

Certified True Copy

Steve Chan

Chairman

The Hong Kong Association of Online Brokers Limited

THE COMPANIES ORDINANCE (CHAPTER 32)

Company limited by guarantee and not having a share capital

MEMORANDUM OF ASSOCIATION

OF

The Hong Kong Association of Online Brokers Limited
(香港網上經紀協會有限公司)

1. The name of the company is “The Hong Kong Association of Online Brokers Limited (香港網上經紀協會有限公司)” (hereinafter called “the Association”).
2. The registered office of the Association will be situated in Hong Kong.
3. The objects for which the Association is established are : -
 - (a) To promote an efficient and quality online securities and futures trading environment both in the primary and secondary markets.
 - (b) To promote friendly relations between members and their representatives.
 - (c) To act as a central point of contact for the regulators and the public.
 - (d) To provide a forum for discussion of issues relating to the online securities and futures industry.
 - (e) To establish and recommend industry best practices and standards.
 - (f) To communicate and work with the regulators to continuously improve the legal and regulatory framework of the online securities and futures industry.
 - (g) To acquire and take over all or any part of the assets and liabilities of the present unincorporated body known as The Hong Kong Association of Online Brokers.
 - (h) To promote, support or oppose legislative or other measures affecting the online securities and futures industry.

- (i) To enter into any arrangements or contracts with any government or authority, supreme, municipal, local or otherwise or with any person or association that may seem conducive to the objects of the Association or any of them and to obtain from any such government or authority, person or association any rights, privileges and concessions which the Association may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, contracts, rights, privileges and concessions.
- (j) To collect and circulate statistics and other information relating to online securities and futures industry.
- (k) To hold or assist in holding or organise exhibitions, conferences, lectures, scholarships, awards, classes, seminars, courses, meetings, shows, concerts, musical and dramatic performances of all kinds or to print, publish and sell periodicals, books or leaflets the contents of which are designed to promote the primary objects of the Association.
- (l) To prepare, print, organise and publish programs, brochures, posters, magazines, periodicals, circulars, leaflets, books and other works of every description such as shows and programs and all other works of every description which may be thought desirable for the promotion of the objects of the Association.
- (m) To furnish books, reviews, magazines, newspapers and other publications and issue, print, publish or distribute any publications, newspapers, periodicals, magazines, books, reports, leaflets or pamphlets as the Association may think desirable for the publicity of its objects.
- (n) To foster and undertake research into any aspect of the objects of the Association and its work and to disseminate the results of any such research.
- (o) To advance and promote education, and to found schools, scholarships and exhibitions; to found libraries and to promote the same; and to accept donations and endowments and support establishments and institutions for any of such purposes, and to act as trustees, custodian trustees or managers of any funds subscribed or donated for any of such purposes, and generally to undertake and execute any trusts the undertaking of which may be considered consonant with the objects of the Association or otherwise desirable, and either, gratuitously or otherwise.
- (p) To arrange social and recreational activities for the members and their guests.

- (q) To take such steps by personal or written appeals or other functions and activities as may from time to time be deemed expedient for the purpose of providing contributions to the funds of the Association in the shape of donations, endowments, subscriptions or otherwise for the purposes of the objects of the Association.
- (r) To mobilise and assist in the mobilisation of resources including the raising of funds, the acceptance of grants, donations, bequests and gifts of all kinds from any person, corporation or institution and the stimulation of support of all kinds for the advancement and attainment of the objects of the Association including the preparation and dissemination of information concerning the same.
- (s) To donate money, provide funds, make gifts in kind and promise gifts to or for others whether charitable organisations or not for the purpose of its objects being carried out or achieved.
- (t) To borrow or raise or secure the payment of money in such manner as the Association may think fit and to secure the same or the repayment or performance of any debt, liability, contract, guarantee or other engagement incurred or to be entered into by the Association in any way and in particular by the issue of debentures perpetual or otherwise, charged upon all or any of the Association's property (both present and future), and to purchase, redeem, or pay off any such securities.
- (u) To purchase, take on lease, or in exchange, hire or otherwise acquire any real or personal property, and any rights or privileges which the Association may think necessary or convenient for the purposes of the Association.
- (v) To sell, improve, manage, develop, lease, mortgage, dispose of, or otherwise deal with, all or any part of the property of the Association.
- (w) To take and accept any gift of money, property and other assets, whether subject to any special trust or not, for any one or more of the objects of the Association.
- (x) To lend, invest and deal with the moneys of the Association not immediately required for its objects, in such manner as may from time to time be thought fit.
- (y) To guarantee or otherwise support or secure, either with or without the Association receiving any consideration or advantage to debts and liabilities and the performance of contracts by any persons, companies or associations in furtherance of the objects of the Association.

- (z) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange and other negotiable or transferable instruments.
 - (aa) To appoint, employ and remunerate and, from time to time if thought fit, dismiss and replace with others such employees and staff as the Association may think fit, and lawyers, accountants, surveyors and other professional or non-professional advisers or consultants as may be considered expedient.
 - (bb) To carry out all acts, matters and deeds ancillary or incidental to all or any of the objects of the Association.
4. The liability of the members is limited.
 5. The income and property of the Association, howsoever derived, shall be applied solely towards the promotion of the objects of the Association as set forth in this memorandum of association; and no portion thereof shall be paid or transferred directly or indirectly, by way of dividend, bonus, or otherwise, to the members of the Association, provided that nothing herein shall prevent the payment, in good faith, by the Association of reasonable and proper remuneration to any officer or servant of the Association, or to any member of the Association not being a member of the Executive Committee or governing body of the Association in return for any services actually rendered to the Association.
 6. Every member of the Association undertakes to contribute to the assets of the Association in the event of its being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the Association contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding HK\$100.

We, the several persons whose names, addresses and descriptions are hereto subscribed, are desirous of being formed into a company in pursuance of this memorandum of association.

Names, Addresses and Descriptions of Subscribers

For and on behalf of
SOUTH CHINA SECURITIES LIMITED
南華證券投資有限公司

(Sd.) Chan Hing Wah

.....

Authorized Signature(s)

South China Securities Limited
(南華證券投資有限公司)
28th Floor, Bank of China Tower,
1 Garden Road, Central, Hong Kong
Corporation

For and on behalf of
TAI FOOK SECURITIES COMPANY LIMITED

(Sd.) Wong Shiu Hoi, Peter

.....

Authorized Signature(s)

Tai Fook Securities Company Limited
大福證券有限公司
25th Floor, New World Tower,
16-18 Queen's Road Central, Hong Kong
Corporation

For and on behalf of
CHOW SANG SANG SECURITIES LIMITED
周生生證券有限公司

(Sd.) Mak Wei Yee, Susan

.....

Authorized Signature(s)

Chow Sang Sang Securities Limited
(周生生證券有限公司)
4th Floor, Chow Sang Sang Building,
229 Nathan Road, Kowloon
Corporation

Dated the 10th day of August, 2005.

WITNESS to the above signatures :

(Sd.) Monica Li
Monica Li
25th Floor, New World Tower,
16-18 Queen's Road Central,
Hong Kong
Personal Assistant

THE COMPANIES ORDINANCE (CHAPTER 32)

Company limited by guarantee and not having a share capital

ARTICLES OF ASSOCIATION

OF

The Hong Kong Association of Online Brokers Limited
(香港網上經紀協會有限公司)

PRELIMINARY

1. In these Articles, unless there is something in the subject matter or context inconsistent therewith : -

“Articles” means these articles of association as from time to time added to or altered in accordance with their terms and the Ordinance as amended from time to time, and every other ordinance for the time being in force concerning companies and affecting the Association.

“Associate Member” means any person admitted as a Member and complying with the conditions set out in Article 9.

“the Association” means The Hong Kong Association of Online Brokers Limited (香港網上經紀協會有限公司).

“Chairman” means the Chairman of the Association for the time being.

“Committee” means the Executive Committee of the Association for the time being.

“Full Member” means any person admitted as a Member and complying with the conditions set out in Article 7.

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“Member” means any person admitted to membership of the Association of whatever class in accordance with these Articles and whose name appears on the Register for the time being.

“Office” means the registered office of Association for the time being.

“Ordinance” means the Companies Ordinance (Chapter 32 of the laws of Hong Kong) or any statutory modification thereof and every other ordinance incorporated therewith or substituted therefor; and in the case of any such modification and substitution the references in these Articles to the provisions of the Ordinance shall be read as references to the provisions as modified or substituted therefor in the new ordinance.

“Register” means the register of members of the Association kept pursuant to section 95 of the Ordinance.

“Seal” means the common seal of the Association.

“Secretary” means the person for the time being appointed to perform the duties of secretary of the Association.

“Treasurer” means the Treasurer of the Association for the time being who shall take charge of the financial matters of the Association.

“Unincorporated Association” means the unincorporated body known as The Hong Kong Association of Online Brokers.

“Vice-Chairman” means the Vice-Chairman of the Association for the time being.

“voting member” means any Full Member entitled to attend and vote at any general meeting of the Association.

Expressions referring to writing shall, unless the contrary intention appears, be construed as including reference to printing, lithography, photography and other modes of representing or reproducing words in a visible form.

Words denoting the singular shall include the plural and vice versa, words denoting one gender shall include all genders, and words denoting persons shall include corporations.

The headings are inserted for convenience only and shall not affect the construction of these Articles.

2. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Ordinance or any statutory modification thereof in force at the date at which these Articles become binding on the Association.
3. The regulations in Table C in the First Schedule to the Ordinance shall not apply to the Association.

MEMBERS

4. The initial number of Members with which the Association purposes to be incorporated is 1,000 but the Committee may from time to time register an increase of Members.
5. The subscribers to the memorandum of association, all members of the Unincorporated Association and such other persons as the Committee shall admit to membership in accordance with the provisions herein contained shall be Members of the Association and shall be entered in the Register accordingly.
6. There shall be two types of Members of the Association, namely : -
 - (a) Full Members
 - (b) Associate Members

Full Members

7. In order to be eligible to be admitted as a Full Member of the Association, an applicant shall comply with the following conditions : -
 - (a) It shall be a corporation being an online securities and/or futures dealer.
 - (b) It shall make a completed application in the form as approved by the Committee from time to time for such purpose and shall be willing to abide by the memorandum and articles of association of the Association.
 - (c) Its application is approved by the Committee and it shall have paid the prescribed fees.
8. Full Members shall be entitled to but not limited to the following rights and privileges : -
 - (a) to attend and vote at any general meetings; and
 - (b) to nominate, propose or vote for the election of the Committee members.

Associate Members

9. In order to be eligible to be admitted as an Associate Member of the Association, an applicant shall comply with the following conditions : -
 - (a) It shall be a corporation which provides services to the financial services industry, other than a corporation described in Article 7(a).
 - (b) It shall make a completed application in the form as approved by the Committee from time to time for such purpose and shall be willing to abide by the memorandum and articles of association of the Association.

- (c) Its application is approved by the Committee and it shall have paid the prescribed fees.
10. Associate Members shall have the same rights and liabilities as Full Members subject to the following : -
- (a) They shall be entitled to attend any general meetings of the Association but shall not be counted toward the quorum for such meeting nor vote at such meeting.
 - (b) They shall have no right to nominate and elect Committee members and shall not be entitled to be elected to the Committee.
 - (c) They shall have the right to propose and participate in topics for discussion but shall have no right to vote in respect of any resolution.

Application for Membership

- 11. Every application for membership shall be in writing signed by an applicant in such form as the Committee may from time to time prescribe for such purpose, accompanied by such other information or documents as may be required by the Committee.
- 12. The Committee shall have full discretion (subject only to these Articles) to determine as to the admission of all applications and its decision shall be final. The Committee may reject an application if it believes the acceptance of such membership may negatively affect the reputation of the Association. The Committee shall not be bound to give any reason for its decision.
- 13. Any person eligible for admission as a Member of the Association may be admitted on payment of the fees required by these Articles within the time limit prescribed by the Committee.

Register

- 14. The Committee shall keep at the Office a Register containing, inter alia, the names and addresses of the Members.
- 15. Upon admission, a Member shall furnish to the Association in writing the name(s) of not more than two responsible persons as its representative(s) whose name(s) must be registered with the Association. Each Member shall only be represented by one of the representatives so nominated.
- 16. The Register shall be open for inspection by the Members without charge, or to any other person upon payment of a fee as prescribed by the Committee, between the hours of ten in the forenoon and twelve at noon.
- 17. Any Member changing its address or business or representative shall notify the Association in writing of such change.

Entrance Fee

18. Persons admitted as Members shall pay to the Association on admission a fee as determined by the Committee from time to time.

Annual Subscription

19. Members shall pay annual subscription to the Association. Such subscription shall be payable in advance at such rates and at such time as the Committee may from time to time determine.
20. In the case of new Members, the first annual subscription fee shall be payable on admission.

Disqualification of Members

21. A Member shall cease to be Member upon the occurring of the following : -
 - (a) Any Member wishing to withdraw from membership of the Association may give notice in writing to the Committee of his intention to do so, such withdrawal to become effective one month after the receipt by the Association of such notice unless the Committee notifies such Member that it accepts a shorter notice. Any Member giving notice in accordance with this Article shall remain liable to pay any subscription or other sums due from it at the date of cessation.
 - (b) Subject to any general, special or individual exception which may be allowed by resolution of the Committee, any Member who has failed to pay its annual subscription within 6 months after the date on which such subscription becomes payable, shall, ipso facto, be excluded from membership and its name shall be removed from the Register. He shall nevertheless, remain liable to the Association for the amount due and other sums due from it at the date of cessation.
 - (c) Any Member whose doings are obstructive to the progress of the Association or are harmful to its interests or who shall openly attack the Association by speeches or writing, shall be expelled from the Association upon a resolution passed at a meeting of the Committee provided that in such event such Member shall have a right of appeal to the Members in general meeting who may affirm, annul or modify the decision of the Committee.
 - (d) The Association may by a special resolution passed at a general meeting remove any Member.
 - (e) Any Member shall cease to be a Member if it goes into liquidation or is affected by circumstances analogous thereto except for the purpose of solvent amalgamation or reconstruction.

- (f) Any Member shall cease to be a Member if it ceases to carry on online securities and/or futures business.
 - (g) Any Member shall cease to be a Member if it violates any of the provisions of these Articles and in the opinion of the Committee warrants revocation of membership and after such Member is given the opportunity to be heard before Members at a general meeting, a majority of the Members decide to expel such Member from the Association.
22. It shall be the duty of the Committee if at any time they shall be of opinion that the interests of the Association so require to request by letter any Member to withdraw from membership within such time as the Committee shall specify and in default of such withdrawal, the question of expulsion may be submitted to a general meeting for consideration by the Members.
23. Where it comes to the attention of the Committee that the Securities and Futures Commission or any other regulatory body in Hong Kong has taken disciplinary action or proceedings against a Member or a Member is being investigated about offences involving fraud or dishonesty or has been adjudged by a court to be civilly liable for fraud, dishonesty or misfeasance, the Committee may conduct an investigation into the matter in such manner as it may think fit and decide whether to request such Member to withdraw from membership pursuant to the immediately preceding Article.
24. Any person who has ceased to be a Member of the Association shall have no more interest or right in the Association and shall not be entitled to the return of the entrance fee, annual subscription fees or contributions previously paid by such Member.
25. In the case of a person who has ceased to be a Member under Article 21(a) and (b), the Committee may, at its discretion, by resolution passed by at least seventy-five per cent of those present at a meeting of the Committee, re-admit him to membership upon such conditions and terms as it may think fit.

GENERAL MEETINGS

26. In addition to any other meeting in one calendar year, the Association shall in each year hold a general meeting as its annual general meeting in the month of August or at such time as the Committee shall determine, provided that not more than 15 months shall elapse between the date of one annual general meeting of the Association and that of the next. The annual general meeting shall be held at such place as the Committee shall determine.
27. All general meetings other than annual general meetings shall be called extraordinary general meetings.

28. The Committee may, whenever it thinks fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by section 113 of the Ordinance. If at any time there are not within Hong Kong sufficient Committee members capable of acting to form a quorum, any Committee member or any 2 voting members of the Association may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Committee.

Notice of General Meetings

29. An annual general meeting and a meeting called for the passing of a special resolution shall be called by 21 days' notice in writing at the least, and a meeting of the Association other than an annual general meeting or a meeting for the passing of a special resolution shall be called by 14 days' notice in writing at the least. 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, the day and the hour of meeting and, in case of special business, the general nature of that business and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Association in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Association : -

Provided that a meeting of the Association shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed : -

- (a) in the case of a meeting called as the annual general meeting, by all the voting members; and
 - (b) in the case of any other meeting, by a majority in number of the voting members, being a majority together representing not less than 95 per cent of the total voting rights of all the voting members.
30. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

Proceedings at General Meetings

31. At the annual general meeting of the Association, the following business shall be transacted : -
- (a) the consideration of the financial statements, accounts, balance sheets and the reports of the Committee members and auditors;
 - (b) the election of Committee members every two years;
 - (c) the appointment of, and the fixing of the remuneration of, the auditors.

Any Member desirous of moving any resolution at a general meeting shall give notice thereof in writing to the Secretary not less than 28 days, in the case of a special resolution, or 21 days, in the case of an ordinary resolution, before the date of such meeting.

32. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of the business mentioned in the immediately preceding Article.
33. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business and continues to be present until the conclusion of the meeting; save as herein otherwise provided, 3 Full Members present in person shall be a quorum.
34. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Committee may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum.
35. The Chairman, or failing whom, a Vice-Chairman, of the Committee shall preside as chairman at every general meeting of the Association, or if there is no such Chairman or Vice-Chairman, or if he shall not be present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act or is absent from Hong Kong or has given notice to the Association of his intention not to attend the meeting, the Committee members present shall elect one of their number to be chairman of the meeting.
36. If at any meeting no Committee member is willing to act as chairman or if no Committee member is present within 15 minutes after the time appointed for holding the meeting, the Full Members present shall choose one of their number to be chairman of the meeting.
37. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
38. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands. In the case of an equality of votes, the chairman of the meeting shall be entitled to a second or casting vote.

Votes of Members

39. Every Full Member, in person or by proxy, shall have 1 vote.
40. No Full Member shall be entitled to vote at any general meeting unless all moneys payable by him to the Association in his capacity as a Full Member, and which have been outstanding for more than one month after they fell due for payment, have been paid.
41. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
42. A Member may attend by proxy any general meeting which he is entitled to attend, and (not being an Associate Member) vote by proxy on any motion at any such meeting on which he would, if present in person, otherwise be entitled to vote. A proxy must be a Member of the Association.
43. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
44. 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 deposited at the Office or at such other place within Hong Kong as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
45. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit : -

"The Hong Kong Association of Online Brokers Limited
(香港網上經紀協會有限公司)

I/We, _____ of _____, being a member/members of the Association, hereby appoint _____ of _____, or failing him, _____ of _____, as my/our proxy to vote for me/us on my/our behalf at the [annual or extraordinary, as the case may be] general meeting of the Association to be held on the _____ day of _____, _____ and at any adjournment thereof.

Signed this _____ day of _____."

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

" The Hong Kong Association of Online Brokers Limited
(香港網上經紀協會有限公司)

I/We, _____ of _____, being a member/members of the Association, hereby appoint _____ of _____, or failing him, _____ of _____, as my/our proxy to vote for me/us on my/our behalf at the [annual or extraordinary, as the case may be] general meeting of the Association to be held on the _____ day of _____, _____ and at any adjournment thereof.

Signed this _____ day of _____ .

This form is to be used *in favour of/against the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit.

*Strike out whichever is not desired. "

47. The instrument appointing a proxy shall be deemed to confer the right to speak at the meeting as the appointor shall have.
48. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such revocation shall have been received by the Association at the Office at least 48 hours before the commencement of the meeting or adjourned meeting at which the proxy is used, or by the Secretary or the chairman of the meeting on the day and at the place, but before the start, of such meeting or adjourned meeting.

CORPORATIONS ACTING BY REPRESENTATIVES

49. Any corporation which is a Member of the Association may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Association. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member of the Association and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

EXECUTIVE COMMITTEE

50. The management of the Association (except as otherwise provided by these Articles) shall be vested in the Committee which shall consist of not more than 25 members, unless otherwise determined by the Association in general meeting.

51. The first Committee members shall be the members of the Executive Committee of the Unincorporated Association on the date of incorporation of the Association and such Committee members shall hold office for a term expiring at the second annual general meeting of the Association.
52. The members of the Committee shall be elected at the annual general meeting of the Association and shall hold office for a term expiring at the second annual general meeting after which meeting when such Committee member was elected. The retiring Committee member shall be eligible for re-election.
53. The Committee shall elect among themselves a Chairman, up to three Vice-Chairman, a Secretary and a Treasurer, who shall hold office until next election.
54. The Association may from time to time by ordinary resolution increase or reduce the number of Committee members.
55. The Committee shall have power at any time, and from time to time, to appoint any person nominated by the Members to fill a casual vacancy until next election.
56. The Association may by ordinary resolution remove any member of the Committee notwithstanding anything in these Articles or in any agreement between the Association and such Committee member. Such removal shall be without prejudice to any claim such Committee member may have for damages for breach of any contract of service between him and the Association.
57. The Association may by ordinary resolution appoint another person in place of a Committee member removed from office under the immediately preceding Article. Without prejudice to the powers of the Committee members under Article 55, the Association in general meeting may appoint any person to be a Committee member either to fill a casual vacancy or as an additional Committee member but so that the total number of Committee members shall not at any time exceed the number fixed in accordance with these Articles and such person shall only hold office for a term expiring at the annual general meeting on which the next election of Committee members is to be held .

Nomination and Election

58. The election of the Committee members shall take place in the following manner : -
 - (a) The election shall be held at the annual general meeting of the Association every two years in accordance with such election rules as from time to time prescribed by the Committee.
 - (b) Two months before the annual general meeting in which the election is to be held, the Committee shall elect five Committee members to form an Election Committee, which shall take charge of the electoral affairs. The Election Committee shall elect a chairman among themselves.

- (c) Each Full Member shall be entitled to nominate one individual, as approved by the Election Committee, for election of the Committee members. Nomination of candidates for election shall be submitted to the Election Committee in such form and within such period as the Election Committee may direct. The election of candidates shall be voted upon by the voting members. Candidates who received the highest number of votes shall be elected as Committee members. If there be an equality of votes, the decision shall be made by drawing lots.
59. Upon election of the Committee Members, the Election Committee shall cause a meeting of the newly elected Committee members to be held within 45 days to fill the various offices on the Committee pursuant to Article 53. The Election Committee shall dissolve immediately upon the election of the officers and the out-going officers shall hand over their duties within 45 days thereof.
60. No Committee member shall receive a salary from the Association or any other remuneration save for out-of-pocket expenses incurred in his capacity as a Committee member.
61. The Committee members shall be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meeting of the Committee or any committee thereof or general meetings of the Association or in connection with the business of the Association.

Powers and Duties of the Committee

62. The Committee shall have the power and the ability : -
- (a) to implement the resolutions passed by the Members at the general meetings.
 - (b) to attend to the daily affairs and ordinary business of the Association in accordance with the objects of the Association set out in the memorandum of association.
 - (c) to employ and dismiss employees of the Association and decide on the terms of employment, remuneration and termination thereof.
 - (d) to make recommendations to the Members at the general meetings.

The Committee may exercise all such powers and do all such things as are not, by the Ordinance or by these Articles, required to be exercised by the Association in general meeting, as it may consider necessary or desirable subject to the provisions of the Ordinance and these Articles.

63. The Committee may from time to time and at any time by power of attorney appoint any association, firm or person or body of persons, whether nominated directly or indirectly by the Committee, to be the attorney or attorneys of the Association for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Committee under these Articles) and for such period and subject to such conditions as it may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Committee may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
64. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Association, shall be signed, drawn, accepted, endorsed, or otherwise executed by such persons appointed by the Committee for the purpose and in such manner as the Committee shall from time to time determine.
65. The Committee shall cause minutes to be made in books provided for the purpose : -
- (a) of all appointments of officers made by the Committee;
 - (b) of the names of the Committee members present at each meeting of the Committee and any committee thereof; and
 - (c) of all resolutions and proceedings at all meetings of the Association, and of the Committee and any committee thereof.

Disqualification of Committee Members

66. The office of a Committee member shall be vacated if : -
- (a) he resigns by giving one month's notice in writing to the Committee unless the Committee notifies the person resigning that it accepts a shorter period; or
 - (b) his term of office expires in accordance with these Articles; or
 - (c) he has been removed by the Members pursuant to Article 56 hereof; or
 - (d) he dies; or
 - (e) he becomes of unsound mind; or
 - (f) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (g) he is convicted of any criminal offence for which custodial sentences has been imposed by a court; or

- (h) the Member which nominated him as its representative for election as Committee member has ceased to be a Full Member; or
- (i) he becomes prohibited from being a director of a company by reason of any disqualification under Part IVA of the Ordinance; or
- (j) he is directly or indirectly interested in any contract (being a contract of significance in relation to the Association's business) with the Association and, if his interest in the contract is material, fails to declare the nature of his interest in the manner required by section 162 of the Ordinance.

Proceedings of the Committee

- 67. The Committee shall meet not less than six times a year. A Committee member may, and the Secretary on the requisition of a Committee member shall, at any time summon a meeting of the Committee upon giving at least 7 days' notice in writing to each of the Committee members. A Committee member may waive notice of any meeting either prospectively or retrospectively.
- 68. The quorum necessary for the transaction of the business of the Committee Members may be fixed by the Committee and, unless so fixed at any other number, shall be five.
- 69. Committee members may participate in any meeting of the Committee by means of a conference telephone or other communications equipment through which all persons participating in the meeting can communicate with each other and such participation shall constitute presence at a meeting as if those participating were present in person.
- 70. The Chairman, or failing whom, a Vice-Chairman, shall take the chair of all the Committee meetings. If neither be present nor willing to act within 15 minutes after the time appointed for holding of the meeting, the Committee members present shall choose one of their number to be chairman of the meeting.
- 71. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.
- 72. A Committee member who is in any way, whether directly or indirectly, materially interested in a contract, arrangement or transaction with the Association shall declare the nature of his interest in manner required by section 162 of the Ordinance.
- 73. A Committee member shall not vote in respect of any contract, arrangement or transaction in which he is interested or any matter arising thereout, and if he does so vote his vote shall not be counted.

74. The continuing Committee members may act notwithstanding any vacancy but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Committee, the continuing Committee members may act for the purpose of increasing the number of Committee members to that number, or of summoning a general meeting of the Association, but for no other purpose.
75. A resolution in writing, signed by all the Committee members for the time being entitled to receive notice of a meeting of the Committee, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Any such resolution in writing may consist of several documents in like form each signed by one or more of the Committee members.
76. The Committee may delegate any of their powers to committees consisting of such member or members of their body as it thinks fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Committee.
77. All acts done by any meeting of the Committee or of any of its committee, or by any person acting as a Committee member, shall as regards all persons dealing in good faith with the Association, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Committee member or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Committee member.

SECRETARY

78. The Secretary of the Association shall be elected by the Committee pursuant to Article 53 hereof.
79. The Secretary shall attend to all the secretarial work, keep any documents under safe custody, compile the agenda and record the minutes of meetings.
80. A provision of the Ordinance or these Articles requiring or authorising a thing to be done by or to a Committee member and the Secretary shall not be satisfied by its being done by or to the same person acting both as Committee member and as, or in place of, the Secretary.

SEAL

81. The Committee shall provide for the safe custody of the seal, which shall only be used by the authority of the Committee or of a committee thereof authorised by the Committee in that behalf, and every instrument to which the Seal shall be affixed shall be signed by a Committee member and shall be countersigned by the Secretary or by a second Committee member or by some other person appointed by the Committee for the purpose.

ACCOUNTS

82. The Committee shall cause proper books of account to be kept with respect to : -
- (a) all sums of money received and expended by the Association and the matters in respect of which the receipt and expenditure takes place;
 - (b) all sales and purchases of goods by the Association; and
 - (c) the assets and liabilities of the Association.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Association's affairs and to explain its transactions.

83. The books of account shall be kept at the Office, or, subject to section 121(3) of the Ordinance, at such other place or places as the Committee may think fit, and shall always be open to the inspection of the Committee.
84. The Committee shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Association or any of them shall be open to the inspection of Members not being members of the Committee, and no Member (not being a member of the Committee) shall have any right of inspecting any account or book or document of the Association except as conferred by statute or authorised by the Committee or by the Association in general meeting.
85. The Committee shall from time to time in accordance with sections 122, 124 and 129D of the Ordinance, cause to be prepared and to be laid before the Association in general meeting such income and expenditure accounts, balance sheets, group accounts (if any) and reports as are referred to in those sections.
86. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Association in general meeting, together with a copy of the Committee's report and a copy of the auditor's report, shall not less than 21 days before the date of the meeting be sent to every person entitled to receive notices of general meeting.

AUDIT

87. Auditors shall be appointed and their duties regulated in accordance with sections 131, 132, 133, 140, 140A, 140B and 141 of the Ordinance.

NOTICES

88. A notice may be given by the Association to any Member either personally or by sending it by post to him or to his registered address, or (if he has no registered address within Hong Kong) to the address, if any, within Hong Kong supplied by him to the Association for the giving of notice to him, or by transmitting it to any e-mail address supplied by him to the Company for the giving of notice to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of 48 hours after the letter containing the same is posted, and if sent by e-mail, shall be deemed to be given on the day on which it is transmitted from the server of the Association or its agent.
89. Notice of every general meeting shall be given in any manner hereinbefore authorised to : -
- (a) every Member except those Members who (having no registered address within Hong Kong) have not supplied to the Association an address within Hong Kong for the giving of notices to them; and
 - (b) the auditors for the time being of the Association.

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

INDEMNITY

90. Every Committee member, auditor, secretary, manager and other officer for the time being of the Association shall be indemnified out of the assets of the Association against any liability incurred by him in relation to the Association in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 358 of the Ordinance in which relief is granted to him by the court.

WINDING UP

91. If upon the winding up or dissolution of the Association there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members, but shall be given or transferred to such institution or institutions which shall prohibit the distribution of its or their income and property amongst its or their members to an extent at least as great as is imposed on the Association, such institution or institutions to be determined by the Members at or before the time of dissolution and in default thereof by a Judge of the High Court of Hong Kong having jurisdiction in regard to charitable funds and if and so far as effect cannot be given to the aforesaid provision then to some charitable objects.

RULES OR BYE-LAWS

92. The Committee may from time to time make alter or repeal such rules or bye-laws as it may deem necessary or convenient for the proper conduct and management of the Association provided nevertheless that no such rule or bye-law shall be inconsistent with, or shall affect or repeal anything contained in, the memorandum or articles of association of the Association provided always that any rule or bye-law may be set aside by a resolution of a general meeting of the Association.

We, the several persons whose names, addresses and descriptions are hereto subscribed, are desirous of being formed into a company in pursuance of this memorandum of association.

Names, Addresses and Descriptions of Subscribers

For and on behalf of
SOUTH CHINA SECURITIES LIMITED
南華證券投資有限公司

(Sd.) Chan Hing Wah

.....

Authorized Signature(s)

South China Securities Limited
(南華證券投資有限公司)
28th Floor, Bank of China Tower,
1 Garden Road, Central, Hong Kong
Corporation

For and on behalf of
TAI FOOK SECURITIES COMPANY LIMITED

(Sd.) Wong Shiu Hoi, Peter

.....

Authorized Signature(s)

Tai Fook Securities Company Limited
大福證券有限公司
25th Floor, New World Tower,
16-18 Queen's Road Central, Hong Kong
Corporation

For and on behalf of
CHOW SANG SANG SECURITIES LIMITED
周生生證券有限公司

(Sd.) Mak Wei Yee, Susan

.....

Authorized Signature(s)

Chow Sang Sang Securities Limited
(周生生證券有限公司)
4th Floor, Chow Sang Sang Building,
229 Nathan Road, Kowloon
Corporation

Dated the 10th day of August, 2005.

WITNESS to the above signatures :

(Sd.) Monica Li
Monica Li
25th Floor, New World Tower,
16-18 Queen's Road Central,
Hong Kong
Personal Assistant