest then exists, or in any other case at the first meeting of the Board after he knows that he <del>or his connected entity</del> is or has become so interested. For this purpose, a general notice to the Board by a Director to the effect that:-</p> <p>(i) he is a member, <del>director, executive, officer, employee or otherwise</del> of a specified company or firm and is to be regarded as interested in any <del>transaction</del>, contract or arrangement which may after the <del>effective</del> date of the notice be made with that company or firm; or</p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p>(ii) he is <u>connected with a person specified in the notice and is to be regarded as interested in any <u>transaction</u>, contract or arrangement which may after the <u>effective</u> date of the notice be made with a <u>the</u> specified person <del>who is connected with him,</del></u></p> <p>shall be deemed to be a sufficient declaration of interest in relation to any such <u>transaction</u>, contract or arrangement; provided that <u>such notice must state the nature and extent of the Director's interest in the specified body corporate or firm or the nature of the Director's connection with the specified person and</u> no such notice shall be effective unless either it is given at a meeting of the Board or <u>in writing and sent to the Company (in which case such notice will take effect on the twenty-first day after the day on which it is sent to the Company) and</u> the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.</p>
102(H)	<p>A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any <u>transaction</u>, contract or arrangement or any other proposal in which he or any of his <u>close</u> associate(s) to his knowledge is/are materially interested, but this prohibition shall not apply to any of the following matters namely:–</p> <p>(i) <del>any contract or arrangement for</del> the giving by the Company of any security or indemnity to the Director or his <u>close</u> associate(s) in respect of money lent or obligations incurred or undertaken by him or any of his <u>close</u> associates at the request of or for the benefit of the Company or any of its subsidiaries;</p> <p>(ii) <del>any contract or arrangement for</del> the giving by the Company of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his <u>close</u> associate(s) <u>has/have</u> 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;</p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p>(iii) <del>any contract, arrangement or proposal</del> concerning an offer of the shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his <u>close</u> associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;</p> <p>(iv) any contract or arrangement in which the Director or his <u>close</u> associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;</p> <p>(v) <del>any contract, arrangement or proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director and/or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5 per cent. or more of the issued shares or voting rights of any class of shares of such company (or of any third company through which his interest or that of his associates is derived);</del></p> <p>(vi) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to the Directors, his <u>close</u> associates and employees of the Company or any of its subsidiaries <del>or its associated companies</del> and does not provide in respect of any Director or his <u>close</u> associate(s) as such any privilege or advantage not generally accorded to the <u>employees class of persons to whom which</u> such scheme or fund relates; and</p> <p>(vii) any proposal or arrangement concerning the adoption, modification or operation of <u>any employees' share scheme or any share incentive or share option scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or any of its subsidiaries under which the Director or his close</u> associate(s) may benefit.</p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p>The references to “close associate” in this paragraph (H) shall be changed to “associate” where the transaction or arrangement is a <u>connected transaction under Chapter 14A of the Listing Rules.</u></p>
102(I)	<p>A company shall be deemed to be a company in which a Director and/or his <del>associate(s) own(s) 5 per cent. or more</del> <u>close associates or associates (as the case may be) or connected entities has shareholding interest</u> if and so long as (but only if and so long as) he and/or his <del>associate(s)</del> <u>close associates or associates (as the case may be) or connected entities</u> is/are (either directly or indirectly) the holder(s) of or beneficially interested in <del>5 per cent. or more of</del> any class of the equity share capital of such company (or of any third company through which his interest or that of any of his <u>close associates or associates (as the case may be) or connected entities</u> is derived) or of the voting rights available to members of such company. For the purpose of this paragraph there shall be disregarded any shares held by a Director or his <del>associate(s)</del> <u>close associates or associates (as the case may be) or connected entities</u> as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his <del>associate(s)</del> <u>close associates or associates (as the case may be) or connected entities</u> is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his <del>associate(s)</del> <u>close associates or associates (as the case may be) or connected entities</u> is/are interested only as a unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.</p>
102(J)	<p><del>Where a company in which a Director and/or his associate(s) hold(s) 5 per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.</del></p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
102(K)	<p>If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the Chairman of the meeting) or his <del>associate(s)</del> <u>close associates or associates (as the case may be)</u> or as to the entitlement of any Director (other than such Chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or his <del>associate(s)</del> <u>close associates or associates (as the case may be)</u> concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the Chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such Chairman shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Chairman as known to such Chairman has not been fairly disclosed to the Board.</p>
102(L)	<p><del>The</del> <u>Subject to the provisions of the Companies Ordinance, the</u> Company may by ordinary resolution ratify any transaction not duly authorised by reason of a contravention of this Article provided that no Director who is or whose <del>associate(s)</del> <u>close associates or associates (as the case may be)</u> is/are materially interested in such transaction, together with any of his <u>close associates or associates (as the case may be)</u>, shall vote upon such ordinary resolution in respect of any shares in the Company in which he/<u>they</u> is/<u>are</u> interested.</p>
106	<p>The Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the Board. <del>Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.</del></p>
108	<p>The Company shall keep in accordance with the Ordinance a register containing the <del>names and addresses and occupations</del> <u>particulars</u> of its Directors <u>as required by the Companies Ordinance</u> and shall from time to time notify to the Registrar of Companies any change that takes place in such Directors as required by the Companies Ordinance.</p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
109	<p>The Company may by ordinary resolution remove any Director (including a Managing or other Executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract of service between him and the Company) and may elect another person in his stead. Any person so elected shall <del>hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election</del> <u>be treated, for the purpose of determining the time at which he or any other Director is to retire, as if he had become a Director on the day on which the person in whose place he is appointed was last appointed or reappointed a Director.</u></p>
120(B)	<p><del>Without</del> <u>Subject to the provisions of the Companies Ordinance and without</u> prejudice to the general powers conferred by these Articles, it is hereby expressly declared that the Board shall have the following powers:-</p> <p>(i) to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at <del>par or at such premium</del> <u>such consideration</u> as may be agreed; and</p> <p>(ii) to give to any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration.</p>



Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
139(B)	<p>The Company may have an official seal for use for sealing certificates for shares or other securities issued by the Company as permitted by <del>Section 73A of the Ordinance</del> (and no signature of any Director, officer or other person and no mechanical reproduction thereof shall be required on any such certificates or other document and any such certificates or other document to which such official seal is affixed shall be valid and deemed to have been sealed and executed with the authority of the Board notwithstanding the absence of any such signature or mechanical reproduction as aforesaid) and an official seal for use abroad under the provisions of the Companies Ordinance where and as the Board shall determine, and the Company may by writing under the seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company for the purpose of affixing and using such official seal and they may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the seal, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.</p>
<u>139(C)</u>	<p><u>Subject to the Companies Ordinance, a document signed by any two of the Directors, or any of the Directors and the Secretary and expressed (in whatever words) to be executed by the Company has effect as if the document had been executed under the Company's common seal.</u></p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
144(A)	<p><del>The</del>Subject to the Ordinance, the Company in general meeting may upon the recommendation of the Board, resolve to capitalise any part of the Company's reserves or undivided profits not required for the payment or provision of the dividend on any shares with a preferential right to dividend, and accordingly that such part be sub-divided amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures or other securities of the Company to be allotted and distributed credited as fully paid to and amongst such members in the proportion aforesaid, or partly in one way and partly in the other; <del>provided that for the purpose of this Article, any amount standing to the credit of share premium account and capital redemption reserve fund may only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid up shares.</del></p>
144 (B)	<p>Whenever such a resolution as aforesaid shall have been passed the Board shall make all appropriations and applications of the reserves or profits and undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, debentures, or other securities and generally shall do all acts and things required to give effect thereto. For the purpose of giving effect to any resolution under this Article, the Board may settle any difficulty which may arise in regard to a capitalisation issue as it thinks fit, and in particular may determine that cash payments shall be made to any members in respect of fractional entitlements or that fractions of such value (as the Board may determine) may be disregarded in order to adjust the rights of all parties or that fractional entitlements shall be aggregated and sold and the benefit shall accrue to the Company rather than to the members concerned. <del>The provisions of the Companies Ordinance in relation to the filing of contracts for allotment shall be observed and the Board may appoint any person to sign on behalf of the persons entitled to share in a capitalisation issue and such appointment shall be effective and binding upon all concerned, and the contract may provide for the acceptance by such persons of the shares, debentures or other securities to be allotted and distributed to them respectively in satisfaction of their claims in respect of the sum so capitalised.</del></p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
145	<p><del>Deleted.</del>-(A) If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions applicable under the terms and conditions of the warrants, would reduce the subscription price to below the par value of a share, then the following provisions shall apply:—</p> <p>(i) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Article) maintain in accordance with the provisions of this Article a reserve (the “Subscription Right Reserve”) the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to subparagraph (iii) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Right Reserve in paying up in full such difference in respect of such additional shares as and when the same are allotted;</p> <p>(ii) the Subscription Right Reserve shall not be used for any purpose other than that specified above unless all other reserves of the Company (other than share premium account and capital redemption reserve fund) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by law;</p> <p>(iii) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrant holder, credited as fully paid, such additional nominal amount of shares as is equal to the difference between:—</p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p>(aa) <del>the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and</del></p> <p>(bb) <del>the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par,</del></p> <p><del>and immediately upon such exercise so much of the sum standing to the credit of the Subscription Right Reserve as is required to pay up in full such additional nominal amount of shares shall be capitalised and applied in paying up in full such additional nominal amount of shares which shall forthwith be allotted credited as fully paid to the exercising warrant holder; and</del></p> <p>(iv) <del>if upon the exercise of the subscription rights represented by any warrant the amount standing to the credit of the Subscription Right Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such difference as aforesaid to which the exercising warrant holder is entitled, the Board shall apply any profits or reserves then or thereafter becoming available (including, to the extent permitted by law, share premium account and capital redemption reserve fund) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until then no dividend or other distribution shall be paid or made on the fully paid shares of the Company then in issue. Pending such payment up and allotment, the exercising warrant holder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being are transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Board may think fit and adequate particulars thereof shall be made known to each relevant exercising warrant holder upon the issue of such certificate.</del></p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p><del>(B) Shares allotted pursuant to the provisions of this Article shall rank <i>pari passu</i> in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned. Notwithstanding anything contained in paragraph (A) of this Article, no fraction of any share shall be allotted on exercise of the subscription rights.</del></p> <p><del>(C) A certificate or report by the auditors for the time being of the Company as to whether or not the Subscription Right Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Right Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to exercising warrant holders credited as fully paid, and as to any other matter concerning the Subscription Right Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and shareholders.</del></p>
147(A)	<p>The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the position 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 <i>bona fide</i> the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights.</p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
149	<p>Whenever the Board or the Company in general meeting have resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, with or without offering any rights to shareholders to elect to receive such dividend in cash, 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 or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may determine that fractional entitlements shall be aggregated and sold and the benefit shall accrue to the Company rather than to the members concerned, 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. <del>Where requisite, a contract shall be filed in accordance with the provisions of the Companies Ordinance and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective.</del></p>
150(A)	<p>Wherever the Board or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve:-</p> <p><i>either</i> (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted shall be of the same class or classes as the class or classes already held by the allottee, 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:-</p> <p>(a) the basis of any such allotment shall be determined by the Board;</p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p>(b) 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;</p> <p>(c) 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; and</p> <p>(d) 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 lieu and in satisfaction thereof shares shall be allotted credited as fully paid up 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, <del>share premium account and capital redemption reserve fund</del> (if there be any such reserve)) as the Board may determine, <del>a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same</del> <u>such sum as may be required</u> 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.</p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p><i>or</i> (ii) 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 on the basis that the shares so allotted shall be of the same class or classes as the class or classes of shares already held by the allottee. In such case, the following provisions shall apply:—</p> <p>(a) the basis of any such allotment shall be determined by the Board;</p> <p>(b) 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;</p> <p>(c) 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; and</p>



Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p>(d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised (“the elected shares”) and in lieu thereof shares shall be allotted credited as fully paid up 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 or any part of any of the Company’s reserve accounts (including any special account, <del>share premium account and capital redemption reserve fund (if there be any such reserve)</del>) as the Board may determine, <del>a sum equal to the aggregate nominal amount of the shares to be allotted on such basis and apply the same</del> <u>such sum as may be required</u> 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.</p>
161	<p>The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a member who is untraceable, but no such sale shall be made unless:–</p> <p>(i) all cheques or warrants, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Articles of the Company have remained uncashed;</p> <p>(ii) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and</p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p>(iii) the Company has caused an advertisement to be inserted in an English language newspaper and a Chinese language newspaper giving notice of its intention to sell such shares and has notified <del>The Stock Exchange of Hong Kong Limited</del> of such intention and a period of three months has elapsed since the date of such advertisement.</p> <p>For the purpose of the foregoing, “relevant period” means the period commencing twelve years before the date of publication of the advertisement referred to in paragraph (iii) of this Article and ending at the expiry of the period referred to in that paragraph.</p> <p>To give effect to any such sale the Board may authorise any person to transfer the said shares and instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such 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 relating to the sale. The net proceeds of the sale will 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. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Article shall be valid and effective notwithstanding that the member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.</p>
167	(A) The Board shall from time to time in accordance with the provisions of the Companies Ordinance cause to be prepared and laid before the Company at its annual general meeting the <del>relevant financial</del> <u>reporting</u> documents.

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p>(B) Subject to paragraph (C) of this Article, the Company shall in accordance with the Companies Ordinance and other applicable laws, rules and regulations, deliver or send to every member of, and every holder of debentures of, the Company <del>and to every Entitled Person</del> a copy of the <del>relevant financial reporting</del> documents of the Company or a copy of the summary financial report in place of a copy of the <del>relevant financial reporting</del> documents from which the report is derived, not less than twenty-one days before the date of the general meeting of the Company concerned (or such other time as is permitted under the Companies Ordinance and other applicable laws, rules and regulations). Provided that this Article shall not require a copy of these documents to be sent to more than one of the joint holder of any shares or debentures <del>or to any member of, or any holder of debentures</del> of the Company who is not entitled to receive notices of general meetings of the Company <del>and of</del> <u>to any members of, or any holder of debentures of, the Company whose address is unknown to the Company</u> <del>is unaware</del>, but any member or holder of debentures of the Company to whom a copy of these documents has not been sent, shall be entitled to receive a copy of these documents free of charge on application at the registered office of the Company.</p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p>(C) Where any <del>Entitled Person</del> <u>member</u> has, in accordance with the Companies Ordinance and other applicable laws, rules and regulations, agreed or is deemed to have agreed to his having access to the <del>relevant financial reporting</del> documents and/or the summary financial report on the Company's <del>computer network website</del> as mentioned in Article 172(<del>viv</del>) or, to the extent permitted by, and in accordance with the Companies Ordinance and other applicable laws, rules and regulations, in any other manner (including any other form of electronic communication) instead of being sent the documents or report, as the case may be (an "assenting person"), the publication or making available by the Company, in accordance with the Companies Ordinance and other applicable laws, rules and regulations, on the Company's <del>computer network website</del> referred to above of the <del>relevant financial reporting</del> documents and/or the summary financial report throughout the period beginning not less than twenty-one days before the date of the general meeting of the Company concerned and ending on such date in accordance with the Companies Ordinance and other applicable laws, rules and regulations (or such other period or time as is permitted under the Companies Ordinance and other applicable laws, rules and regulations) or in such other manner, shall be treated as having sent a copy of the <del>relevant financial reporting</del> documents or a copy of the summary financial report to an assenting person in satisfaction of the Company's obligations under paragraph (B) of this Article.</p>
171	<p>Every <del>Entitled Person</del> <u>member</u> shall register with the Company an address either in Hong Kong or elsewhere to which notices can be sent and if any member shall fail so to do, notice may be given to such member by sending the same in any of the manners hereafter mentioned to his last known place of business or residence, or if there be none, by posting the same for one day at the registered office of the Company or by posting the same on the website of the Company or any other electronic means. <del>In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders. Subject to the Listing Rules and unless these Articles otherwise provide,</del></p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p>(i) <u>all notices, documents or other information directed to be given to the members shall, with respect to any share to which persons are jointly entitled, be given to any one of the joint holders in respect of such share, and such notices, documents or information so given shall be deemed to have been given to all the holders of such share; and</u></p> <p>(ii) <u>anything to be agreed or specified by the members shall, with respect to any share to which persons are jointly entitled, be deemed to have been agreed or specified by all the holders of such share if any one of the joint holders in respect of such share has so agreed or specified (except for transfer of the share).</u></p>
172	<p>Any notice or document (including any “corporate communication” as defined in the Listing Rules), whether or not to be given or issued under the Companies Ordinance, other applicable laws, rules and regulations or these presents from the Company, may be served or delivered by the Company upon any <del>Entitled Person</del> <u>member</u> in the <u>following manner</u>:</p> <p>(i) <u>in hard copy form either (a) personally or (b) by hand to, or by sending it through the post (if sent to an address outside Hong Kong, by airmail or any equivalent service that is no slower) in a prepaid envelope or wrapper addressed to, the member’s address as shown in the register; or</u></p> <p>(ii) <del>by sending it through the post in a prepaid envelope or wrapper addressed to such person at his registered place of address;</del></p> <p>(iii) by advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper and for such period as the Board shall think fit to the extent permitted by, and in accordance with the Companies Ordinance and other applicable laws, rules and regulations;</p> <p>(iv) <del>by sending or transmitting it as an electronic communication to such person at any telex or facsimile transmission number or electronic number or electronic address or computer network or website supplied by him to the Company for the giving of notice or document from the Company to him to the extent permitted by, and in accordance with the Companies Ordinance and other applicable laws, rules and regulations;</del></p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p>(iii) <u>in electronic form:</u></p> <p>(a) <u>personally; or</u></p> <p>(b) <u>by hand to, or by sending it through the post (if sent to an address outside Hong Kong, by airmail or an equivalent service that is no slower) in a prepaid envelope or wrapper addressed to, the member's address as shown in the register; or</u></p> <p>(c) <u>by sending or transmitting it as an electronic communication to the member at any telex or facsimile transmission number or electronic number or electronic address supplied by him to the Company for the giving of notice or document from the Company to him</u></p> <p><u>to the extent permitted by, and in accordance with the Companies Ordinance and other applicable laws, rules and regulations;</u></p> <p>(iv) by publishing it on the Company's <del>computer network</del> <u>website</u> and giving to <del>the member such person</del> a notice in accordance with the Companies Ordinance, other applicable laws, rules and regulations stating that the notice or other document is available there (a "notice of publication") to the extent permitted by, and in accordance with the Companies Ordinance and other applicable laws, rules and regulations. The notice of publication may be given to such <del>member person</del> by any of the means set out in paragraphs (i), <u>(ii), (iii)(c)</u><del>to (iv)</del> or (vi) of this Article; or</p> <p>(vi) by sending or otherwise making available to such <u>member person</u> through such means to the extent permitted by, and in accordance with, the Companies Ordinance and other applicable laws, rules and regulations.</p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
173	<p>(A) Any notice or other document (including any “corporate communication” as defined in the Listing Rules) given or issued by or on behalf of the Company:–</p> <p>(i) if served or delivered in person, shall be deemed to have been served or delivered at the time of personal service or delivery, and in proving such service or delivery, a certificate in writing signed by the Secretary (or other officer of the Company or such other person appointed by the Board) that the notice or document was so served or delivered shall be conclusive evidence thereof;</p> <p>(ii) if served or delivered by post, shall be deemed to have been served or delivered on the <u>second business</u> day following that on which the envelope or wrapper containing the same is put into a post box, and in proving such service or delivery, it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post box. A certificate in writing signed by the Secretary (or such other officer of the Company or such other person appointed by the Board) that the envelope or wrapper containing the notice or other document was so prepaid, addressed and put into the post shall be conclusive evidence thereof;</p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p>(iii) if sent or transmitted as an electronic communication in accordance with Article 172<del>(iii)(c)(iv)</del> or through such means in accordance with Article 172(vi), shall be deemed to have been served or delivered at the <u>expiration of 24 hours after</u> <del>time of</del> the relevant despatch or transmission. A notice or document published in the Company's <u>website</u> <del>computer network</del> in accordance with Article 172(iv), shall be deemed to have been served or delivered <del>on the day following that on which</del> <u>after the expiration of 24 hours after the later of (1) the time when the member receives or is deemed to have received the notice of publication is sent to the Entitled Person and (2) the time when the notice or document is first made available on the Company's website. In calculating a period of hours mentioned in this paragraph, any part of a day that is not a business day is to be disregarded.</u> In proving such service or delivery, a certificate in writing signed by the Secretary (or such other officer of the Company or such other person appointed by the Board) as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence provided that no notification that the electronic communication has not reached its recipient has been received by the sender, except that any failure in transmission beyond the sender's control shall not invalidate the effectiveness of the notice or document being served; and</p> <p>(iv) if served by advertisement in a newspaper in accordance with Article 172(iii), shall be deemed to have been served on the day on which such notice or document is first published.</p> <p><u>For the purpose of this paragraph (A), "business day" has the meaning given by Section 821 of the Companies Ordinance.</u></p>



Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
	<p>(B) Subject to the Companies Ordinance and other applicable laws, rules and regulations, any notice or other document (including but not limited to the documents referred to in Article 167 and “corporate communication” as defined in the Listing Rules) may be given by the Company in the English language only, in the Chinese language only or in both. Where a person has in accordance with the Companies Ordinance and other applicable laws, rules and regulations consented to receive notices and other documents (including but not limited to the documents referred to in Article 167 and any “corporate communication” as defined in the Listing Rules) from the Company in the English language only or the Chinese language only but not both, it shall be sufficient for the Company to serve on or deliver to him any such notice or document in such language only in accordance with these presents unless and until there is a notice of revocation or amendment of such consent given or deemed to have been given by such person to the Company in accordance with the Companies Ordinance and other applicable laws, rules and regulations which shall have effect in respect of any notice or document to be served on or delivered to such person subsequent to the giving of such notice of revocation or amendment.</p>
181	<p>If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies (<u>Winding Up and Miscellaneous Provisions</u>) Ordinance (<u>Chapter 32 of the Laws of Hong Kong</u>), divide among the members in specie or kind the whole or any part of the assets of the Company and whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members of different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other assets upon which there is a liability.</p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)
183	<p>(A) <del>Every</del> <u>Subject to the provisions of the Companies Ordinance and so far as may be permitted by the Companies Ordinance, every</u> Director or other officer and every Auditor of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (<del>including any such except for any liability in relation to the Auditor as is mentioned in Section 415</del><del>165</del><del>(2)</del> of the Companies Ordinance <u>and any liability in relation to a Director as mentioned in Section 469(2) of the Companies Ordinance</u>) which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director or other officer or Auditor shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto, provided that this Article shall only have effect in so far as its provisions are not avoided by the Companies Ordinance.</p> <p>(B) <del>Subject to Section 165</del> <u>the provisions</u> of the Companies Ordinance, if any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.</p>
184	<p><del>The</del> <u>Subject to the provisions of the Companies Ordinance, the</u> Company shall have power to purchase and maintain for any Director, or other officer or Auditor of the Company:</p> <p>(i) insurance against any liability to the Company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or a related company; and</p> <p>(ii) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.</p>

Article No.	Provisions in the New Articles of Association (showing changes to the Articles of Association)																	
	For the purpose of this Article, “related company” means any company which is the Company’s subsidiary or holding company or a subsidiary of the Company’s holding company.																	
The subscriber table immediately after Article 184	<table border="1"> <thead> <tr> <th data-bbox="526 502 1123 697"><u>We, the several persons whose names, addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names.</u></th> <th data-bbox="1123 502 1340 697"></th> </tr> <tr> <th data-bbox="526 697 1123 893"><b>Names, Addresses and Descriptions of Subscribers</b></th> <th data-bbox="1123 697 1340 893"><b><u>Number of Shares Taken by each Subscriber</u></b></th> </tr> </thead> <tbody> <tr> <td data-bbox="526 893 1123 1055">Howard F.G. Hobson 601 Union House, Hong Kong Solicitor</td> <td data-bbox="1123 893 1340 1055"><u>One</u></td> </tr> <tr> <td data-bbox="526 1055 1123 1217">E.J. M. Churn 41-47 Waterloo Road, Kowloon Hong Kong Merchant</td> <td data-bbox="1123 1055 1340 1217"><u>One</u></td> </tr> <tr> <td data-bbox="526 1217 1123 1378">F.Zimmern 4th Floor, Holland House, Hong Kong Solicitor</td> <td data-bbox="1123 1217 1340 1378"><u>One</u></td> </tr> <tr> <td data-bbox="526 1378 1123 1540">B.Poole 41 Bisney Road, Top Floor, Bisney Villa, Hong Kong</td> <td data-bbox="1123 1378 1340 1540"><u>One</u></td> </tr> <tr> <td data-bbox="526 1540 1123 1702">C.M. Chu 4 Hee Wong Terrace, 2nd floor, Hong Kong Company Secretary</td> <td data-bbox="1123 1540 1340 1702"><u>One</u></td> </tr> <tr> <td data-bbox="526 1702 1123 1800">Ronald W.H. Wong 601 Union House, Hong Kong Solicitor</td> <td data-bbox="1123 1702 1340 1800"><u>One</u></td> </tr> </tbody> </table>		<u>We, the several persons whose names, addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names.</u>		<b>Names, Addresses and Descriptions of Subscribers</b>	<b><u>Number of Shares Taken by each Subscriber</u></b>	Howard F.G. Hobson 601 Union House, Hong Kong Solicitor	<u>One</u>	E.J. M. Churn 41-47 Waterloo Road, Kowloon Hong Kong Merchant	<u>One</u>	F.Zimmern 4th Floor, Holland House, Hong Kong Solicitor	<u>One</u>	B.Poole 41 Bisney Road, Top Floor, Bisney Villa, Hong Kong	<u>One</u>	C.M. Chu 4 Hee Wong Terrace, 2nd floor, Hong Kong Company Secretary	<u>One</u>	Ronald W.H. Wong 601 Union House, Hong Kong Solicitor	<u>One</u>
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<b>Names, Addresses and Descriptions of Subscribers</b>	<b><u>Number of Shares Taken by each Subscriber</u></b>
Oscar K.T.Lai 601 Union House, Hong Kong Solicitor	<u>One</u>
<u>Total Shares Taken</u>	<u>Seven</u>
<p>Dated the 14th day of March, 1968.</p> <p>WITNESS to the above signatures:</p> <p style="text-align: right;"><b>PUN SHIU CHUNG</b> <i>Solicitor</i> Hong Kong</p> <p><i>(Note: The names and other particulars of subscribers and related content appearing on this page originally formed part of the Memorandum of Association of the Company before Part 3 of the Ordinance came into effect on 3rd March, 2014, and are now reproduced here for reference only.)</i></p>	

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## NOTICE OF ANNUAL GENERAL MEETING

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### **TERN PROPERTIES COMPANY LIMITED**

**太興置業有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 277)**

### **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Tern Properties Company Limited 太興置業有限公司 (the “Company”) will be held in the conference room of Woo, Kwan, Lee & Lo, 25th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong on Wednesday, 6 August 2014 at 12:00 noon for the following purposes:

1. To receive and consider the audited consolidated Financial Statements, the Report of the Directors and the Independent Auditor’s Report for the year ended 31 March 2014.
2. To declare a final dividend of HK3.8 cents per share for the year ended 31 March 2014.
3. To consider and approve, each as a separate resolution, if thought fit, the following resolutions:
  - (a) To re-elect Mr. Chan Hoi Sow as Director;
  - (b) To re-elect Mr. Chan Yan Tin, Andrew as Director;
  - (c) To re-elect Mr. Chan Kwok Wai as Director, who has served as Independent Non-Executive Director more than 9 years;
  - (d) To authorise the Board of Directors to fix the Directors’ remuneration.
4. To re-appoint HLM CPA Limited as Auditor and authorise the Board of Directors to fix their remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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As special business, to consider and, if thought fit, to pass with or without amendments the following resolutions as Ordinary Resolutions and Special Resolution of the Company:

### ORDINARY RESOLUTIONS

5. **“THAT:**

- (i) subject to paragraph (ii) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to buy back shares of the Company in issue on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of shares of the Company to be bought back by the Company pursuant to the approval in paragraph (i) of this Resolution shall not exceed 10% of the aggregate number of shares of the Company in issue at the date of passing this Resolution (subject to adjustment in the case of subdivision and consolidation of shares), and the said approval shall be limited accordingly; and
- (iii) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
  - (a) the conclusion of the next Annual General Meeting of the Company;
  - (b) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
  - (c) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”

6. **“THAT:**

- (i) subject to paragraph (iii) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares of the Company and to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require shares to be allotted be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) the approval in paragraph (i) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require shares to be allotted after the end of the Relevant Period;
  
- (iii) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (i) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of any rights of subscription or conversion under any existing warrants, bonds, debentures, notes and other securities of the Company; or (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company; or (iv) any scrip dividend scheme or similar arrangement providing for the allotment and issue 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; or (v) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed 20% of the aggregate number of shares of the Company in issue at the date of passing this Resolution (subject to adjustment in the case of subdivision and consolidation of shares), and the said approval shall be limited accordingly;
  
- (iv) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
  - (a) the conclusion of the next Annual General Meeting of the Company;
  
  - (b) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
  
  - (c) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares or issue of options, warrants or other securities giving the right to subscribe for shares of the Company open for a period fixed by the Directors of the Company to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities), (subject in all cases to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

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## NOTICE OF ANNUAL GENERAL MEETING

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7. “**THAT** conditional upon the passing of Ordinary Resolutions Nos. 5 and 6 set out in the notice convening this meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares of the Company pursuant to Ordinary Resolution No. 6 set out in the notice convening this meeting be and is hereby extended by the addition thereto of a number representing the aggregate number of the shares of the Company bought back by the Company under the authority granted pursuant to Ordinary Resolution No. 5 set out in the notice convening this meeting, provided that such extended number shall not exceed 10% of the aggregate number of shares of the Company in issue at the date of passing this Resolution (subject to adjustment in the case of subdivision and consolidation of shares).”

### SPECIAL RESOLUTION

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

By order of the Board  
**Huen Po Wah**  
*Secretary*

Hong Kong, 7 July 2014

*Registered Office:*  
26th Floor,  
Tern Centre, Tower I,  
237 Queen’s Road Central,  
Hong Kong



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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. A member of the Company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the registered office of the Company at 26th Floor, Tern Centre, Tower I, 237 Queen's Road Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
3. To ascertain the entitlement of the shareholders to attend and vote at the meeting, the Register of Members of the Company will be closed from Monday, 4 August 2014 to Wednesday, 6 August 2014, both days inclusive, during which period no transfer of shares will be registered by the Company. In order to be eligible to attend and vote at the meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 1 August 2014.

Subject to the approval of the shareholders at the meeting, the proposed final dividend will be payable to the shareholders whose names appear on the Register of Members of the Company on 14 August 2014. To ascertain the entitlement of the shareholders to the proposed final dividend, the Register of Members of the Company will be closed from Tuesday, 12 August 2014 to Thursday, 14 August 2014, both days inclusive, during which period no transfer of shares will be registered by the Company. In order to qualify for the proposed final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Share Registrars and Transfer Office, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 11 August 2014.

4. Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the shareholders at the meeting will be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.
5. With regard to items 3 and 5 to 8 of this notice, a circular giving details of the proposals for re-election of Directors, general mandates to buy back shares and to issue shares and adoption of New Articles of Association of the Company will be despatched to the shareholders together with the 2014 Annual Report of the Company on 7 July 2014.
6. This notice is also available for viewing on the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.tern.hk](http://www.tern.hk) from 7 July 2014.
7. As at the date of this notice, the Board of Directors of the Company comprises seven Directors, of which three are Executive Directors, namely Mr. Chan Hoi Sow, Mr. Chan Yan Tin, Andrew and Mr. Chan Siu Keung, Leonard, one is Non-Executive Director, namely Ms. Chan Yan Mei, Mary-ellen and three are Independent Non-Executive Directors, namely Mr. Chan Kwok Wai, Mr. Tse Lai Han, Henry and Mr. Leung Kui King, Donald.