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THE COMPANIES ORDINANCE (CHAPTER 622)

SPECIAL RESOLUTION

OF

**The Lion Rock Institute (HK) Limited**

獅子山學會(香港)有限公司

PASSED ON THE 3RD DAY OF AUGUST 2015

At an Extraordinary General Meeting of the members of the above Company duly convened and held at the registered office of the Company on 3 August 2015, the following Special Resolution was duly passed : -

**Amendment of Articles of Association**

1. A definition is to be added under **Interpretation**:

“Members” The Members of the Institute, as defined by Article 2(a) hereof.’

2. Article 2 is to be amended as:

‘The number of Members with which the Institute proposes to be registered is 25, but the directors may from time to time register an increase or decrease of Members. The membership of the Institute with which the Institute proposes to be registered for the purposes of registration shall, subject always to the provisions of Article 3, be in the numbers and clauses following, that is to say: -

(a) Voting Members-

Candidates who are elected Voting Members shall pay an entrance fee of such amount as the Institute in General Meeting may from time to time determine. Voting Members shall also pay such annual subscriptions as shall be from time to time determined by the Institute and shall be entitled to vote at meetings of the Institute and the full rights and liabilities of Membership and the words “Members” or “Member” appearing in the Memorandum and these Articles of Association of the Institute.

(b) Non-Voting Members-

Candidates who are elected as Non-Voting Members shall pay such annual subscriptions as shall be from time to time determined by the Institute. Non-Voting Members shall have none of the rights or liabilities of Voting Members of the Institute but shall have such special privileges afforded to them as Non-Voting Members as the Institute shall from time to time determine.'

3. Article 3 is to be amended as:

'The subscribers to the Memorandum of Association shall be the first Voting Members of the Institute. Any other persons for membership of the Institute shall be introduced by one and seconded by another Member of the Institute and shall submit an application for membership in such form as the Directors shall from time to time determined. Every such application for membership shall be made in writing, signed by the introducer and seconder. For the candidate who is introduced for being Voting Members, unanimous approval from the Board of Directors is required.'

4. Article 4 is to be added:

'If any member fails to pay his annual subscription for one year and within one month of the same becoming due, the secretary shall notify him of the fact, and if any member fails to pay his annual subscription for one year and within three months of the same becoming due, he shall *ipso facto* cease to be a member of the Institute. The reinstatement shall be approved by the Board of Directors as the case may be.'

5. Article 4 to 65 is to be renumbered as Article 5 to 66.



Chairman

SHUEN PAK MAN ANDREW

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

**The Lion Rock Institute (HK) Limited**

**獅子山學會(香港)有限公司**

(As amended by Special Resolution passed on 6 February 2009 and 28 April 2009)

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Incorporated the 8th day of August, 2007.

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HONG KONG

THE COMPANIES ORDINANCE (CHAPTER 32)  
COMPANY LIMITED BY GUARANTEE,  
AND NOT HAVING A SHARE CAPITAL

Memorandum of Association  
of  
**The Lion Rock Institute (HK) Limited**  
獅子山學會(香港)有限公司

1. The name of the Company is "The Lion Rock Institute (HK) Limited 獅子山學會(香港)有限公司" (hereinafter called "the Institute").
2. The registered office of the Institute will be situated in Hong Kong.
3. \*The objects for which the Institute is established are:-
  - 3.1 The Institute shall be a non-profit organization established to advance the education of students and the general public on the impact of adopting various free market theories and practices in Hong Kong.
  - 3.2 To study how some of the free market theories and practices in Hong Kong could impact the world wide economy.
  - 3.3 In the furtherance of the objects of the Institute but not otherwise, to facilitate the exchange of information and views on Hong Kong's economic development.
  - 3.4 To meet regularly to present public discussion groups, forums, panels, lectures and similar programs and publish journals and papers dedicated to the attainments of its objects on a non-profit basis.
  - 3.5 To promote the study of free market economics and the economic principles in relation to individual liberty.
  - 3.6 To publish papers, newsletters or books dealing with promoting the objects of the Institute.
  - 3.7 To provide opportunities for cooperation with other organizations which are compatible with the Institute's objects.
  - 3.8 In the furtherance of the objects of the Institute but not otherwise, to provide the public with feedback concerning the Institute's affairs.
  - 3.9 In the furtherance of the objects of the Institute but not otherwise, to offer advisory opinions on the basis of academic studies in accordance with specific questions raised by government bodies, social organizations enterprises and institutions on a non-profit basis.

(\* As amended by Special Resolution passes on 6 February 2009)



- 3.10 To accept and receive gifts of property, donations subscriptions, subsidies, funds or bequests from any individual, organizations, governments or authorities concerned for the objects of the Institute.
- 3.11 To raise money by public or private subscriptions or other lawful means for the objects of the Institute.
- 3.12 To apply or make representation to the Government of the Hong Kong Special Administration Region or any of its Departments of Offices for allocations of lands, grants, aids, or subsidies to the Institute for the objects of the Institute.
- 3.13 To make payment or donations for any charitable purpose, to such organizations or institutions for the objects of the Institute.
- 3.14 In the furtherance of the objects of the Institute but not otherwise, to apply for, purchase, or otherwise acquire any patents, patent rights, copyrights, trade marks, formulas, licenses, concessions, and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to, any intervention, or the acquisition; and to use, exercise, develop, or grant licenses in respect of, or otherwise turn to account, the property, rights or information so acquired.
- 3.15 To construct, maintain and later any houses, buildings, or works necessary for the objects of the Institute.
- 3.16 In the furtherance of the objects of the Institute but not otherwise, to grant, sell, convey, assign, surrender, exchange, partition, yield up, mortgage, demise, reassign, transfer or otherwise dispose of any lands, buildings, messages tenements, mortgages, debentures, funds, stocks, shares, securities or goods which are for the time being vested in or belonging to the Institute upon such terms as the Institute may think fit.
- 3.17 To act as custodian trustee or manager of any property or fund for any charitable institutions.
- 3.18 To establish, promote or assist in establishing or promoting and to subscribe to, or become a member of, or amalgamate with any other charitable associations whose objects are similar to the objects of the Institute that the other organization would 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 Institute under or by virtue of Clause 5 hereof.
- 3.19 ^To borrow or raise money required for the objects of the Institute upon such items including the payment of interest thereon and on such securities as the Institute may think fit for the objects of the Institute.
- 3.20 To invest and deal with moneys of the Institute not immediately required upon such securities or otherwise in such prudent and reasonable manner as may from time to time determined for the objects of the Institute.

(^ As amended by Special Resolution on 6 February 2009 and further amended on 28 April 2009)

3.21 To do and perform such lawful things as deemed incidental or conducive to the attainment of the above objects or any of them.

4. The liability of the members is limited.
5. \*The income and property of the institute, whensoever derived, shall be applied solely towards the promotion of the objects of the Institute 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 howsoever by way of profit, to the members of the Institute. In addition, members of the governing body are expected to provide their services free of charge. They should not received profits from their office either specifically by way of remuneration for their services as directors or by allowing them to be appointed to salaried office while remaining as directors.
6. Every member of the Institute undertakes to contribute to the assets of the Institute in the event of its being wound up while he is a member, or within one year afterwards, for the payment of the debts and liabilities of the Institute contracted before he ceases to be a member, and 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 One Hundred Dollars in Hong Kong Currency (HK\$100.00).
7. If upon the winding up or dissolution of the Institute there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among members of the Institute, but shall be given or transferred to some other institution or institutions, having objects similar to the objects of the Institute and which 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 Institute under or by virtue of Clause 5 thereof, such institution or institutions to be determined by the members of the Institute at or before the time of dissolution and on 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 object.
8. #True accounts shall be kept of the sums of money received and expended by the Institute and the matters in respect of which such receipts and expenditure take place, and of the property, credits and liabilities of the Institute; and subject to reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of the Institute for the time being in force, shall be open to the inspection of the members. Once in every year the accounts of the Institute shall be examined and the correctness of the balance sheet ascertained by one or more authorized auditor or auditors.
9. The powers set forth in the Seventh Schedule of the Companies Ordinance Cap. 32 and hereby excluded.

(\* As amended by Special Resolution on 6 February 2009)

(# As amended by Special Resolution passed on 28 April 2009)

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

Names, Addresses and Descriptions of Subscribers

(Sd.) Lee Chao Fu, Simon

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Mr. Lee Chao Fu, Simon 李兆富  
Flat F, 52nd Floor, Tower 10  
Ocean Shores, 88 O King Road  
Tiu Keng Leng, Tseung Kwan O  
The New Territories  
Editorial Writer

(Sd.) Shun Pak Man, Andrew

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Mr. Shuen Pak Man, Andrew 孫柏文  
9/F., Penthouse  
170 Fuk Wing Street  
Sham Shui Po, Kowloon  
Hong Kong  
Columnist

(Sd.) Work, Gavin Andrew

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Mr. Work, Gavin Andrew  
Flat A, 18/F  
52 Conduit Road  
Mid-levels, Hong Kong  
Consultant

(Sd.) Stacey, William John

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Mr. Stacey, William John  
33B, Tower 3 Dynasty Court  
23 Old Peak Road  
Mid-levels, Hong Kong  
Banker

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Dated the 9th day of May, 2007.  
WITNESS to the above signatures:

(Sd.) Wong Yee Wai

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Mr. Wong Yee Wai 王宜威  
Room 1003, 139 Caine Road  
Mid-levels, Hong Kong  
Administrator



THE COMPANIES ORDINANCE (CHAPTER 32)  
COMPANY LIMITED BY GUARANTEE,  
AND NOT HAVING A SHARE CAPITAL

Articles of Association  
of  
**The Lion Rock Institute (HK) Limited**  
獅子山學會(香港)有限公司

**Interpretation**

1. In these articles -

“Ordinance”	means the Companies Ordinance, Chapter 32, and every other Ordinance incorporated therewith, or any Ordinance or Ordinance substituted therefore; and in case of any such substitution the references in these presents to the provisions of the Ordinance shall be read as references to the provisions substituted therefor in the new Ordinance or Ordinances.
“The Institute”	means The Lion Rock Institute (HK) Limited 獅子山學會(香港)有限公司
“Seal”	means the common seal of the Institute.
“Secretary”	means any person appointed to perform the duties of the secretary of the Institute.

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

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 Institute.

**Membership**

2. The number of members with which the Institute proposes to be registered is 25, but the directors may from time to time register an increase or decrease of members.
3. #The subscribers to the Memorandum of Association and such other persons as the directors shall admit to membership shall be members of the Institute.

**General Meetings**

4. The Institute shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it and not more than 15 months shall elapse between the date of one annual general meeting of the Institute and that of the next. Provided that so long as the Institute holds its first annual general meeting within 18 months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place as the directors shall appoint.

(# As amended by Special Resolution passed on 28 April 2009)



5. All general meetings other than annual general meetings shall be called extraordinary general meetings.
6. The directors may, whenever they think 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 directors capable of acting to form a quorum, any director or any 2 members of the Institute may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.

#### **Notice of General Meetings**

7. 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 Institute 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 Institute in general meeting, to such persons as are, under the articles of the Institute, entitled to receive such notices from the Institute: Provided that a meeting of the Institute 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 members entitled to attend and vote thereat, and
  - (b) 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 representing not less than 95 per cent of the total voting rights of all the members entitled to attend and vote at that meeting.
8. 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**

9. \*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 consideration of the accounts, balance sheets, and the reports of the directors and auditors, the election of directors in the place of those retiring and the appointment of, and the fixing of the remuneration of, the auditors.
10. 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, 2 members present in person shall be a quorum.
11. 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 directors 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.

(\* As amended by Special Resolution passed on 6 February 2009)

12. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the Institute, or if there is no such 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 Institute of his intention not to attend the meeting, the directors present shall elect one of their number to be chairman of the meeting.
13. If at any meeting no director is willing to act as chairman or if no director is present within 15 minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be chairman of the meeting.
14. 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.
15. 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 (before or on the declaration of the result of the show of hands) demanded:-
  - (a) by the chairman; or
  - (b) by at least 2 members present in person or by proxy; or
  - (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting. Unless a poll be so demanded 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 proceedings of the Institute shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.
16. Except as provided in article 18, if a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
17. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
18. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.



#### Votes of Members

19. Every member shall have 1 vote.
20. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may, in a poll, vote by proxy.
21. No member shall be entitled to vote at any general meeting unless all moneys payable by him to the Institute in his capacity as member, and which have been outstanding for more than 1 month after they fell due for payment, have been paid.
22. On a poll votes may be given either personally or by proxy.
23. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorized. A proxy need not be a member of the Institute.
24. 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 registered office of the Institute 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, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
25. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit –

The Lion Rock Institute (HK) Limited  
獅子山學會(香港)有限公司  
("the Institute")

I/We, \_\_\_\_\_ of \_\_\_\_\_,  
being a member/members of the above named Institute, 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 Institute to be held on  
the \_\_\_\_\_ day of \_\_\_\_\_, and at any adjournment thereof.  
Signed this day of \_\_\_\_\_.

26. Where it is desired to afford 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 Lion Rock Institute (HK) Limited  
獅子山學會(香港)有限公司  
("the Institute")

I/We, \_\_\_\_\_ of \_\_\_\_\_,  
being a member/members of the above named Institute, hereby appoint  
of \_\_\_\_\_ or failing him \_\_\_\_\_,  
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 Institute to be  
held on the \_\_\_\_\_ day of \_\_\_\_\_, and at any adjournment thereof.  
Signed this day of \_\_\_\_\_

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

\*strike out whichever is not desired.

27. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
28. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity or revocation as aforesaid shall have been received by the Institute at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.

**Corporations acting by Representatives at Meetings**

29. Any corporation which is a member of the Institute may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Institute, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Institute.

**Directors**

30. Unless and until the Institute in General Meeting shall otherwise determine, the number of Directors shall not be less than 2. The first Directors of the Institute shall be nominated in writing by the subscribers to the Memorandum of Association.
31. #A Director who is about to go away from or is absent from Hong Kong may with the approval of all of the other Directors nominate any person to be his substitute and such substitute whilst he holds office as such shall be entitled to notice of Meetings of the Directors and to attend and vote thereat accordingly and he shall ipso facto vacate office if and when the appointer returns to Hong Kong or vacate office as a Director or removes the substitute from office and any appointment and removal under these Articles shall be effected by notice in writing under the hand of or by cable from the Director making the same. A Director may appoint (subject as above provided) one of the other Directors to be his substitute who shall thereupon be entitled to exercise (in addition to his own right of voting as a Director) such appointor's rights at Meeting of the Directors.

(# As amended by Special Resolution passed on 28 April 2009)



**Borrowing Powers**

32. The directors may exercise all the powers of the Institute to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, and other securities, whether outright or as security for any debt, liability or obligation of the Institute.

**Powers and Duties of Directors**

33. \*The operation of the Institute shall be managed by the directors, who may pay all expenses incurred in promoting and registering the Institute, and may exercise all such powers of the Institute as are not, by the Ordinance or by these articles, required to be exercised by the Institute in general meeting, subject nevertheless to the provisions of the Ordinance or these articles and to such regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by the Institute in general meeting; but no regulation made by the Institute in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.
34. The directors 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 directors, to be the attorney or attorneys of the Institute for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these articles) and for such period and subject to such conditions as they 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 directors may think fit and may also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
35. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Institute, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the directors shall from time to time by resolution determine.
36. The directors shall cause minutes to be made in books provided for the purpose:-
- (a) of all appointments of officers made by the directors;
  - (b) of the names of the directors present at each meeting of the directors and of any committee of the directors;
  - (c) of all resolutions and proceedings at all meetings of the Institute, and of the directors, and of committees of directors, and every director present at any meeting of directors or committee of directors shall sign his name in a book to be kept for that purpose.

(\* As amended by Special Resolution passed on 6 February 2009)

**Disqualification Of Directors**

37. The office of directors shall be vacated if the director:-
- (a) \*holds any office of profit under the Institute; or
  - (b) becomes bankrupt or makes any arrangement or composition with his creditors generally, or
  - (c) becomes prohibited from being a director by reason of any order made under Part IVA of the Ordinance; or
  - (d) becomes of unsound mind, or
  - (e) resigns his office by notice in writing to the Institute given in accordance with section 157D(3)(a) of the Ordinance; or
  - (f) shall for more than 6 months have been absent without permission of the directors from

meetings of the directors held during that period; or

- (g) is directly or indirectly interested in any contract (being a contract of significance in relation to the Institute's business) with the Institute and, if his interest in contract is material, fails to declare the nature of his interest in manner required by section 162 of the Ordinance. A director shall not vote in respect of any contract in which he is interested or any matter arising thereout, and if he does so his vote shall not be counted.

#### **Retirement of Directors**

- 38. #At the Annual General Meeting to be held next after the adoption of these Articles and at every succeeding Annual General Meeting all Directors shall retire from office and shall be eligible for re-election.
- 39. The Institute may from time to time by ordinary resolution increase or reduce the number of directors.
- 40. The directors shall have power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors, but so that the total number of directors shall not at any time exceed the number fixed in accordance with these articles. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election, but shall not be taken into account in determining the directors who are to retire by rotation at such meeting.
- 41. The Institute may by special resolution remove any director before the expiration of his period of office notwithstanding anything in these articles or in any agreement between the Institute and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the Institute.
- 42. \*The Institute may by ordinary resolution appoint another person in place of a director removed from office under the immediately preceding article. Without prejudice to the powers of the directors under article 40 the Institute in general meeting may appoint any person to be a director either to fill a casual vacancy or as an additional director. The person appointed to fill such a vacancy shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

#### **Proceedings of Directors**

- 43. The directors may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes the chairman shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors. It shall not be necessary to give notice of a meeting of directors to any director for the time being absent from Hong Kong.
- 44. The quorum necessary for the transaction of the business if the directors may be fixed by the directors, and unless so fixed shall be 2.

(\* As amended by Special Resolution passed on 6 February 2009)

(# As amended by Special Resolution passed on 28 April 2009)



45. The continuing directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the articles of the Institutes as the necessary quorum of directors, the continuing directors or director may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the Institute, but for no other purpose.
46. The directors may elect a chairman of their meetings and determine the period for which he is to hold office, but, if no such chairman is elected, or if at any meeting the chairman is not present within 10 minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.
47. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think 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 directors.
48. A committee may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within 5 minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.
49. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman shall have a second or casting vote.
50. All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director 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 director.
51. A resolution in writing, signed by all the directors for the time being entitled to receive notice of a meeting of the directors, shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held.

#### **Secretary**

52. The secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them. The first Secretary should be Counselor Consultants Limited.
53. A provision of the Ordinance or these articles requiring or authorizing a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, the secretary.

#### **The Seal**

54. The directors shall provide for the safe custody of the seal, which shall only be used by the authority of the directors or of a committee of the directors authorized by the directors in that behalf, and every instrument to which the seal shall be affixed shall be signed by a director and shall be countersigned by the secretary or by a second director or by some other person appointed by the directors for the purpose.

**Accounts**

55. The directors shall cause proper books of account to be kept with respect to:-
- (a) all sums of money received and expended by the Institute and the matters in respect of which the receipt and expenditure takes place;
  - (b) all sales and purchases of goods by the Institute; and
  - (c) the assets and liabilities of the Institute.
- 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 Institute's affairs and to explain its transactions.
56. The books of account shall be kept at the registered address of the Institute, or, subject to section 121(3) of the Ordinance, at such other place or places as the directors think fit and shall always be open to the inspection of the directors.
57. The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Institute or any of them shall be open to the inspection of members not being directors, and no member (not being a director ) shall have any right of inspecting any account or book or document of the Institute except as conferred by statute or authorized by the directors or by the Institute in general meeting.
58. The directors shall from time to time cause to be prepared and to be laid before the Institute in general meeting such accounts and directors' and auditors' reports as required in the Companies Ordinance.

**Audit**

59. Auditors shall be appointed and with duties as specified in the Ordinance.

**Alterations of Memorandum and Articles of Association**

60. The Board of Directors shall have power to propose an amendment or alteration of the Memorandum or Articles to remedy any deficiency therein. Such proposal shall be left with members of the Institute for a final voting in a general meeting or extraordinary general meeting.
61. A majority of not less than half of the members shall have power to propose an amendment or alteration of the Memorandum or the Articles to remedy any deficiency therein. Such proposal shall be in writing and addressed to the Board of Directors which shall then leave the matter with members of the Institute for a final voting in a general meeting or extraordinary general meeting.
62. Any resolution to amend or alter the Memorandum or the Articles shall be effective only if it is passed by at least three-fourths of the members present in a general meeting or extraordinary general meeting.



#### Notices

63. A notice may be given by the Institute by 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 Institute 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 in any other case at time at which the letter would be delivered in the ordinary course of post.
64. Notice of every general meeting shall be given in any manner hereinbefore authorized to-
- (a) every member except those members who (having no registered address within Hong Kong) have not supplied to the Institute an address within Hong Kong for the giving of notices to them, and
  - (b) the auditors for the time being of the Institute. No other person shall be entitled to receive notices of general meetings.
65. Every director, managing director, agent, auditor, secretary and other officer for the time being of the Institute shall be indemnified out of the assets of the Institute against any liability incurred by him in relation to the Institute in defending any proceedings, whether civil or criminal, in which Judgment is given in his favour or in which he is acquitted or in connexion with any application under section 358 of the Ordinance in which relief is granted to him by the court.

Names, Addresses and Descriptions of Subscribers

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Dated the 9th day of May, 2007.  
WITNESS to the above signatures:

(Sd.) Wong Yee Wai

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