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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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

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NEXTmedia

NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
ADOPTION OF NEW SHARE OPTION SCHEME,
ADOPTION OF NEW ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Next Media Limited to be held at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong on Thursday, 31 July 2014 at 3:00 p.m. is set out on pages 62 to 67 of this circular.

If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force at or after 1:00 p.m. on 31 July 2014 and/or the Hong Kong Observatory has announced at or before 1:00 p.m. on 31 July 2014 that either of the above mentioned warnings is to be issued within the next two hours, the Annual General Meeting shall automatically be postponed to the next Business Day on which no "black" rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted between the hours from 1:00 p.m. to 3:00 p.m. and in such case the Annual General Meeting shall be held at 3:00 p.m. on that Business Day at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the registered office of Next Media Limited at 1st Floor, 8 Chun Ying Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish.

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DEFINITIONS

In this circular and the appendices to it, unless the context otherwise requires, the following expressions have the following meanings:

“Adoption Date”	31 July 2014, the date on which the new Share Option Scheme to be adopted by resolution of the Company in AGM
“ADPDL”	Apple Daily Publication Development Limited, a private company incorporated in Hong Kong with limited liability and is a subsidiary of the Company
“AGM Notice”	the notice convening the Annual General Meeting, which is set out on pages 62 to 67 of this circular
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held on Thursday, 31 July 2014 at 3:00 p.m.
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of directors of the Company
“CEO”	the chief executive officer of the Group
“CFO”	the chief financial officer of the Group
“Company”	Next Media Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“Controlling Shareholder”	Mr. Lai Chee Ying, Jimmy who is the Chairman of the Company and together with his associates, held 1,786,533,165 Shares, representing approximately 73.49% of the total issued Shares of the Company, as at the Latest Practicable Date
“COO”	the chief operating officer of the Group
“Directors”	the directors of the Company
“Existing Articles of Association”	the existing articles of association of the Company

DEFINITIONS

“Existing Share Option Scheme”	the existing share option scheme of the Company adopted on 30 July 2007
“Group”	the Company and its subsidiaries
“Group Company”	a member of the Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	26 June 2014, the latest practicable date for ascertaining certain information for inclusion 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 proposed to be adopted by the Company in replacement of the Existing Articles of Association; the details of the differences between the New Articles of Association and Existing Articles of Association are set out in Appendix IV to this circular
“New Companies Ordinance”	the Companies Ordinance (Chapter 622 of the laws of Hong Kong) and any amendments thereto
“New Share Option Scheme”	the share option scheme proposed to be adopted at the Annual General Meeting, the principal terms of which are set out in Appendix III to this circular
“Participants”	Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and full-time employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group

DEFINITIONS

“Remuneration Committee”	the remuneration committee established by the Board on 15 March 2005 with specific terms of reference with primary responsibility for reviewing and developing all policies appertaining to the remuneration of the Directors and members of senior management
“Repurchase Proposal”	the proposed general mandate to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution on the Stock Exchange, Shares representing up to a maximum of 10% of the issued Shares of the Company as at the date of passing the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution to approve the Repurchase Proposal as referred to in the AGM Notice
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571), as amended from time to time
“Share(s)”	ordinary share(s) of the Company
“Share Subscription and Financing Plan” or “Plan”	the share subscription and financing plan of the Company adopted on 29 October 2007 by the Board whereby selected eligible persons may be invited to apply for new Shares and offered the opportunity to finance their subscription by way of Plan loans
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

LETTER FROM THE BOARD

NEXTmedia

NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

Executive Directors:

Lai Chee Ying, Jimmy (*Chairman*)
Cheung Ka Sing, Cassian (*CEO*)
Ting Ka Yu, Stephen (*COO and CFO*)
Ip Yut Kin

Registered office:

1st Floor
8 Chun Ying Street
Tseung Kwan O Industrial Estate
Tseung Kwan O
New Territories
Hong Kong

Independent Non-Executive Directors:

Fok Kwong Hang, Terry
Wong Chi Hong, Frank
Lee Ka Yam, Danny

3 July 2014

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
ADOPTION OF NEW SHARE OPTION SCHEME,
ADOPTION OF NEW ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you notice of the Annual General Meeting to be held on Thursday, 31 July 2014 and to provide you with information regarding the following resolutions to be proposed at the Annual General Meeting:

- (a) ordinary resolutions relating to (i) the re-election of Directors, (ii) the granting to the Directors of general mandates to allot and issue and repurchase the Shares and (iii) the adoption of New Share Option Scheme; and
- (b) special resolution relating to the adoption of the New Articles of Association.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

Pursuant to articles 84 and 85 of the Existing Articles of Association, at every annual general meeting, one-third of the relevant number of Directors or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office. Accordingly, Mr. Ting Ka Yu, Stephen (“Mr. Ting”) and Mr. Ip Yut Kin (“Mr. Ip”) will retire from office and, being eligible, offer themselves for re-election at the Annual General Meeting. Biographical details of such Directors are set out in Appendix I of this circular.

GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 22 July 2013, a general mandate was granted to the Directors to exercise the power of the Company to allot and issue Shares (and securities convertible into Shares). This mandate will expire at the conclusion of the Annual General Meeting. Accordingly, an ordinary resolution will be proposed at the Annual General Meeting to grant to the Directors a general mandate to allot and issue 486,201,376 Shares (and securities convertible into Shares) in aggregate not exceeding 20% of the number of issued Shares of the Company as at the date of the passing of the resolution. As at the Latest Practicable Date, the issued share capital of the Company consisted of 2,431,006,881 Shares. This 20% limit will not apply to Shares that may be issued pursuant to, inter alia, (i) a rights issue, (ii) scrip dividend extended to all Shareholders; and (iii) the exercise of subscription rights under the share option scheme of the Company. Such general mandate (if granted) will continue in force until the conclusion of the next general meeting of the Company to be held in 2015 or the revocation or variation of the authority given under the resolution by the Company, whichever is the earlier.

No invitations were made and accepted during the financial year ended 31 March 2014 and up to the Latest Practicable Date under the Share Subscription and Financing Plan. All invitations (representing a total of 35,194,000 Shares) issued under the Share Subscription and Financing Plan lapsed during the financial year ended 31 March 2013.

GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 22 July 2013, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares in aggregate representing up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company. This mandate will expire at the conclusion of the Annual General Meeting. Accordingly, the Repurchase Resolution will be proposed at the Annual General Meeting to grant to the Directors a general mandate

LETTER FROM THE BOARD

to repurchase 243,100,688 Shares in aggregate representing 10% of the number of the issued Shares of the Company as at the date of passing of the Repurchase Resolution. Such general mandate (if granted) will continue in force until the conclusion of the next general meeting of the Company to be held in 2015 or the revocation or variation of the authority given under the resolution by the Company, whichever is the earlier. In accordance with the rules regulating the repurchase of securities on the Stock Exchange, an explanatory statement providing the requisite information relating to the Repurchase Proposal is set out in Appendix II of this circular.

EXTENSION OF SHARE ISSUE MANDATE

Subject to the passing at the Annual General Meeting of the Repurchase Resolution and the proposed ordinary resolution regarding the general mandate to issue Shares, an ordinary resolution will be proposed at the Annual General Meeting to approve the addition to the general mandate to allot and issue new Shares (as referred to above) those number of Shares that may be repurchased by the Company under the Repurchase Resolution.

PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

The Existing Share Option Scheme is due to expire on 29 July 2017. In order to provide the Company with the flexibility of granting share options to selected persons including but not limited to the Directors and employees as incentives or rewards for their contribution or potential contribution to the Group, the Directors proposed to adopt the New Share Option Scheme, the principal terms of which are set out in Appendix III to this circular.

The adoption of the New Share Option Scheme is conditional upon (i) the approval of the adoption of the New Share Option Scheme by Shareholders at the Annual General Meeting; and (ii) the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which may be issued upon the exercise of the options which may be granted under the New Share Option Scheme.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may be issued upon the exercise of the options under the New Share Option Scheme. No director is proposed to be a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee. In any event, there is not proposed to be a trustee for the New Share Option Scheme.

LETTER FROM THE BOARD

The purpose of the New Share Option Scheme is to enable the Company to grant options to selected Participants including Directors and full-time employees of the Group as incentives or rewards for their contribution or potential contribution to the Group. The Directors consider that the New Share Option Scheme will provide the Participants with the opportunity to acquire shares in the Company and will encourage such Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and the Shareholders as a whole. Share options may be granted subject to conditions such as minimum vesting period and performance targets. These conditions are aimed at encouraging selected grantees to stay with the Group for a certain minimum period and work towards improving the performance of the Group as a whole. In addition, by setting an exercise price for options, selected grantees will be mindful of improving the value of the Company.

The New Share Option Scheme does not specify a minimum period for which an option must be held nor a performance target which must be achieved before an option can be exercised. However, the rules of the New Share Option Scheme provide that the Board may determine, at its absolute discretion, such terms and conditions on the grant of an option. This determination may vary on a case by case basis but no such terms will be imposed the result of which will be to the advantage of the Participant. The basis for the determination of the subscription price is specified in the rules of the New Share Option Scheme.

As at the Latest Practicable Date, there were outstanding options granted under the Existing Share Option Scheme of the Company entitling the holders thereof to subscribe for a total of 75,254,000 Shares, representing approximately 3.1% of the total issued share capital of the Company. Such options, to the extent not exercised or lapsed, will continue to exist in accordance with their terms of grant after the adoption of the New Share Option Scheme. The Directors do not propose to terminate the Existing Share Option Scheme as there are outstanding and unexercised options under the Existing Share Option Scheme. As the Existing Share Option Scheme is due to expire on 29 July 2017, the Directors intend that any proposed grant of options will be granted under the New Share Option Scheme upon its adoption.

Assuming there is no change in the share capital of the Company between the Latest Practicable Date and the day on which the New Share Option Scheme is adopted at the Annual General Meeting, there will be 2,431,006,881 Shares in issue. The maximum number of Shares which may be granted under the New Share Option Scheme will be 243,100,688 Shares, being 10% of the issued Shares of the Company as at the date of the adoption of the Share Option Scheme.

The aggregate number of Shares which may be issued upon the exercise of all share options that may be granted under the Share Option Scheme and all outstanding share options granted and yet to be exercised under the other share option schemes of the Company has not exceeded 30% of the Shares in issue as at the Latest Practicable Date.

LETTER FROM THE BOARD

As at the Latest Practicable Date, no options under the New Share Option Scheme have been granted and thus the Company considers that it would not be appropriate to disclose in this circular the value of the options that may be granted under the proposed New Share Option Scheme as if they have been granted as at the Latest Practicable Date, as various determining factors for the calculation of such value cannot be reasonably ascertained at this stage. It would not be meaningful and may even be misleading to Shareholders if the value of the options is calculated based on a set of speculative assumptions. However, the Company will disclose the value of any options granted during a financial year or a particular period in its annual report and interim report based on the Binomial Options Pricing Model or a generally accepted comparable methodology.

A copy of the rules of the New Share Option Scheme is available for inspection at the Company's place of business in Hong Kong at 1st Floor, 8 Chun Ying Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong from the date of this circular up to the date of the AGM and at the AGM.

PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION

The New Articles of Association are proposed to be adopted and approved by the Shareholders at the Annual General Meeting to bring the constitution of the Company in line with provisions of the New Companies Ordinance. A summary of the key differences between the New Articles of Association and the Existing Articles of Association is set out in Appendix IV of this circular. The adoption of the proposed New Articles of Association are subject to the Shareholders' approval by way of special resolution at the Annual General Meeting. The major differences between the New Articles of Association and the Existing Articles of Association include the following:

- deletion of the memorandum of association of the Company in its entirety following the abolition of the memorandum of association in the New Companies Ordinance, and to incorporate the provisions which were in the memorandum of association into the provisions of the New Articles of Association;
- removal of references in the Existing Articles of Association to "par value" or "nominal value" and "authorised share capital", "share premium account" and "capital redemption reserve" and other related concepts, following the abolition of the concept of "par value" or "nominal value" for shares. A company's capital (be it share capital, share premium or the like) will now be reflected in one classification of share capital and any and all share premium and similar concepts will, after the coming into effect of the New Companies Ordinance, be deemed to be a reference to share capital;

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- inclusion, for the purposes of complying with the New Companies Ordinance, of a provision whereby the Board must give reasons for any refusal to register a transfer of shares if it is requested to do so by a transferee;
- deletion in its entirety of any power of the Company to convert shares into stock and to reconvert stock into shares, following the abolition in the New Companies Ordinance, of the power of a company to convert shares into stock;
- removal of the requirement that the convening of a general meeting (other than an annual general meeting) of the Company called for the passing of a special resolution requires no less than 21 days' notice, following the reduction of the notice period in the New Companies Ordinance to no less than 14 days (subject always to the provisions of the Listing Rules);
- reduction, for the purposes of complying with the New Companies Ordinance, of the threshold for demanding a poll to members present in person or by proxy representing not less than 5% of the total voting rights of all the members having the right to vote at the meeting, rather than the current 10%;
- provision, for the purposes of complying with the New Companies Ordinance, of a requirement that the instrument appointing a proxy and power of attorney or other authority shall be received by the Company (a) for a general meeting or adjourned general meeting, at least 48 hours before the time appointed for holding the meeting or adjourned meeting; and (b) for a poll taken more than 48 hours after it was demanded, at least 24 hours before the time appointed for taking the poll;
- provision, for the purposes of complying with the New Companies Ordinance, whereby the Directors' ability to grant rights to subscribe for shares (i.e. options) or the conversion of security into shares will, consistent with the current provisions of the company law relating to the allotment and issue of shares, require the approval by the Company in general meeting. As a practical matter, this does not, in substance, change the usual form of general mandate to allot and issue shares which a listed company in Hong Kong may typically seek from its shareholders at an annual general meeting;
- allowing certificate for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) to be issued under the Seal or be otherwise executed in accordance with the Companies Ordinance;
- adopting the new procedures for replacement of lost share certificates required under the New Companies Ordinance; and

LETTER FROM THE BOARD

- providing that notices and documents given to any one of the joint holders of any share shall be deemed to have been given to all the holders of such share and that agreement given by any one of the joint holders of share shall be deemed as agreement by all the holders of such share.

ANNUAL GENERAL MEETING

The AGM Notice is set out on pages 62 to 67 of this circular. Ordinary resolutions in respect of the re-election of the Directors, the general mandate to issue securities, the Repurchase Proposal and the adoption of the New Share Option Scheme and a special resolution in respect of the adoption of the New Articles of Association will be proposed at the Annual General Meeting.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the registered office of the Company at 1st Floor, 8 Chun Ying Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

VOTING BY POLL

Pursuant to rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, 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. The chairman of the Annual General Meeting will therefore demand voting on all resolutions set out in the AGM Notice be taken by way of poll pursuant to article 61 of the Existing Articles of Association.

On a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy shall have one vote for each Share registered in his name in the register. A Shareholder entitled to more than one vote is under no obligation to cast all his votes in the same way.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the general mandate to allot and issue securities, the Repurchase Proposal, the adoption of New Share Option Scheme and adoption of the New Articles of Association are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend all Shareholders to vote in favour of all of the ordinary resolutions and special resolution to be proposed at the Annual General Meeting.

The Controlling Shareholder has indicated that he intends to vote in favour of all of the ordinary resolutions and special resolution to be proposed as special business at the Annual General Meeting in respect of his shareholdings in the Company.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving 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 the omission of which would make any statement herein misleading.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
By order of the Board
Lai Chee Ying, Jimmy
Chairman

Pursuant to articles 84 and 85 of the Existing Articles of Association, Mr. Ting Ka Yu, Stephen and Mr. Ip Yut Kin shall retire at the Annual General Meeting and, being eligible, offer themselves for re-election at the Annual General Meeting. Their biographical details are as follows:

Mr. Ting Ka Yu, Stephen, aged 55, an Executive Director of the Company since October 1999. He is currently the Group's Chief Operating Officer and Chief Financial Officer and responsible for the Group's day-to-day management and operations. Prior to joining the Group in December 1997, Mr. Ting worked with a leading audit firm in both Hong Kong and Australia. He also held senior financial and management positions with a variety of leading companies and listed groups. The holder of a Bachelor of Economics degree from Macquarie University in Sydney, Australia, Mr. Ting is a member of the Institute of Chartered Accountants in Australia. He is currently an advisory board member of Business Association BEA HKUSU of The University of Hong Kong. Mr. Ting holds directorship in a number of subsidiaries within the Group.

Other than in his capacity as an Executive Director and by virtue of his shareholding interests in the Company (details of which are described below), Mr. Ting is not related to and has no business relationship with the other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Mr. Ting also did not have directorship held in other public companies in the last three years.

As at the Latest Practicable Date and as notified to the Company for the purposes of Part XV of the Securities and Futures Ordinance, Mr. Ting had a personal interest in 90,314 Shares and a derivative interest in respect of 3,118,000 Shares, representing 0.004% and 0.128% of the issued share capital of the Company, respectively. Mr. Ting also had a personal interest in 108,344 ordinary shares of ADPDL, representing 1.000% of the current issued share capital of ADPDL. ADPDL is an indirect non-wholly owned subsidiary of the Company.

Mr. Ting has a service contract with Next Media Management Services Limited, a wholly-owned subsidiary of the Company. Pursuant to his service contract, Mr. Ting is entitled to receive a monthly salary of HK\$216,000 on a 13-month basis and certain allowances. He is also entitled to a discretionary bonus pegged to performance. Such emoluments are determined by reference to job responsibilities, the Group's performance and profitability as well as remuneration benchmark in the industry. He is also entitled to receive a Director's fee per annum subject to the review by the Remuneration Committee and approval by the Board with reference to his responsibilities and prevailing market practices. Mr. Ting received emoluments including salaries and other benefits in the total amount of HK\$4,566,000 and a Director's fee of HK\$230,000 for the year ended 31 March 2014.

Save as disclosed above, there is no information relating to Mr. Ting which is required to be disclosed pursuant to Rule 13.51 of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. Ip Yut Kin, aged 62, an Executive Director of the Company since November 2001. He has been appointed as the Chief Executive Officer – Print Media from October 2011 to oversee the Group’s newspapers, magazines and print operations in both Hong Kong and Taiwan. Prior to joining the Group, Mr. Ip worked with many leading Hong Kong newspapers during a long journalistic career that spanned more than 30 years. He is a graduate of the National Chengchi University of Taiwan with a Bachelor of Social Sciences (Journalism) degree. Mr. Ip holds directorship in a number of subsidiaries within the Group.

Other than in his capacity as an Executive Director and by virtue of his shareholding interests in the Company (details of which are described below), Mr. Ip is not related to and has no business relationship with the other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Mr. Ip also did not hold any directorship in other public companies in the last three years.

As at the Latest Practicable Date and as notified to the Company for the purposes of Part XV of the Securities and Futures Ordinance, Mr. Ip had a personal interest and a family interest in a total of 12,830,377 Shares and a derivative interest in respect of 2,500,000 Shares, representing 0.528% and 0.103% of the issued share capital of the Company respectively. Mr. Ip also had a personal interest in 216,688 ordinary shares of ADPDL, representing 2.000% of the current issued share capital of ADPDL.

Mr. Ip has a service contract with ADPDL, a subsidiary of the Company since 1 October 2002. Pursuant to his service contract, Mr. Ip is entitled to receive a monthly salary of HK\$218,000 on a 13-month basis and certain allowances. He is also entitled to a discretionary bonus pegged to performance. Such emoluments are determined by reference to job responsibilities, the Group’s performance and profitability as well as remuneration benchmark in the industry. He is also entitled to receive a Director’s fee per annum subject to the review by the Remuneration Committee and approval by the Board with reference to his responsibilities and prevailing market practices. Mr. Ip received emoluments including salaries and other benefits in the total amount of HK\$5,304,000 and a Director’s fee of HK\$200,000 for the year ended 31 March 2014.

Save as disclosed above, there is no information relating to Mr. Ip which is required to be disclosed pursuant to Rule 13.51 of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

This Appendix contains an explanatory statement, as required by Rule 10.06(1)(b) of the Listing Rules, to provide the requisite information to you for your consideration of the Repurchase Proposal and to enable you to make an informed decision as to whether or not to vote in favour of the resolution approving the Repurchase Proposal. It also constitutes a memorandum as required under section 239(2) of the New Companies Ordinance.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company consisted of 2,431,006,881 Shares. Subject to the passing of the Repurchase Resolution and on the basis that no other Shares are issued or repurchased between the Latest Practicable Date and the date of the approval of the Repurchase Proposal, the Company would be authorised under the Repurchase Resolution to repurchase a maximum of 243,100,688 Shares (representing not more than 10% of the issued Shares of the Company traded on the Stock Exchange as at the Latest Practicable Date).

2. SHAREHOLDER APPROVAL/TRADING RESTRICTIONS

The Listing Rules provide that all proposed repurchases of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction.

3. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Proposal is in the best interests of the Company and the Shareholders. Repurchases of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of Shareholder value and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association, the Listing Rules and the laws of Hong Kong.

A material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 March 2014, the most recent published audited financial statements of the Company) may occur in the event that the general mandate under the Repurchase Proposal is utilised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the general mandate under the Repurchase Proposal to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels.

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 prior to the Latest Practicable Date are as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
June 2013	0.940	0.750
July 2013	0.840	0.730
August 2013	0.820	0.720
September 2013	0.840	0.720
October 2013	0.970	0.740
November 2013	0.930	0.820
December 2013	1.090	0.820
January 2014	1.120	0.820
February 2014	0.950	0.830
March 2014	0.930	0.790
April 2014	0.840	0.770
May 2014	0.850	0.740
June 2014 (up to the Latest Practicable Date)	0.970	0.820

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases pursuant to the Repurchase Proposal and in accordance with the Listing Rules and the laws of Hong Kong.

7. TAKEOVERS CODE

If, on the exercise of the general mandate to repurchase Shares pursuant to the Repurchase Proposal, 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 group of Shareholders acting in concert, could obtain or consolidate control of the Company and may, in certain circumstances, become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the Controlling Shareholder and his associates held 1,786,533,165 Shares representing approximately 73.49% of the issued Shares. As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, the Controlling Shareholder and Madam Li Wan Kam, Teresa, who is the spouse of the Controlling Shareholder and is deemed to be interested in the Shares held by the Controlling Shareholder, are the only persons who are interested in 10% or more of the issued Shares.

In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Proposal, the shareholding of the Controlling Shareholder and the deemed interest of Madam Li Wan Kam, Teresa would be increased to approximately 81.65% of the issued share capital of the Company. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Proposal. Having said that, the Directors have no intention to exercise the power to repurchase Shares to such an extent when the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

8. SHARE REPURCHASE MADE BY THE COMPANY

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

9. MISCELLANEOUS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their respective associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries if the Repurchase Proposal is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) of the Company have notified it of a present intention to sell any Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the Shareholders.

The following is a summary of the principal terms of the New Share Option Scheme:

The purpose of the share option scheme is to reward Participants (as described in paragraph 3 below) who will or have contributed to the Group and to encourage them to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

1. The New Share Option Scheme is to be administered by the Board, and the decisions of the Board shall be final and binding on all parties. The Board shall have the right to (a) interpret and construe the provisions of the New Share Option Scheme; (b) determine the persons (if any) who shall be offered options, and number of Shares and subscription price; (c) subject to provisions of the scheme, make such adjustments to the terms of the options granted under the scheme to the relevant grantee as the Board deems necessary, and shall notify the relevant grantee of such adjustment by written notice; and (d) make such other decisions or determinations as it shall deem appropriate in relation to offers of grant and/or the administration of the scheme provided that the same are not inconsistent with the provisions of the scheme and the Listing Rules.
2. The participants of the scheme ("Participants") are directors (including executive directors, non-executive directors and independent non-executive directors) and full-time employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group.
3. Subject to the terms of the New Share Option Scheme and the Listing Rules, the Board shall be entitled at any time within 10 years after the adoption date of the New Share Option Scheme (currently expected to be 31 July 2014) to make an offer to any Participant, as the Board may in its absolute discretion select, to take up an option pursuant to which such Participant may, during the option period, subscribe for such number of Shares as the Board may determine at the Subscription Price (as defined in paragraph 12 below). The offer shall specify the terms on which the option is to be granted. Such terms may at the discretion of the Board include, among other things, (i) the minimum period for which an option must be held before it can be exercised; and/or (ii) a performance target that must be reached before the option can be exercised in whole or in part; and (iii) any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally. The date on which the Board resolves to make an offer to a Participant shall be the date of grant for the purpose of the scheme and shall be a business day.

4. Each grant of options to any director, chief executive or substantial shareholder of the Company, or any of their respective associates shall be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is the proposed grantee of the options). Where any grant of options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
 - (a) representing in aggregate over 0.1% of the Shares in issue on the date of such grant; and
 - (b) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of each grant, in excess of HK\$5 million, such further grant of options must be approved (voting by way of poll) by the Shareholders. All connected persons (as defined in the Listing Rules) of the Company must abstain from voting at such general meeting.
5. The New Share Option Scheme prohibits the make of any offer or the granting of any option after inside information has come to the knowledge of the Company until such information has been announced. In particular, no offer shall be made and no option shall be granted to any Participant during the period commencing one month immediately preceding the earlier of:
 - (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules).
6. The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time (the "Scheme Limit").

7. The total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the number of shares in issue on the adoption date of the scheme (currently expected to be 31 July 2014) (the "Scheme Mandate Limit"), subject to refresher of the Scheme Mandate Limit as referred to below. Options lapsed in accordance with the terms of the scheme and (as the case may be) such other share option schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.

The Company may refresh the Scheme Mandate Limit at any time subject to prior Shareholders' approval in general meeting. However, the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of the aforesaid Shareholders' approval. Options previously granted under the New Share Option Scheme and any other share option schemes (including those outstanding, cancelled or lapsed in accordance with the schemes or exercised) will not be counted for the purpose of calculating the limit as refreshed. A circular with relevant information as required under the Listing Rules must be sent to Shareholders in connection with the meeting at which their approval will be sought.

The Company may seek separate Shareholders' approval in general meeting for granting options beyond the Scheme Mandate Limit provided the options in excess of the Scheme Mandate Limit are granted only to Participants specifically identified by the Company before such approval is sought. A circular with relevant information as required under the Listing Rules must be sent to Shareholders containing, amongst others, a generic description of the identified Participants, the number and terms of the options to be granted, the purpose of granting options to the identified Participants, and any explanations as to how the terms of these options serve such purpose.

8. The total number of Shares issued and to be issued upon exercise of the options granted to any grantee (including both exercised and outstanding options) under the New Share Option Scheme and any other schemes of the Company in any 12-month period must not exceed 1% of the Shares in issue. Any further grant of options (including exercised, cancelled and outstanding options) in excess of 1% of the Shares in issue must be subject to separate Shareholders' approval in general meeting with such grantee and his associates (as such term is defined in the Listing Rules) abstaining from voting. A circular with relevant information as required under the Listing Rules must be sent to the Shareholders disclosing, amongst others, the identity of the grantee and the number and terms of the options granted and proposed to be granted. The number and terms (including the Subscription Price (as defined in paragraph 12 below)) of options to be granted to such grantee must be fixed before Shareholders' approval is sought and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price.

9. The option period (the "Option Period") of a particular option is the period during which the option can be exercised, such period to be determined and notified by the Board to each grantee at the time of making an offer, and in any event such period of time shall not expire later than 10 years from the date of grant.
10. Subject to the terms of the New Share Option Scheme and the Listing Rules, the Board shall be entitled at any time within 10 years after the adoption date of the New Share Option Scheme (currently expected to be 31 July 2014) to make an offer to any Participant, as the Board may in its absolute discretion select, to take up an option pursuant to which such Participant may, during the Option Period, subscribe for such number of Shares as the Board may determine at the Subscription Price (as defined in paragraph 12 below). The offer shall specify the terms on which the option is to be granted. Such terms may at the discretion of the Board include, among other things, (i) the minimum period for which an option must be held before it can be exercised; and/or (ii) a performance target that must be reached before the option can be exercised in whole or in part; and (iii) any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally.
11. An offer is deemed to be accepted when the Company receives from the grantee the offer letter signed by the grantee specifying the number of Shares in respect of which the offer is accepted and a remittance to the Company of HK\$10.00 as consideration for the grant of option within 14 days from the date on which the letter containing the offer is delivered to the Participant. Such remittance shall not be refundable in any circumstances.
12. The Subscription Price shall be such price determined by the Board in its absolute discretion but in any event shall not be less than the higher of:
 - (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant which must be a business day; and
 - (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant.

13. The Shares to be allotted upon the exercise of an option shall be subject to all the provisions of the articles of association of the Company for the time being in force and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which those Shares are allotted on exercise of the option and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made after the date on which Shares are allotted other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which the Shares are allotted. The options do not carry with them any voting rights or right to dividend.
14. Subject to the provisions of the rules of the New Share Option Scheme and the Listing Rules, the New Share Option Scheme shall be valid and effective for a period of 10 years commencing on the adoption date. After the expiry of the 10-year period, no further options shall be offered or granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects, and options granted during the life of the scheme shall continue to be exercisable in accordance with their terms of grant.
15. An option shall lapse automatically (to the extent not already exercised) on the earliest of:
 - (i) the expiry of the option period as stipulated in the offer letter;
 - (ii) the expiry of the periods referred to below:
 - (a) in the event of the grantee ceasing to be a Participant by reason of his death before exercising his option in full and none of the events which would be a ground for termination of his employment as specified in paragraph (vi) below having arisen, 12 months from the date of his death;
 - (b) in the event of a grantee who is an employee or a director of the Company or another member of the Group ceasing to be a Participant for any reason other than his death or the termination of employment or directorship on one or more of the grounds specified in paragraph (vi) below, 14 days after the date of cessation or termination of employment (which date shall be the grantee's last actual working day with the Company or relevant subsidiary whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable;

- (c) in the event of a grantee who is not an employee or a director of the Company or another member of the Group ceasing to be a Participant as and when determined by the Board by resolution for any reason other than his death, the period notified to such grantee by the Board in a written notice to such grantee within 1 month from the date of cessation;
 - (d) in the event a notice is given by the Company to the Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the period notified to the grantee by the Board;
 - (e) in the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph (iii) below, between the Company and its members or creditors is proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the period notified to the grantee by the Board in a notice to be given to all grantees on the same day as the Company gives notice of the meeting to its members or creditors to consider such compromise or arrangement;
- (iii) the period notified to the grantee by the Board when a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph (iv) below) is made to all the holders of Shares (or all such holders other than the offeror and or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant option, provided that if any court of competent jurisdiction makes an order the effect of which is to prohibit the offeror from acquiring the remaining Shares in the offer, the relevant period within which options may be exercised shall not begin to run until the discharge of the order in question or unless the offer lapses or is withdrawn before that date;
- (iv) the expiry of the period for exercising the option notified to the grantee by the Board when a general offer for Shares by way of scheme of arrangement is made to all the holders of Shares and has been approved by the necessary number of holders of Shares at the requisite meetings and has become effective;
- (v) the date of the commencement of the winding-up of the Company;

- (vi) the date on which the grantee (if an employee or director of the Company or another member of the Group) ceases to be a Participant by reason of the termination of his employment or directorship on the grounds that he has been guilty of serious misconduct, or has appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily. A resolution of the Board or the board of directors of the relevant subsidiary to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive and binding on the grantee;
 - (vii) the date on which the grantee commits a breach of paragraph 20 below;
and
 - (viii) subject to paragraph (ii)(b) above, the date the grantee ceases to be a Participant for any other reason.
16. In the event of any alteration to the capital structure of the Company whilst any option remains exercisable, arising from capitalisation of profits or reserves, rights issue, subdivision or consolidation of shares or reduction of the share capital of the Company in accordance with legal requirements and requirements of the Stock Exchange, other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party, such corresponding alterations (if any) shall be made in (a) the number of Shares subject to the Option so far as unexercised, (b) the Subscription Price for the Shares subject to the Option so far as unexercised, (c) the Shares to which the Option relates, and (d) the method of exercise of the option, or any combination thereof as the auditors or the independent financial adviser to the Company shall at the request of the Company certify in writing to the Board either generally or as regards any particular grantee that the adjustments are in their opinion fair and reasonable, provided that any such adjustments shall give a grantee the same proportion of equity capital of the Company as to which that grantee was previously entitled and satisfy the requirements of Rule 17.03(13) of the Listing Rules and the note thereto.
17. Any options granted but not exercised may be cancelled if the Participant so agrees.

18. The Shares issued on exercise of the options will on issue be identical to the then existing issued Shares of the Company.
19. The Company by ordinary resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further options will be offered or granted but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect in respect of options complying with the provisions of Chapter 17 of the Listing Rules which are granted during the life of the scheme and which remain unexpired immediately prior to the termination of the operation of the scheme.
20. An option shall be personal to the grantee and shall not be assignable or transferable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any option. Any breach of the foregoing by the grantee shall entitle the Company to cancel any outstanding option or any part thereof granted to such grantee to the extent not already exercised without incurring any liability on the part of the Company.
21. Those specific provisions of the New Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants, and changes to the authority of the Board in relation to any alteration of the terms of the scheme shall not be made, in either case, without the prior approval of Shareholders in general meeting. Any alterations to the terms and conditions of the scheme which are of a material nature, or any change to the terms of options granted, must also, to be effective, be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the terms of the scheme. The scheme so altered must comply with Chapter 17 of the Listing Rules, the supplemental guidance issued on 5 September 2005 by the Stock Exchange entitled "Supplemental Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the note immediately after the Rule" and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

The following is a summary of the key differences between the provisions of the existing Memorandum and Articles of Association and the New Articles of Association:

1. The Memorandum of the Company shall be deleted in its entirety.
2. References to “Memorandum and Articles of Association” shall be revised to read as “New Articles of Association”.
3. References to Chapter 32 of the Companies Ordinance shall be substituted with Chapter 622 as new references.
4. The following new Articles 1A, 1B, 1C and 1D are to be inserted at the beginning of the Articles of Association:

“COMPANY NAME

1A. *The name of the Company is “NEXT MEDIA LIMITED 壹傳媒有限公司”.

- *Notes:
- (1) The original name of the Company was “Wai Wah Shipping Co., Limited 威華航業有限公司”. It was changed to “Paramount Development Limited 百樂門發展有限公司” on 7th March, 1988 pursuant to a Special Resolution passed on 22nd February, 1988.
 - (2) “Paramount Development Limited 百樂門發展有限公司” was changed to “Paramount Printing Group Limited 百樂門印刷集團有限公司” on 31st January, 1991 pursuant to a Special Resolution passed on 31st December, 1990.
 - (3) “Paramount Printing Group Limited 百樂門印刷集團有限公司” was changed to “Paramount Publishing Group Limited 百樂門出版集團有限公司” on 11th January, 1994 pursuant to a Special Resolution passed on 20th December, 1993.
 - (4) “Paramount Publishing Group Limited 百樂門出版集團有限公司” was changed to “Next Media Limited 壹傳媒有限公司” on 16th February, 2000 pursuant to a Special Resolution passed on 31st January, 2000.

MEMBERS’ LIABILITY

- 1B. The liability of the members of the Company is limited.
- 1C. The liability of the members of the Company is limited to any amount unpaid on the shares held by the members.

TABLE A AND MODEL ARTICLES

- 1D. No regulations set out in (a) Table A in the First Schedule to the predecessor of the Companies Ordinance or (b) Model Articles in Schedule 1 of the Companies (Model Articles) Notice (Cap. 622H) shall apply as regulations or articles to the Company.”
5. The definition of “business day” under the existing Article 2, which reads:
- ““business day” means any day on which The Stock Exchange of Hong Kong Limited is open for business of dealing in securities. For the avoidance of doubt, where The Stock Exchange of Hong Kong Limited is closed for the business of dealing in securities in Hong Kong on a day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Articles be counted as a business day.”
- is to be revised as:
- ““business day”, **save where specified**, means any day on which The Stock Exchange of Hong Kong Limited is open for business of dealing in securities. For the avoidance of doubt, where The Stock Exchange of Hong Kong Limited is closed for the business of dealing in securities in Hong Kong on a day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Articles be counted as a business day;”
6. The definition of “Hong Kong” and “newspaper” will be inserted under the existing Article 2 as follows:
- ““Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China;**
- “newspaper” means a newspaper published daily and circulating generally in Hong Kong and specified in the list of newspapers issued and published in the Gazette for the purposes of Section 203 of the Companies Ordinance by the Chief Secretary for Administration;”**
7. The existing heading and the existing Article 4 shall be deleted and replaced by the following:
- “Intentionally left blank”

8. The existing Article 5, which reads:

“5. Subject to any special rights conferred on the holders of any shares or class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine. Provided That (i) where the capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights shall include the words “restricted voting” or “limited voting” and (ii) where the capital includes shares with no voting rights, the words “non-voting” must appear in the designation of such shares.”

is to be revised as:

“5. Subject to any special rights conferred on the holders of any shares or class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, **or be redeemable whether at the option of the Company or the holder**, as the Company may by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine. Provided That (i) where the capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights shall include the words “restricted voting” or “limited voting” and (ii) where the capital includes shares with no voting rights, the words “non-voting” must appear in the designation of such shares.”

9. The existing Article 6, which reads:

“6. Subject to the Companies Ordinance, any preference shares may, with the sanction of a special resolution, be issued on terms that they are, or at the option of the Company are liable, to be redeemed. The terms and manner of redemption shall be provided for by alteration of these Articles.”

is to be substituted and replaced by the following:

“6. The directors may determine the terms, conditions and manner of redemption of any shares to be redeemed.”

10. The existing Article 7, which reads:

“7. Subject to the Companies Ordinance, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special or an extraordinary resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply but so that the necessary quorum shall be one or more persons holding or representing by proxy not less than one third of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, that any holder of shares of the class present in person or by proxy may demand a poll and that at any meeting of such holders adjourned through want of a quorum one holder present in person or by proxy (whether the number of shares held by him) shall be a quorum and for the purposes of this Article one holder present in person or by proxy may constitute a meeting.”

is to be revised as:

“7. Subject to the Companies Ordinance, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of ~~not less than three-fourths of the issued shares of that~~ **representing at least 75% of the total voting rights of holders of shares in the** class or with the sanction of a special or an extraordinary resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply but so that the necessary quorum shall be one or more persons holding or representing by proxy not less than one third of the ~~issued shares of the class~~ **total voting rights** in the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, that any holder of shares of the class present in person or by proxy may demand a poll and that at any meeting of such holders adjourned through want of a quorum one holder present in person or by proxy (whether the number of shares held by him) shall be a quorum and for the purposes of this Article one holder present in person or by proxy may constitute a meeting.”

11. The existing Article 9, which reads:

“9. Subject to the provisions of these Articles, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine.”

is to be revised as:

“9. Subject to the provisions of these Articles **and the Companies Ordinance**, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine.”

12. The existing Article 13, which reads:

“13. If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee not exceeding the maximum amount as may from time to time be permitted under the Companies Ordinance or the rules prescribed by The Stock Exchange of Hong Kong Limited and on such terms as to evidence and indemnity as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.”

is to be revised as:

“13. If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee not exceeding the maximum amount as may from time to time be permitted under the Companies Ordinance or the rules prescribed by The Stock Exchange of Hong Kong Limited and on such terms as to evidence and indemnity as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company. **As regards the loss of share certificate, replacement of share certificate shall be made in accordance with Sections 162 to 169 of the Companies Ordinance.**”

13. The existing Article 14, which reads:

“14. All forms of certificate for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall, except to the extent that the terms and conditions for the time being relating thereto otherwise provide, be issued under the Seal. The Board may determine, either generally or in any particular case or cases, that any signatures on any such certificates need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any person.”

is to be revised as:

“14. All forms of certificate for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall, except to the extent that the terms and conditions for the time being relating thereto otherwise provide, **(a) be issued under the Seal or (b) be otherwise executed in accordance with the Companies Ordinance.** The Board may determine, either generally or in any particular case or cases, that any signatures on any such certificates need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any person.”

14. The existing Article 18, which reads:

“18. The Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not by the terms of issue thereof made payable at a date fixed by or in accordance with such terms of issue, and each Member shall (subject to the Company serving upon him at least fourteen days’ notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine.”

is to be revised as:

“18. The Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares ~~(whether on account of the nominal amount of the shares or by way of premium)~~ and not by the terms of issue thereof made payable at a date fixed by or in accordance with such terms of issue, and each Member shall (subject to the Company serving upon him at least fourteen days’ notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine.”

15. The existing Article 22, which reads:

“22. Any sum which, by the terms of issue of a share, becomes payable on allotment or at any date fixed by or in accordance with such terms of issue, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which, by the terms of issue, the same becomes payable and, in case of non-payment, all the relevant provisions of these Articles as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.”

is to be revised as:

“22. Any sum which, by the terms of issue of a share, becomes payable on allotment or at any date fixed by or in accordance with such terms of issue, ~~whether on account of the nominal amount of the share or by way of premium~~, shall for all the purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which, by the terms of issue, the same becomes payable and, in case of non-payment, all the relevant provisions of these Articles as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.”

16. The existing Article 33, which reads:

“33. The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferee and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. All instruments of transfer, when registered, may be retained by the Company.”

is to be revised as:

“33. The instrument of transfer of a share shall be ~~signed~~**executed** by or on behalf of the transferor and the transferee and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. All instruments of transfer, when registered, may be retained by the Company.”

17. The existing Article 34, which reads:

“34. The Board may, in its absolute discretion and without assigning any reason therefor, decline to register any transfer of any share which is not a fully paid share.”

is to be revised as:

“34. The Board may, ~~in its absolute discretion and without assigning any reason therefor,~~ decline to register any transfer of any share which is not a fully paid share.”

18. The existing Article 36, which reads:

“36. If the Board declines to register a transfer it shall, within two months after the date on which the instrument of transfer was lodged, send to the transferee notice of the refusal.”

is to be revised as:

“36. If the Board declines to register a transfer ~~it shall, within two months after the date on which the instrument of transfer was lodged, send to the transferee notice of the refusal:-~~

- (a) **the transferor or transferee may request a statement of the reasons for the refusal; and**
- (b) **the instrument of transfer must be returned to the transferor or transferee who lodged it unless the Board suspects that the proposed transfer may be fraudulent.”**

19. Article 36A will be inserted as follows:

“36A. **The instrument of transfer must be returned in accordance with Article 36(b) together with a notice of refusal within 2 months after the date on which the instrument of transfer was lodged with the Company.”**

20. Article 36B will be inserted as follows:

“36B. **If a request is made under Article 36(b), the Board must, within 28 days after receiving the request:-**

- (a) **send the transferor or transferee who made the request a statement of the reasons for the refusal; or**
- (b) **register the transfer.”**

21. The existing Article 40, which reads:

“40. A person becoming entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law shall (upon such evidence being produced as may from time to time be required by the Board as to his entitlement) be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Member until he shall have become registered as the holder thereof. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the Board may thereafter withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.”

shall be revised as:

“40. A person becoming entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law shall (upon such evidence being produced as may from time to time be required by the Board as to his entitlement) be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Member until he shall have become registered as the holder thereof. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ~~sixty~~ **ninety** days the Board may thereafter withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.”

22. The existing heading and existing Article 41, which reads:

“STOCK

41. The Company may from time to time by ordinary resolution convert any fully paid up shares into stock and may 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 in the capital of the Company into stock, any shares of that class which subsequently become fully paid up and rank pari passu 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.”

is to be revised as:

“41. Intentionally left blank”

23. The existing Article 42, which reads:

“42. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit. The Board may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of such minimum, but the minimum shall not, without the sanction of an ordinary resolution of the Company, exceed the nominal amount of each of the shares from which the stock arose.”

is to be revised as:

“42. Intentionally left blank”

24. The existing Article 43, which reads:

“43. The holders of stock shall, according to the amount of the stock held by them, have the same rights as regards dividends, voting at general meetings of the Company and other matters as if they held the shares from which the stock arose, but no such right (except as to participation in dividends and in assets on a reduction of capital or a winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right.”

is to be revised as:

“43. Intentionally left blank”

25. The existing Article 44, which reads:

“44. All of the provisions of these Articles which are applicable to paid up shares shall apply to stock and the words “share” and “shareholder” herein shall include “stock” and “stockholder” respectively.”

is to be revised as:

“44. **Intentionally left blank**”

26. The existing Article 45, which reads:

“45. The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.”

is to be revised as:

“45. The Company may from time to time by ordinary resolution increase its capital **in any one or more of the ways set out in Section 170 of the Companies Ordinance.** ~~by such sum to be divided into shares of such amounts as the resolution shall prescribe.”~~

27. The existing Article 46, which reads:

“46. The Company may, by the resolution increasing the capital, direct that the new shares or any of them shall be offered in the first instance either at par or at a premium or (subject to the provisions of the Companies Ordinance) at a discount to all the holders for the time being of shares of any class or classes in proportion to the number of such shares held by them respectively or may make any other provisions as to issue of the new shares.”

is to be revised as:

“46. **Intentionally left blank**”

28. The existing heading and existing Article 48, which reads:

“ALTERATION OF CAPITAL

48. (A) The Company may from time to time by ordinary resolution:–
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) 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 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 any such deferred or qualified rights or be subject to any such restrictions as compared with, the other or others as the Company has power to attach to unissued or new shares;
 - (c) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled;

and may also by special resolution:–

- (d) subject to any confirmation or consent required by law, reduce its authorised and issued share capital or any capital redemption reserve fund or any share premium account in any manner.

Where any difficulty arises in regard to any consolidation and division under paragraph (a) of this Article, the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Members who would have been entitled to the fractions and for this purpose the Board may authorise some person to transfer the shares representing fractions to the purchaser thereof, who 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.

- (B) The Company may, upon and by the authority of such resolution as required by the Ordinance, purchase its own shares for any purpose and directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, give financial assistance for the purpose of the acquisition by any person of shares in the Company, in each case in the manner and to the extent permitted by the Ordinance and subject to compliance with the applicable provisions thereof and any relevant rules or regulations prescribed by The Stock Exchange of Hong Kong Limited or the Securities and Futures Commission in Hong Kong from time to time.”

is to be revised as:

“ALTERATION OF CAPITAL

48. (A) The Company may from time to time by ordinary resolution **alter its share capital in any one or more of the ways set out in Section 170 of the Companies Ordinance, including but not limited to:-**
- (a) consolidating and dividing all or any of its share capital into shares of larger **or smaller** amount than its existing shares; **and**
- ~~(b) 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 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 any such deferred or qualified rights or be subject to any such restrictions as compared with, the other or others as the Company has power to attach to unissued or new shares;~~

- (eb) **cancelling** any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its ~~authorised~~ share capital by the amount of the shares so cancelled.

~~and may also by special resolution:—~~

- ~~(d) subject to any confirmation or consent required by law, reduce its authorised and issued share capital or any capital redemption reserve fund or any share premium account in any manner.~~

Where any difficulty arises in regard to any consolidation and division under paragraph (a) of this Article, the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Members who would have been entitled to the fractions and for this purpose the Board may authorise some person to transfer the shares representing fractions to the purchaser thereof, who 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.

- (B) The Company may, upon and by the authority of such resolution as required by the **Companies** Ordinance, purchase **or otherwise acquire** its own shares **or warrants (including any redeemable shares)** for any purpose and directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, give financial assistance for the purpose of the acquisition by any person of shares in the Company, in each case in the manner and to the extent permitted by the **Companies** Ordinance and subject to compliance with the applicable provisions thereof and any relevant rules or regulations prescribed by The Stock Exchange of Hong Kong Limited or the Securities and Futures Commission in Hong Kong from time to time.”

29. Article 48A is to be inserted as follows:

“48A. The Company may by special resolution reduce its share capital in any manner authorized and subject to any conditions prescribed by law.”

30. The existing Article 49 which reads:

“49. The Board shall convene and the Company shall hold, general meetings as annual general meetings in accordance with the requirements of the Companies Ordinance at such times and places as the Board shall appoint. Any general meeting of the Company other than an annual general meeting shall be called an extraordinary general meeting.”

is to be revised as follows:

“49. The Board shall convene and the Company shall hold, **when so required by the Companies Ordinance**, general meetings as annual general meetings in accordance with the requirements of the Companies Ordinance at such times and places as the Board shall appoint; **and may be held at two or more places using any technology that enables the members who are not together at the same place to listen, speak and vote at the meeting.** Any general meeting of the Company other than an annual general meeting shall be called an extraordinary general meeting.”

31. The existing Article 51 which reads:

“51. Subject to such longer minimum notice periods as may be required under the Listing Rules from time to time and to the requirement that a meeting called for the passing of a special resolution shall be called by not less than twenty-one days’ notice in writing and a meeting other than a meeting called for the passing of a special resolution shall be called by not less than fourteen days’ notice in writing, an annual general meeting shall be called by not less than twenty-one clear days’ notice or twenty clear business days’ notice in writing (whichever is longer) and a meeting other than an annual general meeting shall be called by not less than fourteen clear days’ notice or ten clear business days’ notice in writing (whichever is longer). 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, day and time of meeting and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such and the notice convening a meeting to pass a special or an extraordinary resolution shall specify the intention to propose the resolution as a special or an extraordinary resolution as the case may be. Notice of every general meeting shall be given in manner hereinafter mentioned to all Members other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the Auditors for the time being of the Company.

Provided that, subject to the provisions of the Companies Ordinance, if permitted by the Listing Rules, a meeting of the Company shall, notwithstanding that it is called shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed, in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat and, in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right."

is to be revised as:

- "51. Subject to such longer minimum notice periods as may be required under the Listing Rules **and the Companies Ordinance** from time to time ~~and to the requirement that a meeting called for the passing of a special resolution shall be called by not less than twenty-one days' notice in writing and a meeting other than a meeting called for the passing of a special resolution shall be called by not less than fourteen days' notice in writing,~~ an annual general meeting shall be called by not less than twenty-one clear days' notice or twenty clear business days' notice in writing (whichever is longer) and a meeting other than an annual general meeting shall be called by not less than fourteen clear days' notice or ten clear business days' notice in writing (whichever is longer). The notice shall be exclusive of the day on which it is served or deemed to be served, **received or delivered** and of the day for which it is given, **sent or supplied**, and shall specify the place (**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 meeting**), day and time of meeting and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such and the notice convening a meeting to pass a special or an extraordinary resolution shall specify the intention to propose the resolution as a special or an extraordinary resolution as the case may be. Notice of every general meeting shall be given in manner hereinafter mentioned to all Members other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the Auditors for the time being of the Company.

Provided that, subject to the provisions of the Companies Ordinance, if permitted by the Listing Rules, a meeting of the Company shall, notwithstanding that it is called shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed, in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat and, in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. ~~in nominal value of the shares giving right~~ **of the total voting rights at the meeting of all the Members."**

32. The existing Article 57, which reads:

“57. The Chairman (if any) of the Board or, in his absence, a Deputy Chairman (if any) shall preside as chairman at every general meeting. If there is no such Chairman or Deputy Chairman or if at any meeting neither the Chairman nor a Deputy Chairman is present within five minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman.”

is to be revised as:

“57. The Chairman (if any) of the Board or, in his absence, a Deputy Chairman (if any) shall preside as chairman at every general meeting. If there is no such Chairman or Deputy Chairman or if at any meeting neither the Chairman nor a Deputy Chairman is present within five minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman. **A proxy may be elected to be the chairperson of a general meeting by a resolution of the Company passed at the meeting.**”

33. The existing Article 61, which reads:

“61. (1) At any general meeting, a resolution put to the vote at the meeting shall be decided on a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person or by proxy shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For the purpose of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman’s duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.

- (2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded by:
- (a) at least three Members present in person or by proxy for the time being entitled to vote at the meeting; or
 - (b) a Member or Members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Members having the right to attend and vote at the meeting; or
 - (c) a Member or Members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority or lost shall be final and conclusive and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.”

is to be revised as:

- “61. (1) At any general meeting, a resolution put to the vote at the meeting shall be decided on a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person or by proxy shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For the purpose of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman’s duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.

- (2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded by:
- (a) at least three Members present in person or by proxy for the time being entitled to vote at the meeting; or
 - (b) a Member or Members present in person or by proxy and representing in the aggregate ~~not less than one-tenth~~ **at least 5%** of the total voting rights of all Members having the right to attend and vote at the meeting; or
 - (c) a Member or Members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right; **or**
 - (d) the chairman of the meeting.**

Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority or lost shall be final and conclusive and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution."

34. The existing Article 74, which reads:

"74. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the Office (or at such other place in Hong Kong as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 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. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution.

- (A) If a recognised clearing house within the meaning of the SFO (or its nominee) is a Member, it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its proxy or proxies at any general meeting of the Company or at any meeting of any class of Members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. Every person so authorised shall be entitled to exercise the same rights and powers as if the person was registered holder of the shares of the Company held by the clearing house (or its nominee) including, where a show of hands is allowed, the right to vote individually on a show of hands notwithstanding the provisions of Article 60.”

is to be revised as:

“74. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be ~~delivered at the Office received by the Company (or at such other place in Hong Kong as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith)~~ **(a) in the case of a general meeting or adjourned general meeting, at least forty-eight hours before the time for holding the meeting or adjourned meeting; (b) in the case of a poll taken more than forty-eight hours after it was demanded, twenty-four hours before the time appointed for the taking of the poll not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 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. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution.

- (A) If a recognised clearing house within the meaning of the SFO (or its nominee) is a Member, it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its proxy or proxies at any general meeting of the Company or at any meeting of any class of Members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. Every person so authorised shall be entitled to exercise the same rights and powers as if the person was registered holder of the shares of the Company held by the clearing house (or its nominee) including, where a show of hands is allowed, the right to vote individually on a show of hands notwithstanding the provisions of Article 60.”

35. The existing Article 80, which reads:

“80. The Company may by ordinary resolution remove any Director before the expiration of his period of office and may (subject to these Articles) by ordinary resolution appoint another person in his place. Any person so appointed 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.”

is to be revised as:

“80. **Subject to compliance with the requirements of the Companies Ordinance**, the Company may by ordinary resolution remove any Director before the expiration of his period of office and may (subject to these Articles) by ordinary resolution appoint another person in his place. Any person so appointed 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.”

36. The existing Article 82(g), which reads:

“82. (g) if he ceases to be a Director by virtue of the Companies Ordinance or is removed from office pursuant to these Articles.”

is to be revised as:

“82. (g) if he ceases to be a Director by virtue of the Companies Ordinance or **Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)**, or is removed from office pursuant to these Articles, **or is otherwise prohibited from being a director by law.**”

37. The existing Article 88, which reads:

“88. The Board may from time to time appoint one or more of its body to be a Managing Director, Joint Managing Director or Assistant Managing Director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine and either the Board or the Company may revoke or terminate any of such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company which may be involved in such revocation termination.”

is to be revised as:

“88. The Board may from time to time appoint one or more of its body to be a Managing Director, Joint Managing Director or Assistant Managing Director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine and either the Board or the Company may revoke or terminate any of such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company which may be involved in such revocation or termination.”

38. The existing Article 93(C), which reads:

“93. (C) A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested and shall not be liable to account to the Company or the Members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company or voting or providing for the payment of remuneration to the directors or officers of such other company.”

is to be revised as:

“93. (C) A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested and **subject to the Companies Ordinance** shall not be liable to account to the Company or the Members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company or voting or providing for the payment of remuneration to the directors or officers of such other company.”

39. The existing Article 93(G), which reads:

“93. (G) Subject to the Companies Ordinance, a Director who to his knowledge is in any way, whether directly or indirectly, materially interested or who has an associate who is materially interested in a contract or arrangement or proposed contract or arrangement with the Company which is of significance in relation to the Company’s business shall declare the nature of any such interest at the earliest meeting of the Board at which it is practicable for him to do so notwithstanding that the question of entering into the contract or arrangement is not taken into consideration at that meeting. A general notice to the Board given by a Director to the effect that he or any of his associates is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with such company or firm shall be sufficient declaration of interest under this Article in relation to any contract or arrangement so made; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director giving the same takes reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.”

is to be revised as:

“93. (G) Subject to the Companies Ordinance, a Director who to his knowledge is in any way, whether directly or indirectly, materially interested or who has an associate who is materially interested in a **transaction**, contract or arrangement or proposed **transaction**, contract or arrangement with the Company which is of significance in relation to the Company’s business shall declare the nature of any such interest **as soon as is reasonably practicable and in any event** at the earliest meeting of the Board at which it is practicable for him to do so notwithstanding that the question of entering into the contract or arrangement is not taken into consideration at that meeting. **Such declaration must be made in accordance with the Companies Ordinance.** ~~A general notice to the Board given by a Director to the effect that he or any of his associates is a member of a specified company or firm (with such notice to specify the nature and extent of the Director’s interest) and is to be regarded as interested in any transaction, contract or arrangement which may after the date of the notice be made with such company or firm shall be sufficient declaration of interest under this Article in relation to any transaction, contract or arrangement so made; provided that no such notice shall be effective unless either it is given at a meeting of the Board or it is in writing and sent to the Company, and the Director takes reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.~~ **For this purpose, a general notice to the Board by a Director to the effect that:–**

- (i) he is interested (as a member, officer, employee or otherwise) in a specified company or firm (with such notice to specify the nature and extent of the Director's interest) and is to be regarded as interested in any contract of arrangement which may after the date of the notice be made with that company or firm; or
- (ii) he is to be regarded as interested in any transaction, contract or arrangement which may after the date of the notice be made with a specified person who is connected (as such term is defined in the Companies Ordinance) with him (with such notice to specify the nature of the Director's connection);

shall be deemed to be a sufficient declaration of interest in relation to any such transaction, contract or arrangement; provided that no such notice shall be effective unless either it is given at a meeting of the Board or it is in writing and sent to the Company, and the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given."

40. The existing Article 93(H), which reads:

"93. (H) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract, arrangement or proposal in which he or any of his associates is materially interested, directly or indirectly, but this prohibition shall not apply to any of the following matters:-

- (i) the giving of any security or indemnity either:-
 - (a) to the Director or any of his associates in respect of money lent or obligations incurred or undertaken by him or them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his associates has himself or themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

- (ii) any contract, arrangement or proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or any of his associates is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) any contract, arrangement or proposal concerning the benefit of employees of the Company or any of its subsidiaries including:-
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or any of his associates may benefit; or
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme which relates to Directors (and their associates) and to employees of the Company or any of its subsidiaries, and does not provide in respect of any Director or any of his associates, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (iv) any contract, arrangement or proposal in which the Director or any of his associates is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his or their interest in shares or debentures or other securities of the Company."

is to be revised as:

- "93. (H) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any **transaction**, contract, arrangement or proposal in which he or any of his associates is materially interested, directly or indirectly, but this prohibition shall not apply to any of the following matters:-

- (i) the giving of any security or indemnity either:-
 - (a) to the Director or any of his associates in respect of money lent or obligations incurred or undertaken by him or them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his associates has himself or themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (ii) any **transaction**, contract, arrangement or proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or any of his associates is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) any **transaction**, contract, arrangement or proposal concerning the benefit of employees of the Company or any of its subsidiaries including:-
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or any of his associates may benefit; or
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme which relates to Directors (and their associates) and to employees of the Company or any of its subsidiaries, and does not provide in respect of any Director or any of his associates, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (iv) any **transaction**, contract, arrangement or proposal in which the Director or any of his associates is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his or their interest in shares or debentures or other securities of the Company."

41. Articles 93(J) and (K) are to be inserted as follows:

“93. (J) A company shall be deemed to be a company in which a Director is interested, where such Director, together with any of his associates, owns 5% or more (and if and so long as (but only if and so long as) he is (either directly or indirectly) the holder of or beneficially interested in 5% of more) of any class of the equity share capital of such company 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 as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director’s interest is 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 is interested only as a unit holder.

93. (K) Where a company in which a Director together with any of his associates hold 5% or more is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.”

42. The existing Article 105, which reads:

“A meeting of the Directors or of a committee of the Board may consist of a conference between parties who are not all in one place, but each of whom is able (by telephonic communication or similar communications equipment) to speak to each of the others simultaneously. Any party taking part in such conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in the quorum accordingly. Such a meeting shall be deemed to take place where the Chairman of the Meeting is located.”

is to be revised as:

“A meeting of the Directors or of a committee of the Board may consist of a conference between parties who are not all in one place, but each of whom is able (by telephonic communication, **video-conferencing** or similar communications equipment) to speak to each of the others simultaneously. Any party taking part in such conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in the quorum accordingly. Such a meeting shall be deemed to take place where the Chairman of the Meeting is located.”

43. The existing Article 123, which reads:

“123. (A) In respect of any dividend proposed to be paid or declared by the Board or by the Company in general meeting, the Board may propose and announce prior to or contemporaneously with the payment or declaration of such dividend:–

(i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up provided that Members 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:–

(a) the basis of any such allotment shall be determined by the Board;

(b) the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the holders of the shares 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 the latest date and time by which duly completed forms of election must be lodged in order to be effective;

(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;

(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 any of the Company's reserve accounts or profit and loss account or accounts otherwise available for distribution as the Board may determine such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or

- (ii) that Members entitled to such dividend be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:-
- (a) the basis of any such allotment shall be determined by the Board;
 - (b) the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the holders of the shares 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;
 - (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;
 - (d) the dividend (or part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised ("the elected shares") and in lieu and in satisfaction 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 any of the Company's reserve accounts or profit and loss account or amounts otherwise available for distribution as the Board may determine such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.

- (B) The shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank *pari passu* in all respects with the shares then in issue save only as regards participation:–
- (i) in the relevant dividend (or the right to receive or to elect to receive an allotment of shares in lieu thereof as aforesaid); or
 - (ii) in any other distribution, bonus or right paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of its proposal to apply the provisions of sub-paragraph (i) or (ii) of paragraph (A) of this Article in relation to the relevant dividend or contemporaneously with its announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (A) of this Article shall rank for participation in such distribution, bonus or rights.
- (C) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Article with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Board may authorise any person to enter into, on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.”

is to be revised as:

- “123. (A) In respect of any dividend proposed to be paid or declared by the Board or by the Company in general meeting, the Board may propose and announce prior to or contemporaneously with the payment or declaration of such dividend:–

- (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up provided that Members 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:—
- (a) the basis of any such allotment shall be determined by the Board;
 - (b) the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the holders of the shares 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 the latest date and time by which duly completed forms of election must be lodged in order to be effective;
 - (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;
 - (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 any of the Company's reserve accounts (~~including any share premium account or capital redemption reserve fund~~) or profit and loss account or accounts otherwise available for distribution as the Board may determine such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or

- (ii) that Members entitled to such dividend be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:-
- (a) the basis of any such allotment shall be determined by the Board;
 - (b) the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the holders of the shares 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;
 - (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;
 - (d) the dividend (or part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised ("the elected shares") and in lieu and in satisfaction 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 any of the Company's reserve accounts (~~including share premium account and capital redemption reserve fund~~) or profit and loss account or amounts otherwise available for distribution as the Board may determine such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.

- (B) The shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank *pari passu* in all respects with the shares then in issue save only as regards participation:-
- (i) in the relevant dividend (or the right to receive or to elect to receive an allotment of shares in lieu thereof as aforesaid); or
 - (ii) in any other distribution, bonus or right paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of its proposal to apply the provisions of sub-paragraph (i) or (ii) of paragraph (A) of this Article in relation to the relevant dividend or contemporaneously with its announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (A) of this Article shall rank for participation in such distribution, bonus or rights.
- (C) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Article with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Board may authorise any person to enter into, on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.”

44. The existing Article 128, which reads:

“The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account or any capital redemption reserve fund and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if distributed by way of dividend and in the same proportions, on the footing that the same be not paid in cash but be applied either in or towards paying up the amounts for the time unpaid on any shares in the Company held by such Members respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution, provided that, for the purposes of this Article, a share premium account and a capital redemption reserve fund may be applied only in the paying up of unissued shares to be issued to such Members credited as fully paid.”

is to be revised as:

“The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution ~~or to the credit of any share premium account or any capital redemption reserve fund~~ and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if distributed by way of dividend and in the same proportions, on the footing that the same be not paid in cash but be applied either in or towards paying up the amounts for the time unpaid on any shares in the Company held by such Members respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution, ~~provided that, for the purposes of this Article, a share premium account and a capital redemption reserve fund may be applied only in the paying up of unissued shares to be issued to such Members credited as fully paid.~~”

45. Article 135(E) is to be inserted as:

“Subject to the Companies Ordinance and the Listing Rules and unless these Articles otherwise provide, 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), provided that the Company may at its discretion act on the instruction of any of the joint holders in respect of any share if instructions (except for transfer of the share) received from the joint holders in respect of such share are not the same.”

46. The existing Article 137(A), which reads:

“137. (A) Any such notice or other document, if sent by post, shall be deemed to have been served or delivered on the day after the day when it was put in the post, and in proving such service or delivery it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.”

is to be revised as:

“137. (A) Any such notice or other document, if sent by post, shall be deemed to have been served or delivered on the ~~day after the day~~ **second business day (as defined in Part 18 of the Companies Ordinance) following that on which** ~~when~~ it was put in the post, and in proving such service or delivery it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.”

47. The existing Article 139(i), which reads:

“139. (i) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;”

is to be revised as:

“139. (i) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and **in accordance with the Companies Ordinance**, without express notice to the Company that the preservation of such document was relevant to a claim;”

48. New heading and new Article 142 is to be inserted as follows:

“CONFLICT WITH COMPANIES ORDINANCE

142. (A) Notwithstanding anything contained in these Articles, if the Companies Ordinance prohibit an act being done, the act shall not be done.
- (B) Nothing contained in these Articles prevents an act being done that the Companies Ordinance requires to be done.
- (C) If any provision of these Articles is or becomes inconsistent with any provision of the Companies Ordinance, these Articles are deemed not to contain that provision to the extent of the inconsistency and to the extent it does not breach any provision of the Companies Ordinance.”

49. The existing information on the names, addresses and descriptions of subscribers at the end of the existing Articles which reads:

“

Names, Addresses and Descriptions of Subscribers
<p>For and on behalf of SINCLAIRS (NOMINEES) LIMITED Struan Robertson <i>(Sgd.)</i> <i>Director</i></p> <p>1604 Bank of Canton Building, 6 Des Voeux Road Central, Hong Kong. Incorporated Company</p> <p>For and on behalf of ROCHE NOMINEES LIMITED Struan Robertson <i>(Sgd.)</i> <i>Director</i></p> <p>1604 Bank of Canton Building, 6 Des Voeux Road Central, Hong Kong. Incorporated Company</p>

Dated the 2nd day of June, 1981.

WITNESS to the above signatures:

Irene S. H. Low *(Sgd.)*
Solicitor,
 Hong Kong.”

is to be replaced in its entirety and be read as follows:

“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, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names:

Names, Addresses and Descriptions of Subscribers	Number of Shares taken by each Subscriber
<p>For and on behalf of SINCLAIRS (NOMINEES) LIMITED Struan Robertson (<i>Sgd.</i>) <i>Director</i></p> <p>1604 Bank of Canton Building, 6 Des Voeux Road Central, Hong Kong. Incorporated Company</p> <p>For and on behalf of ROCHE NOMINEES LIMITED Struan Robertson (<i>Sgd.</i>) <i>Director</i></p> <p>1604 Bank of Canton Building, 6 Des Voeux Road Central, Hong Kong. Incorporated Company</p>	<p>One</p> <p>One</p>
<p>Total Number of Shares Taken.....</p>	<p>Two</p>

Dated the 2nd day of June, 1981.
 WITNESS to the above signatures:

Irene S. H. Low (*Sgd.*)
Solicitor,
 Hong Kong”

NOTICE OF ANNUAL GENERAL MEETING

NEXTmedia

NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Next Media Limited (the “Company”) will be held at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong on Thursday, 31 July 2014 at 3:00 p.m. for the purpose of transacting the following business:–

ORDINARY BUSINESS

1. To receive, consider and adopt the Reports of the Directors and the Auditors and the audited Financial Statements for the year ended 31 March 2014.
2. (a) To re-elect Mr. Ting Ka Yu, Stephen as an Executive Director of the Company;
- (b) To re-elect Mr. Ip Yut Kin as an Executive Director of the Company.
3. To approve a sum not exceeding HK\$3,000,000 to be paid to the Directors of the Company as fees of the Directors for the year ending 31 March 2015.
4. To re-appoint Deloitte Touche Tohmatsu as auditor and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass the following as ordinary resolutions:–

5. “**THAT:**
- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all of the powers of the Company to allot and issue additional shares in the capital of the Company (including but not limited to the share subscription and financing plan of the Company adopted on 29 October 2007) and to

NOTICE OF ANNUAL GENERAL MEETING

make or grant offers, agreements and options (including warrants and securities convertible or exercisable into shares of the Company) which might require the exercise of such powers either during or after the Relevant Period be and is hereby generally and unconditionally approved;

- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company;
 - (iii) the exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted (excluding the share subscription and financing plan of the Company adopted on 29 October 2007) for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or
 - (iv) any scrip dividend or similar arrangement providing for the allotment of the shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company;

shall not exceed 20% of the aggregate number of the shares of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly;

- (c) for the purposes of this Resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Company in general meeting; and

“Rights Issue” means an offer of shares in the Company, or an offer of warrants, options or other securities giving rights to subscribe for shares in the Company, open for a period fixed by the Directors to the holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors, after making enquiry, may deem necessary or expedient in relation to fractional entitlements or having regard to any legal restrictions under the laws of the relevant place, or the requirements of the relevant regulatory body, or any stock exchange in that place).”

6. “THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all of the powers of the Company to repurchase shares in the capital of the Company, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company which may be repurchased by the Directors pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate number of shares of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles of Association of the Company to be held; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Company in general meeting.”
7. “**THAT** conditional upon the passing of Resolutions Nos. 5 and 6 set out in the Notice of this Meeting, the aggregate number of shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the mandate granted under Resolution No. 5 set out in the Notice of this Meeting be and is hereby increased and extended by adding the aggregate number of shares of the Company which may be repurchased by the Company pursuant to and in accordance with the mandate granted under Resolution No. 6 set out in the Notice of this Meeting provided that such amount of shares of the Company so repurchased shall not exceed 10% of the aggregate number of the issued shares of the Company as at the date of the passing of this Resolution.”
8. “**THAT** conditional upon The Stock Exchange of Hong Kong Limited granting approval for the listing of, and permission to deal in, the shares (up to 10% of the shares of the Company in issue as at the date hereof) falling to be issued pursuant to the exercise of any options granted under the share option scheme referred to in the circular of the Company dated 3 July 2014, the terms of which are set out in the printed document produced to the meeting and marked “A” and initialled by the Chairman hereof for identification purpose (the “New Share Option Scheme”), the New Share Option Scheme be and is hereby approved and adopted to be the share option scheme of the Company and that the board of directors of the Company be authorised to grant options thereunder and to allot and issue shares pursuant to the New Share Option Scheme and take all such steps as may be necessary or desirable to implement such New Share Option Scheme.”

SPECIAL RESOLUTION

To consider and, if thought fit, pass the following as a special resolution:

9. “**THAT** the new Articles of Association produced to the meeting and marked “B” and initialled by the Chairman of the Meeting for the purpose of identification be and is hereby approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association of the Company.”

By Order of the Board
Wong Shuk Ha, Cat
Company Secretary

Hong Kong, 3 July 2014

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Pursuant to the Listing Rules and the Articles of Association of the Company, any vote of member at a general meeting must be taken by poll except where the chairman of the Annual General Meeting, 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.
2. Any member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote instead of such member in accordance with the Articles of Association of the Company. A proxy need not be a member of the Company.
3. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the registered office of the Company at 1st Floor, 8 Chun Ying Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof.
4. The Register of Members of the Company will be closed from Monday, 28 July 2014 to Thursday, 31 July 2014, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting of the Company, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 25 July 2014.
5. In relation to Resolution No. 2 in this Notice, Mr. Ting Ka Yu, Stephen and Mr. Ip Yut Kin will retire at the Annual General Meeting pursuant to the Company's Articles of Association and being eligible, offer themselves for re-election. The re-election of the aforementioned Directors will be individually voted on by the shareholders of the Company. The biographical details and interests in the shares of the Company and its subsidiaries within the meanings of Part XV of the Securities and Future Ordinance of those Directors who stand for re-election at the Annual General Meeting are set out in Appendix I of the circular accompanying this Notice.
6. In relation to Resolution No. 3 in this Notice, it is proposed that a sum not exceeding HK\$3,000,000 be paid as fees to the Directors of the Company, such sum to be divided between the Directors of the Company in such ways as may be determined by the Board of Directors. The executive Directors of the Company are paid in accordance with their remuneration packages and in such sums as determined by the Board of Directors.
7. In relation to Resolution Nos. 5 and 7, the Directors wish to state that they have no immediate plan to issue any new shares of the Company. The general mandate is being sought from the shareholders in compliance with the Companies Ordinance and the Listing Rules.
8. In relation to Resolution No. 6, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares of the Company in circumstances which they deem appropriate for the benefit of the Company. The explanatory statement containing the information relating to the repurchase of shares, as required by the Listing Rules, is set out in Appendix II of the circular accompanying this Notice.
9. In relation to Resolution No. 8, approval is being sought from members to adopt the New Share Option Scheme, so that the Company could have the flexibility of granting share options to the selected participants (as defined in the New Share Option Scheme) as incentives or rewards for their contribution or potential contribution to the Group.

NOTICE OF ANNUAL GENERAL MEETING

10. In relation to Resolution No. 9, approval is being sought from members to approve the adoption of the new Articles of Association of the Company so as to bring the constitution of the Company in line with the provisions of the Companies Ordinance, details of the proposed adoption of the new Articles of Association are set out in Appendix IV of the circular accompanying this Notice.

11. If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force at or after 1:00 p.m. on 31 July 2014 and/or the Hong Kong Observatory has announced at or before 1:00 p.m. on 31 July 2014 that either of the above mentioned warnings is to be issued within the next two hours, the Annual General Meeting shall automatically be postponed to the next Business Day on which no "black" rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted between the hours from 1:00 p.m. to 3:00 p.m. and in such case the Annual General Meeting shall be held at 3:00 p.m. on that Business Day at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong. "Business Day", in this context, shall mean a day (not being Saturday, Sunday or public holiday) on which banks in Hong Kong generally are open for business.