

Secretary's Certificate

China Primary Resources Holdings Limited

中國基礎資源控股有限公司

Cricket Square, Hutchins Drive

P.O. Box 2681 .

Grand Cayman KY1-1111

Cayman Islands

We, Codan Trust Company (Cayman) Limited, Assistant Secretary of **China Primary Resources Holdings Limited** **中國基礎資源控股有限公司** (the "Company") **DO HEREBY CERTIFY** that the following is a true extract of a Special Resolution of the shareholders of the Company passed at the Annual General Meeting on the 26th day of May 2009, and that such resolution has not been modified.

AMENDMENTS TO ARTICLES OF ASSOCIATION

The Chairman invited a Shareholder to move and another Shareholder to second as special business that the following resolution no. 6 set out in the Notice be passed as a special resolution:

"**THAT** the articles of association ("**Articles**") of the Company be and are hereby amended in the following manner:

(a) Article 2(1)

- (i) By adding the following new definition in the existing Article 2(1) after the definition of "Board" or "Directors":

""business day" shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business 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."

- (ii) By deleting the existing definition of "Ordinary resolution" in its entirety and substituting therefor the following:

““Ordinary resolution” a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days has been duly given.”

(iii) By deleting the existing definition of “Special Resolution” in its entirety and substituting therefor the following:

““Special Resolution” a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days, specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as a special resolution, has been duly given. Provided that if permitted by the Designated Stock Exchange, except in the case of an annual general meeting, if it is so agreed by a majority in number of the Members having the right to attend and vote at any such meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the shares giving that right and in the case of an annual general meeting, if it is so agreed by all Members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which Notice of less than twenty-one (21) clear days and less than ten (10) clear business days has been given;

a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles or the Statutes.”

(b) Article 2(2)

- (i) By adding the following words before the semi-colon at the end of the existing Article 2(2)(e):

“, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations”

- (ii) By deleting the full stop at the end of the existing Article 2(2)(g) and replacing it with a semi-colon and inserting the following new Article 2(2)(h):

“(h) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”

(c) Article 10

- (i) By adding the word “and” after the semi-colon in the last line of the existing Article 10(a).
- (ii) By deleting “; and” after the words “such share held by him” in the last line of Article 10(b) and inserting a full stop thereafter.
- (iii) By deleting the existing Article 10(c) in its entirety.

(d) Article 44

By inserting the words “or by any electronic means in such manner as may be accepted by the Designated Stock Exchange” after the words “in accordance with the requirements of any Designated Stock Exchange” in the 9th line of the existing Article 44.

(e) Article 59(1)

By deleting the existing Article 59(1) in its entirety and substituting therefor the following:

“59. (1) An annual general meeting shall be called by Notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any extraordinary general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other extraordinary general meetings may be called by Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice, subject to the Law, if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.”

(f) Article 66

By deleting the existing Article 66 in its entirety and substituting therefor the following:

“66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll.”

(g) Article 67

By deleting the existing Article 67 in its entirety and substituting therefor the words "intentionally deleted".

(h) Article 68

By deleting the existing Article 68 in its entirety and substituting therefor the following:

"68. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange."

(i) Article 69

By deleting the existing Article 69 in its entirety and substituting therefor the words "intentionally deleted".

(j) Article 70

By deleting the existing Article 70 in its entirety and substituting therefor the words "intentionally deleted".

(k) Article 73

By deleting the words "whether on a show of hands or on a poll," after the words "In the case of any equality of votes" in the 2nd line of the existing Article 73.

(l) Article 75(1)

By deleting the words "whether on a show of hands or on a poll," after the words "persons incapable of managing their own affairs may vote," in the 3rd line of the existing Article 75(1) and by deleting the words "or poll" after the words "not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting" in the last line of the existing Article 75(1).

(m) Article 84(2)

By deleting the words “including the right to vote individually on a show of hands” after the words “if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s))” in the last line of the existing Article 84(2).

(n) Article 152

(i) By deleting the word “A” at the beginning of existing Bye-law 152 and replacing it with the words “Subject to Article 152A, a” therefor.

(ii) By inserting the words “at the same time as the notice of annual general meeting and” after the words “before the date of the general meeting and” in the 6th line of the existing Article 152.

(iii) By adding the following new Articles 152A and 152B after the existing Article 152:

152A. Subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 152 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company’s annual accounts and the directors’ report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the

Company and the directors’ report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company’s annual financial statement and the directors’ report thereon.

152B. The requirement to send to a person referred to in Article 152 the documents referred to in that article or a summary financial report in accordance with Article 152A shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Article 152 and, if applicable, a summary financial report complying with Article 152A, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

(o) Article 159

- (i) By inserting the words "(including any "corporate communication" within the meaning ascribed thereto under the rules of the Designated Stock Exchange)" after the words "Any Notice or document" in the 1st line of the existing Article 159.
- (ii) By inserting the words "or, to the extent permitted by the applicable laws, by placing it on the Company's website or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the Member by any of the means set out above" after the words "in accordance with the requirements of the Designated Stock Exchange" in the 12th line of the existing Article 159.

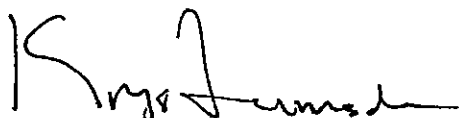
(p) Article 160

- (i) By deleting the word "and" at the end of existing Article 160(a).
- (ii) By deleting the full stop at the end of existing Article 160(b) and replacing it with a semi-colon and inserting the word "and" after the semi-colon; and by re-numbering the existing Article 160(b) as Article 160(c).
- (iii) By inserting the following words after the existing Article 160(a):
 - "(b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of

the Company or its agent. A Notice placed on the Company's website or the website of the Designated Stock Exchange, is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;"

(iv) By inserting the following words after the new Article 160(c):

"(d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations."



Krysten Lumsden
for and on behalf of
Codan Trust Company (Cayman) Limited
Assistant Secretary

Dated this 29th day of May, 2009



Secretary's Certificate

China Primary Resources Holdings Limited
中國基礎資源控股有限公司
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

We, Codan Trust Company (Cayman) Limited, Assistant Secretary of China Primary Resources Holdings Limited 中國基礎資源控股有限公司 (the "Company") DO HEREBY CERTIFY the following are true copies of ordinary resolution and special resolution passed at an Extraordinary General Meeting of the Company on 2nd day of October, 2007 and that such resolutions have not been modified.

7. ORDINARY RESOLUTION NO.3

It was proposed, seconded and resolved that the following resolution no. 3 set out in the Notice be passed as ordinary resolution:

"THAT the authorised share capital of HK\$125,000,000 be re-classified from 100,000,000,000 ordinary shares of HK\$0.00125 each to (a) 96,000,000,000 ordinary shares of HK\$0.00125 each (the "Ordinary Shares") and (b) 4,000,000,000 redeemable convertible cumulative preferred shares of HK\$0.00125 each (the "Preferred Shares"). The Ordinary Shares shall have the same rights and restrictions attached thereto as are attached to the Ordinary Shares immediately prior to the re-classification of the share capital of the Company and the Preferred Shares shall have the rights and restrictions as set out in Article 9A of the articles of association of the Company following the passing of special resolution no. 5 below."



8. SPECIAL RESOLUTION NO.4

It was proposed, seconded and resolved that the following resolution no. 4 set out in the Notice be passed as special resolution:

"THAT subject to the passing of resolution no. 1 above as ordinary resolution, the existing Memorandum of Association of the Company (the "MoA") be amended as follows:

By deleting Clause 8 in its entirety and substituting therefor the following new Clause 8:

"8. Unless otherwise determined by the Members in accordance with the Articles of Association, the authorised share capital of the Company shall be HK\$125,000,000 divided into two classes being: (a) 96,000,000,000 ordinary shares of HK\$0.00125 each (the "Ordinary Shares"); and (b) 4,000,000,000 redeemable convertible cumulative preferred shares of HK\$0.00125 each (the "Preferred Shares"), with power for the Company insofar as is permitted by law to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether stated to be preference or otherwise shall be subject to the powers hereinbefore contained."

9. **SPECIAL RESOLUTION NO.5**

It was proposed, seconded and resolved that the following resolution no. 5 set out in the Notice be passed as special resolution:

"THAT subject to the passing of resolutions no. 1 and 3 above as ordinary resolutions and resolution 4 above as special resolution, the existing Articles of Association of the Company (the "Articles") be amended as follows:

(a) Article 3(1)

By deleting Article 3(1) in its entirety and substituting therefor the following new Article 3(1):

"3(1) Unless otherwise determined by the Members in accordance with these Articles, the share capital of the Company shall be divided into two classes comprising of: (a) ordinary shares of HK\$0.00125 each (the "Ordinary Shares"); and (b) redeemable convertible cumulative preferred shares of HK\$0.00125 each (the "Preferred Shares") subject to the terms, rights and restrictions set out in Article 9A of the Articles."

(b) Article 9A

By inserting the following new Article 9A immediately following Article 9:

"9A Redeemable Convertible Cumulative Preferred Shares

(1) *Definitions*

For the purpose of this Article 9A, the following terms shall have the following meanings:

"Acquisition Agreement" the agreement dated 14 November 2006 entered into between 宜昌首控實業有限公司 and Great Ocean Real Estate Limited in relation to the acquisition of 22.28% of the registered capital of Xin Shougang held

indirectly and directly by Great Ocean Real Estate Limited and 宜昌泰鴻礦山科技有限公司 respectively and as supplemented by three supplemental deeds dated 5 January 2007, 2 February 2007 and 11 June 2007 entered into by 宜昌首控實業有限公司 and Great Ocean Real Estate Limited;

- "approved merchant bank" an independent reputable merchant bank or other reputable financial institution in Hong Kong selected by the directors of the Company;
- "Business Day" a day (other than Saturday, Sunday and public or statutory holiday) on which licensed banks in Hong Kong are open for business during their normal business hours;
- "Companies Law" the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
- "Conditions" the conditions specified in clause 3.2 of the Acquisition Agreement;
- "Conversion Event" the conversion of Preferred Shares by a Preferred Shareholder pursuant to Article 9A(5)(a);
- "Conversion Period" in relation to any Preferred Shares, the period commencing on the Issue Date until all Preferred Shares have been converted into Ordinary Shares;
- "Conversion Price" the conversion price for Preferred Shares as determined in accordance with Article 9A(5)(c);
- "Conversion Rate" the rate for conversion of the Preferred Shares into Ordinary Shares as determined in accordance with Article 9A(5)(c);
- "Conversion Right" the right of Preferred Shareholders to convert their Preferred Shares into Ordinary Shares;

“Disposal Consideration”	the aggregate consideration to be received by the Group upon disposal of any interest in the registered capital of Xin Shougang;
“Dividend”	in relation to each Preferred Share, a fixed cumulative dividend on an annual basis payable in arrears to its holders in preference to any dividend on the Ordinary Shares at the rate of 0.5% per annum on the Principal Amount outstanding at the year end date of the Company and in the event the dividend on each Ordinary Share exceeds that of each Preferred Share, the dividend on each Preferred Share shall be increased to the extent the dividend on each Preferred Share is equivalent to that of each Ordinary Share;
“GEM”	the Growth Enterprise Market of the Hong Kong Stock Exchange;
“Group”	the Company and its subsidiaries; and the expression “member of the Group” shall be construed accordingly;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Issue Date”	the date of allotment and issue of the Preferred Shares;
“Issue Price”	HK\$0.34 per Preferred Share;
“Ordinary Shares”	ordinary shares of HK\$0.00125 each in the authorised share capital of the Company or, if there has been a sub-division, consolidation, re-classification or reconstruction of the ordinary share capital of the Company, such ordinary shares forming part of the ordinary equity

	share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, reclassification or re-construction;
"PRC"	the People's Republic of China but excluding Hong Kong, Macau Special Administrative Region of the People's Republic of China and Taiwan;
"Preferred Shares"	the unlisted non-voting redeemable convertible cumulative preferred shares of par value of HK\$0.00125 each in the authorised share capital of the Company, the rights of which are set out in Article 9A;
"Preferred Shareholder(s)"	a person or person(s) registered from time to time in the register of members of the Company as holder(s) of any Preferred Share(s);
"Principal Amount"	the Issue Price;
"Redemption Notice"	a notice in writing to be served by the Company to the Preferred Shareholder(s) pursuant to Article 9A(6)(b) for the redemption of the Preferred Shares;
"Shares"	shares in the share capital of the Company (being the Ordinary Shares and the Preferred Shares), respectively;
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers;
"trading day"	any day on which the Hong Kong Stock Exchange is open for business of dealing in securities and on which the Ordinary Shares are traded on the Hong Kong Stock Exchange;
"Xin Shougang"	新首鋼資源控股有限公司 (transliterated as Xin Shougang Zi Yuan Holdings Limited), a company established in the PRC with limited liability; and

"Xin Shougang Dividend" the dividends to be distributed by Xin Shougang to its then equity holders.

(2) *Dividend*

- (a) Each Preferred Share shall confer on the holder thereof the right to receive out of the funds of the Company available for distribution and resolved to be distributed the Dividend, in priority to the Ordinary Shares in the capital of the Company from time to time in issue.
- (b) The Dividend shall be cumulative annually in arrears payable on dates as resolved by the board of directors of the Company and shall accrue from day to day and shall be calculated on the basis of the actual number of days that lapsed in a year of 365 days. Any Dividend that has accrued prior to the date of conversion or redemption (as the case may be) but remains unpaid on the date of conversion or redemption (as the case may be) shall be payable upon the date of conversion or redemption (as the case may be).
- (c) No dividend shall be paid to the holders of the Ordinary Shares unless and until:
 - (i) any outstanding Dividend has been paid in full; and
 - (ii) all Preferred Shares which have fallen due for redemption have been redeemed.
- (d) Notwithstanding the generality of the foregoing and subject to Articles 9A(5) and (6) below, in any conversion or redemption of Preferred Shares, the Preferred Shareholder(s) shall be entitled to a pro rata portion of such Dividend that has accrued thereon up to the date immediately prior to the service of a notice in writing to convert Preferred Shares or the payment date of the redemption amount (as the case may be).

(3) *Return of Capital*

On a return of capital on liquidation, winding-up or dissolution of the Company or otherwise (but not on conversion or redemption of Preferred Shares or any repurchase by the Company of Preferred Shares or Ordinary Shares), the assets and funds of the Company available for distribution among the members of the Company shall, subject to applicable laws, be applied in the following priority:

- (a) Firstly, to the Preferred Shareholder(s), the Principal Amount per Preferred Share together with the amount of any outstanding Dividend accruing on the Preferred Shares up to and including the date of the return of capital.

- (b) If the assets and funds of the Company available for distribution shall be insufficient to provide for full payment to the holders of the Preferred Shares in accordance with Article 9A(3)(a), the Company shall make payment on the Preferred Shares on a pro rata basis.
- (c) Thereafter, the balance of such assets and funds of the Company available for distribution among the members of the Company shall belong to and be distributed rateably among the holders of the Ordinary Shares and other classes of shares of the Company currently in issue or to be created in the future in the capital of the Company. The Preferred Shareholder(s) shall not have the right to participate in such surplus assets.

(4) Voting

Preferred Shareholder(s) shall not be entitled to vote at any general meeting of the Company.

(5) Conversion

- (a) *Optional conversion.* Provided conversion of Preferred Shares may only be made to the extent that the number of Ordinary Shares to be converted from the Preferred Shares (if applicable, including any Ordinary Shares acquired by parties acting in concert (as defined in the Takeovers Code in effect from time to time) with the Preferred Shareholder(s)) shall not be more than 2% (or the creeper percentage as stated in Rule 26 of the Takeovers Code in effect from time to time) of the then issued ordinary share capital of the Company in any 12-month period, the Preferred Shares shall be convertible at the option of the Preferred Shareholder, at any time during the Conversion Period and without the payment of any additional consideration therefor, into such number of fully paid Ordinary Shares as determined in accordance with the then effective Conversion Rate. Notwithstanding the generality of the foregoing in respect of any conversion of Preferred Shares, the Preferred Shareholder(s) shall be entitled to a pro rata portion of such Dividend that has accrued thereon up to the date immediately prior to the service of a notice in writing on the Company to require the Company to convert such Preferred Shares into Ordinary Shares.
- (b) *Number of Ordinary Shares upon conversion.* The number of Ordinary Shares to which a holder of Preferred Shares shall be entitled upon conversion following a Conversion Event shall be the number obtained by multiplying the Conversion Rate then in effect by the number of Preferred Shares being converted.

- (c) *Conversion Rate.* The Conversion Rate of each Preferred Share shall be determined by dividing the Principal Amount of each Preferred Share by the Conversion Price in effect at the time of conversion, provided that the Conversion Rate shall not be less than the then subsisting par value of an Ordinary Share into which such Preferred Share is convertible. The Conversion Price shall initially be the Principal Amount, subject to adjustment in accordance with Article 9A(7).
- (d) *Mechanism for conversion.*
- (i) Any Preferred Shareholder who wishes to convert its Preferred Shares pursuant to Article 9A(5)(a) shall deliver to the Company at its principal place of business in Hong Kong written notice that he/she/it elects to convert such number of Preferred Shares as specified in the notice. The notice shall be deemed to have been sufficiently served within 5 Business Days of posting if sent by registered post.
- (ii) The relevant Preferred Shareholder shall deliver to the Company at its principal place of business in Hong Kong the certificate(s) evidencing the Preferred Shares to be converted within 5 Business Days from the date of service of the notice of conversion given by such Preferred Shareholder pursuant to Article 9A(5)(d)(i).
- (iii) Upon delivery of the certificate(s) evidencing the Preferred Shares to be converted by the holder thereof to the Company, the Company shall promptly and, in any event no later than 10 Business Days after the date of receipt of such certificate(s):
- (a) issue and deliver to such holder (a) certificate(s) for the number of Ordinary Shares into which the Preferred Shares are converted in the name as shown on the certificate(s) evidencing the Preferred Shares so surrendered to the Company; or
- (b) cause to be credited into the relevant Preferred Shareholder's brokers' account such number of Ordinary Shares into which the Preferred Shares are converted,
- (e) *Fractional Shares.* No fraction of an Ordinary Share shall be issued upon conversion of the Preferred Shares. Any sum in respect of fractional entitlement shall be ignored by the holder(s) of the Preferred Shares and shall be retained by the Company for its own benefit.

- (f) *Sufficient authorised share capital.* The Company shall ensure that at all times there is sufficient number of unissued Ordinary Shares in its authorised share capital to be issued in satisfaction of the Conversion Rights pursuant to Article 9A(5)(a).
- (g) *Entry into register of members.* Upon the issue of the Ordinary Shares into which the Preferred Shares are converted, the Company shall enter such member of the Company in its register of members in respect of the relevant number of Ordinary Shares arising from such conversion, and the Preferred Shares which have been converted into Ordinary Shares shall be treated as cancelled.

(6) *Redemption*

(a) *Event of Redemption.*

- (i) Upon the value of the cumulative Xin Shougang Dividend reaches HK\$485.5 million, or the Group has disposed of its interest in Xin Shougang at the Disposal Consideration of more than HK\$485.5 million in aggregate without incurring any losses on the disposal or the total of the cumulative Xin Shougang Dividend and the Disposal Consideration is more than HK\$485.5 million without incurring any losses on the disposal, the Company may at any time redeem in cash not more than half of the Preferred Shares issued at a price equal to their Principal Amount plus a premium of 10% per annum together with any accrued and unpaid Dividend thereon and the Company shall pay such amount to the Preferred Shareholder on dates as may be resolved by the board of directors of the Company; and
 - (ii) Upon the value of the cumulative Xin Shougang Dividend reaches HK\$971 million, or the Group has disposed of its interest in Xin Shougang at the Disposal Consideration of more than HK\$971 million in aggregate or the total of the cumulative Xin Shougang Dividend and the Disposal Consideration is more than HK\$971 million, the Company may at any time redeem in cash all or any number of the then outstanding Preferred Shares at a price as stated in Article 9A(6)(a)(i) above.
- (b) *Mechanism for Redemption.* Upon the happening of the events of redemption as provided in Article 9A(6)(a), the Company may by serving Redemption Notice to the Preferred Shareholder(s) redeem such amount of the Preferred Shares as may be specified in the Redemption Notice subject to Article 9A(6)(a). The Preferred Shareholder(s) shall within 3 Business Days from receipt of the Redemption Notice deliver to the

Company the certificate(s) of the Preferred Shares to be redeemed and the Company shall cancel the same forthwith. If any certificate so delivered to the Company includes any Preferred Shares not falling to be redeemed on the Redemption Notice, the Company shall without charge issue a certificate for the balance of any unredeemed Preferred Shares to the holder or holders thereof.

(7) *Conversion adjustments*

- (a) The Conversion Price shall from time to time be adjusted in accordance with the following relevant provisions so that if the event giving rise to any such adjustment shall be such as would be capable of falling within more than one of Article 9A(7)(a)(i) to (vii) inclusive, it shall fall within the first of the applicable clauses to the exclusion of the remaining clauses:
- (i) if and whenever the Ordinary Shares by reason of any consolidation or sub-division or reclassification become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount. Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or sub-division or reclassification becomes effective;
 - (ii) if and whenever the Company shall:
 - (a) issue (other than in lieu of a cash dividend) any Ordinary Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account); or
 - (b) issue Ordinary Shares paid out of distributable profits or reserves and/or share premium accounts issued in lieu of the whole or any part of a cash dividend, being a dividend which the holders of the Ordinary Shares concerned would or could otherwise have received but only to the extent that the market value of such Ordinary Shares exceeds 110% of the amount of dividend which holders of the Ordinary Shares could elect to or would otherwise receive in cash and which would not have constituted a capital distribution (as defined in Article 9A(7)(b)) (for which purpose the "market value" of an Ordinary Share shall mean the average of the closing prices published in the Hong Kong Stock Exchange's Daily Quotation Sheet for one Ordinary Share for 5 trading days ending on the

last trading day immediately preceding the last day on which holders of Ordinary Shares may elect to receive or (as the case may be) not to receive the relevant dividend in cash); then the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the aggregate nominal amount of the issued Ordinary Shares immediately before such issue and dividing the result by the sum of such aggregate nominal amount and the aggregate nominal amount of the Ordinary Shares issued in such capitalisation. Each such adjustment shall be effective (if appropriate, retroactively) from the commencement of the day next following the record date for such issue;

- (iii) if and whenever the Company shall make any capital distribution to holders (in their capacity as such) of Ordinary Shares (whether on a reduction of capital or otherwise) or shall grant to such holders rights to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be adjusted by multiplying by the following fraction:

$$\frac{A - B}{A}$$

where:

A = the closing price published in the Hong Kong Stock Exchange in respect of one Ordinary Share on the trading day immediately preceding the date on which the capital distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) immediately preceding the date of the capital distribution or, as the case may be, of the grant; and

B = the fair market value on the day of such announcement or failing any such announcement, the date of the capital distribution or the grant, as the case may be, as determined in good faith by an approved merchant bank, of the portion of the capital distribution or of such rights which is/are attributable to one Ordinary Share,

Provided that:

- (a) if, in the opinion of the relevant approved merchant bank, the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine (and in such event the above formula shall be construed as if B meant) the amount

of the closing price published in the Hong Kong Stock Exchange's Daily Quotation Sheet of one Ordinary Share which should properly be attributed to the value of the capital distribution or rights; and

- (b) this Article 9A(7)(a)(iii) shall not apply in relation to the issue of Ordinary Shares paid out of profits or reserves and issued in lieu of a cash dividend. Each such adjustment shall be effective (if appropriate, retrospectively) from the commencement of the day following the record date for the capital distribution or grant;
- (iv) If and whenever the Company shall offer to all holders of Ordinary Shares new Ordinary Shares for subscription by way of rights, or shall grant to all holders of Ordinary Shares any options or warrants to subscribe for new Ordinary Shares, at a price per new Ordinary Share which is less than 90% of the market price at the date of the announcement of the terms of the offer or grant (whether or not such offer or grant is subject to the approval of the holders of Ordinary Shares or other persons), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

$$\frac{G + H}{G + I}$$

where:

G = the number of Ordinary Shares in issue immediately before the date of such announcement;

H = the number of Ordinary Shares which the aggregate of the two following amounts would purchase at such market price:

- (a) the total amount (if any) payable to the rights, options or warrants being offered or granted; and
- (b) the total amount payable for all of the new Ordinary Shares being offered for subscription or comprised in the rights, options or warrants being granted; and

I = the aggregate number of Ordinary Shares being offered for subscription or comprised in the rights, options or warrants being granted.

Such adjustment shall become effective (if appropriate, retroactively) from the commencement of the day next following the record date for the relevant offer or grant.

- (v) (a) If and whenever the Company or any of its subsidiaries shall issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Ordinary Shares, and the total Effective Consideration per new Ordinary Share initially receivable for such securities is less than 90% of the market price at the date of the announcement of the terms of issue of such securities (whether or not such issue is subject to the approval of the holders of Shares of other persons), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{J + K}{J + L}$$

where:

J = the number of Ordinary Shares in issue immediately before the date of the issue of such securities;

K = the number of Ordinary Shares which the total Effective Consideration receivable for such securities would purchase at such market price; and

L = the maximum number of new Ordinary Shares to be issued upon full conversion or exchange of, or the exercise in full of the subscription rights conferred by, such securities at their relative initial conversion or exchange rate or subscription price.

Such adjustment shall become effective (if appropriate, retroactively) from the close of business on the Business Day immediately preceding whichever to the earlier of the date on which the issue is announced and the date on which the issuer of the relevant securities determines the conversion or exchange rate or subscription price in respect of such securities.

- (b) If and whenever the rights of conversion or exchange or subscription attaching to any such securities as mentioned in Article 9A(7)(a)(v)(a) are modified so

that the total Effective Consideration per new Ordinary Share initially receivable for such securities shall be less than 90% of the market price at the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

$$\frac{M + N}{M + O}$$

where:

M = the number of Ordinary Shares in issue immediately before the date of such modification;

N = the number of Ordinary Shares which the total Effective Consideration receivable for such securities at the modified conversion or exchange rate or subscription price would purchase at such market prices; and

O = the maximum number of new Ordinary Shares to be issued upon full conversion or exchange of, or the exercise in full of the subscription rights conferred by, such securities at their relative modified conversion or exchange rate or subscription price.

Such adjustment shall become effective as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights or capitalisation issues and other events normally giving rise to adjustments of conversion, exchange or subscription terms.

(c) For the purposes of Article 9A(7)(a)(v):

(i) the "total Effective Consideration" receivable for the securities issued shall be deemed to be the aggregate consideration receivable by the issuer for such securities for the issue thereof plus the additional minimum consideration (if any) to be received by the issuer and/or the Company (if not the issuer) upon (and assuming) the full conversion or exchange thereof or the exercise in full of the subscription rights attaching thereto; and

(ii) the "total Effective Consideration per new Ordinary Share" initially receivable for such securities shall be such aggregate consideration divided by the maximum number of new Ordinary Shares to be issued upon (and assuming) the full conversion or exchange thereof at the initial conversion or exchange rate or the exercise in full of the subscription rights attaching thereto at the initial subscription price, in each case, without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof.

(vi) If and whenever the Company shall issue wholly for cash any Ordinary Shares at a price per Ordinary Share which is less than 90% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the date of such announcement by the following fraction:

$$\frac{P + Q}{P + R}$$

where:

P = the number of Ordinary Shares in issue immediately before the date of such announcement;

Q = the number of Ordinary Shares which the aggregate amount payable for such issue would purchase at such market price; and

R = the number of Ordinary Shares allotted pursuant to such issue. Such adjustment shall become effective on the date of the issue.

(vii) If and whenever the Company makes an offer or invitation to holders of Ordinary Shares to tender for sale to the Company any Ordinary Shares or if the Company shall purchase any Ordinary Shares or securities convertible into Ordinary Shares or any rights to acquire Ordinary Shares (excluding any such purchase made on the Hong Kong Stock Exchange or any recognized stock exchange, being a stock exchange recognized for this purpose by the Securities and Futures Commission in Hong Kong or equivalent authority and the Hong Kong Stock Exchange) and the board of directors of the Company considers that it

may be appropriate to make an adjustment to the Conversion Price, at that time the board of directors of the Company shall appoint an approved merchant bank to consider whether, for any reason whatsoever as a result of such purchases, an adjustment should be made to the Conversion Price fairly and appropriately to reflect the relative interests of the persons affected by such purchases by the Company and, if the approved merchant bank shall consider in its opinion that it is appropriate to make an adjustment to the Conversion Price, an adjustment to the Conversion Price shall be made in such manner as the approved merchant bank shall certify to be, in its opinion, appropriate. Such adjustment shall become effective (if appropriate, retroactively) from the close of business in Hong Kong on the Business Day next preceding the date on which such purchases by the Company are made.

(b) For the purposes of Article 9A(7)(a):

“announcement” shall include the release of an announcement to the press or the delivery or transmission by telephone, telex, facsimile transmission or otherwise of an announcement to the Hong Kong Stock Exchange, “date of announcement” shall mean the date on which the announcement is first so released, delivered or transmitted and “announce” shall be construed accordingly;

“capital distribution” shall (without prejudice to the generality of that phrase) include distributions in cash or specie, and any dividend or distribution charged or provided for in the accounts for any financial period shall (whenever paid and however described) be deemed to be a capital distribution, provided that any such dividend shall not automatically be so deemed if:

- (i) it is paid out of the net profits (less losses) attributable to the holders of Ordinary Shares for all financial periods after that ended 31st of December 2006 as shown in the audited consolidated profit and loss account of the Company and its subsidiaries for each such financial period; or
- (ii) to the extent that (i) above does not apply, the rate of that dividend, together with all other dividends on the class of capital in question charged or provided for in the accounts for the financial period in question, does not exceed the aggregate rate of dividend on such class of capital charged or provided for in the accounts for the last preceding financial period. In computing such rates, such adjustments may be made as are in the opinion of the approved merchant bank appropriate to the circumstances and shall

be made in the event that the lengths of such periods differ materially;

"issue" shall include allot;

"market price" means the average of the closing prices published in the Hong Kong Stock Exchange's Daily Quotation Sheet for one Ordinary Share for the 5 trading days ending on the last trading day immediately preceding the day on or as of which such price is to be ascertained PROVIDED THAT if at any time during the said 5 trading days, the Share shall have been quoted ex-dividend and during some other part of that period, the Ordinary Shares shall have been quoted cum-dividend, then:

- (i) if the Ordinary Shares to be issued do not rank for the dividend in question, the quotations on the dates on which the Ordinary Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Ordinary Share; and
- (ii) if the Ordinary Shares to be issued rank for the dividend in question, the quotations on the dates on which the Ordinary Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the amount of that dividend per Ordinary Share; and PROVIDED FURTHER THAT if the Ordinary Shares on each of the said five trading days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Ordinary Shares to be issued or purchased do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Ordinary Share;

"Shares" includes, for the purposes of Ordinary Shares comprised in any issue, distribution, offer or grant pursuant in Articles 9A(7)(a)(ii), (iii), (iv), (v) and (vi) above, any such shares of the Company as, when fully paid, shall be Ordinary Shares;

"rights" includes rights in whatsoever form issued.

- (c) if the Conversion Price is adjusted with effect (retroactively or otherwise) from a date on or before the date on which the names of the Preferred Shareholders whose Preferred Shares are converted into Ordinary Shares pursuant hereto or such other persons as they may direct are entered into the register of

holders of Ordinary Shares of the Company and such Preferred Shareholders' entitlement were arrived at on the basis of unadjusted Conversion Price, the Company shall procure that such number of Ordinary Shares which would have been required to be issued on conversion of such Preferred Shares if the relevant adjustment had been given effect to as at the date of conversion shall be allotted and issued to such Preferred Shareholders or such other persons as they may direct.

- (d) The provisions of Article 9A(7)(a) shall not apply to:
- (i) an issue of fully-paid Ordinary Shares upon the exercise of any conversion rights attached to securities convertible into Ordinary Shares that exist at the date of issue of the Preferred Shares;
 - (ii) an issue of Ordinary Shares or other securities of the Company or any subsidiary wholly or partly convertible into, or carrying rights to acquire, Ordinary Shares to the directors or employees or the Company or any of its subsidiaries pursuant to an employee share option scheme adopted by the Company, and
 - (iii) an issue by the Company of Ordinary Shares or by the Company or its subsidiary of securities wholly or partly convertible into or carrying rights to acquire Ordinary Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business.
- (e) Notwithstanding the provisions of Article 9A(7)(a), in any circumstances where the directors of the Company shall consider that an adjustment to the Conversion Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Conversion Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or at a different time from that provided for under the provisions, the Company may appoint an approved merchant bank, to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if the approved merchant bank shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner including without limitation, making an adjustment calculated on a different basis and/or the adjustment shall take effect from such other date and/or time as shall be certified by the approved merchant bank to be in its opinion appropriate.

- (f) Any adjustment to the Conversion Price shall be made to the nearest one-hundredth cent so that any amount under half a one-hundredth cent shall be rounded down and an amount of half a one-hundredth cent or more shall be rounded up and in no event shall any adjustment (otherwise than upon the consolidation of Ordinary Shares into shares of a larger nominal amount or upon a repurchase of Ordinary Shares) involve an increase in the Conversion Price.
- (g) No adjustment shall be made to the Conversion Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions would be less than the nominal value of a Preferred Share.
- (h) Where the result of any act or transaction of the Company the result of which, having regard to the provisions of this Article 9A(7), would be to reduce the Conversion Price to below the nominal amount of a Share, no adjustment to the Conversion Price shall be made pursuant to any of the relevant provisions of this Article 9A(7) shall be made unless (i) the articles of association of the Company shall be in such form, or shall have been altered or added to in such manner, as may be necessary or appropriate to enable the following provisions of this Article 9A(7)(h) and the provisions of Article 9A(8) to be implemented, (ii) implementation of such provisions is not prohibited by and is in compliance with the provisions of the Companies Law, and (iii) the Company, shall have established and shall thereafter (subject as provided in Article 9A(8)) maintain in accordance with the provisions of Article 9A(8) the Conversion Right Reserve referred to therein.
- (i) Whenever the Conversion Price is adjusted, the Company shall give notice to the Preferred Shareholder(s) that the Conversion Price has been adjusted (setting forth the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof).

(8) Reduction of the Conversion Price to below the nominal value of a Share

- (a) If, so long as any of the Conversion Rights shall remain exercisable, at any time after the articles of association of the Company shall be in such form, or shall have been altered or added to, as provided in Article 9A(7)(h) and the following provisions of this Article 9A(8) are not prohibited by and are implemented in compliance with the provisions of the Companies Law, the Company does any act or engages in any transaction to which the provisions of Article 9A(7)(h) relate,

then in compliance with the provisions of that Article, the following provisions shall apply:

- (i) As from the date of such act or transaction, the Company shall establish and thereafter (subject as provided in this Article 9A(8)) maintain in accordance with the provisions of this Article 9A(8)(a) a reserve (the "Conversion Right Reserve") the amount of which shall at no time be less than the sum which for the time being would be required to be capitalized and applied in paying up in full the nominal amount of the additional Ordinary Shares required to be allotted and issued credited as fully paid up pursuant to Article 9A(8)(a)(iii) on the exercise in full of all the Conversion Rights outstanding (and any other conversion or subscription rights outstanding in respect of Ordinary Shares under any other securities of the Company) and shall apply the Conversion Right Reserve in paying up in full such additional Ordinary Shares as and when the same are allotted.
- (ii) The Conversion Right Reserve will not be used for any purpose other than that specified above unless all other reserves of the Company (other than share premium account) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by law.
- (iii) Upon the exercise of the Conversion Rights represented by any Preferred Shares, the relevant Conversion Rights shall be exercisable in respect of a nominal amount of Ordinary Shares equal to the Principal Amount of such Preferred Shares (or, as the case may be, the portion thereof in respect of which the Conversion Rights are then exercised) and, in addition, there shall be allotted in respect of such Conversion Rights to the exercising Preferred Shareholder(s) credited as fully paid such additional nominal amount of Ordinary Shares as is equal to the difference between:
 - (aa) the Principal Amount of such Ordinary Shares (or, as the case maybe, the portion thereof in respect of which the Conversion Rights are then exercised); and
 - (bb) the nominal amount of Ordinary Shares in respect of which such Conversion Rights would have been exercisable, having regard to the provisions of Article 9A(7), had it been possible for such Conversion Rights to represent the right to convert into Ordinary Shares at less than par, and immediately upon such exercise so much of the sum standing to the credit of

the Conversion Right Reserve as is required to pay up in full such additional nominal amount of Ordinary Shares shall be capitalized and applied in paying up in full such additional nominal amount of Ordinary Shares (other than a fraction of an Ordinary Share) and the relevant number of Ordinary Shares shall forthwith be allotted credited as fully paid to the exercising Preferred Shareholder(s).

- (iv) If upon the exercise of Conversion Rights represented by any Preferred Share the amount standing to the credit of the Conversion Right Reserve is not sufficient to pay up in full such additional nominal amount of Ordinary Shares equal to such difference as aforesaid to which the exercising Preferred Shareholder(s) are entitled, the directors of the Company shall apply any profits or reserves then, or thereafter becoming, available (including, to the extent permitted by law, the share premium account) for such purpose until such additional nominal amount of Ordinary Shares is paid up and the relevant number of Ordinary Shares are allotted as aforesaid and until then no dividend or other distribution shall be paid or made on the Ordinary Shares then in issue. Pending such payment out of the Conversion Right Reserve and the available profits and reserves of the Company and allotment the exercising Preferred Shareholder(s) shall be issued by the Company with a certificate evidencing his/het/its right to the allotment of such additional nominal amount of Ordinary Shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one Ordinary Share in the like manner as the Ordinary Shares for the time being are transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefore and other matters in relation thereto as the directors of the Company may think fit, and adequate particulars thereof shall be made known to each relevant exercising Preferred Shareholder(s) upon the issue of such certificate.
- (b) Ordinary Shares allotted pursuant to the provisions of this Article 9A(8) shall rank pari passu in all respects with other Ordinary Shares allotted on the relevant exercise of the Conversion Rights represented by the Preferred Shares concerned.
- (c) Notwithstanding anything contained in Article 9A(8)(a), no fraction of any Ordinary Share shall be allotted on exercise of the Conversion Rights and the provisions of Article 9A(5)(e) shall apply. For this purpose, if the provisions of Article 9A(8)(a)(iii) apply on the occasion of the exercise of the

Conversion Rights represented by any Preferred Share, then for the purpose of determining whether any (and if so what) fraction of an Ordinary Share arises:

- (i) If the amount standing to the credit of the Conversion Right Reserve is sufficient (when aggregated with the Principal Amount of such Preferred Share or, as the case may be, the portion thereof payable upon exercise in part of the Conversion Rights represented by such Preferred Share) to enable the issue of the full nominal amount of Ordinary Shares in respect of which the Conversion Rights represented by such Preferred Share are then being exercised, any fractions that would arise on the basis of (separately) the Principal Amount (or, as the case may be, the portion thereof as aforesaid) relating to such Preferred Share and the capitalization of an amount standing to the credit of the Conversion Right Reserve shall be aggregated; and
- (ii) if contrary to (i) above is the case, the provisions of Article 9A(5)(e) and the foregoing provisions of this Article 9A(8)(c) shall not be applied until the full nominal amount of the Ordinary Shares which may fall to be issued on exercise in full of the Conversion Rights represented by such Preferred Share is issued (and at that point the Principal Amount relating to such Preferred Share and the amount, or all the amounts, capitalized as provided in Article 9A(8)(a) shall be aggregated and the fraction to which the provisions of Article 9A(5)(e) and the foregoing provisions of this Article 9A(8)(c) shall apply shall be the amount of any fraction of a Share then resulting).
- (d) A certificate or report by the auditors of the Company from time to time as to whether or not the Conversion Right Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Conversion Right Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the number of Ordinary Shares required to be allotted to exercising Preferred Shareholder(s) credited as fully paid and as to any other matter concerning the Conversion Right Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all the Preferred Shareholders and shareholders and all persons claiming through or under them respectively.

(9) Ranking of the Preferred Shares

The Preferred Shares shall rank in preference to any and all other classes of ordinary equity securities of the Company currently in

issue or to be created in the future in the capital of the Company.

(10) Payments

- (a) Payment of all amounts in respect of the Preferred Shares under the terms and conditions thereof shall be made on the due dates into such bank account as the holder of the relevant Preferred Shareholder(s) may notify the Company by at least 7 days' prior notice in writing from time to time. All payments made by the Company in respect of the Preferred Shares pursuant to the terms and conditions of this Article 9A(10) shall be made in HK\$ in immediately available funds.
- (b) If the due date for payment of any amount in respect of the Preferred Shares is not a Business Day, the Preferred Shareholder(s) will be entitled to payment on the next following Business Day in the same manner together with interest accrued in respect of any such delay.
- (c) The Company shall be entitled to withhold from all payments of principal by the Company any amounts required to be withheld under the applicable law, rule and regulations for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (including without limitation, deduction or withholding on account of taxation on the overall turnover, income, taxation income or capital gain of the Preferred Shareholders) imposed or levied by or on behalf of Hong Kong or other jurisdiction or any authority thereof or therein having the power to tax. If the Company is so required to make such withholdings or deductions, payment of the net amount after such deduction or withholdings to the Preferred Shareholder(s) will constitute full discharge of the Company's obligations to make such payments.

(11) Transferability

- (a) The Preferred Shares are freely transferable in integral multiples of 10,000,000 Preferred Shares, unless the aggregate outstanding balance of the number of the Preferred Shares, at any time, is less than 10,000,000 Preferred Shares, in which case the holder(s) of the Preferred Shares shall have the right to transfer the whole (but not any part) of the outstanding balance of the Preferred Shares, by instrument of transfer in any usual or common form or in any other form which may be approved by the directors of the Company.
- (b) The Company shall maintain a register accordingly which shall contain details of conversion and/or cancellation and of sufficient identification details of all Preferred Shareholders. Instrument of transfer of Preferred Shares must be executed by

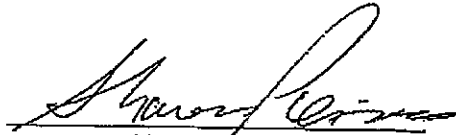
both the transferor and the transferee and shall be delivered together with the certificate(s) evidencing the Preferred Shares to be transfer and such other documents as the Company may reasonably require if the instrument of transfer is executed by some other person on behalf of the transferee to the Company. The Company shall forthwith cancel the certificate(s) evidencing the Preferred Shares transferred and within 10 Business Days of receipt of such documents issue to the transferee a new certificate(s) evidencing the Preferred Shares transferred and if applicable, issue a new certificate(s) evidencing the balance of the Preferred Shares not transferred to the transferor.

- (c) The provisions of the Company's articles of association from time to time in force relating to the registration, transfer and transmission of Ordinary Shares and the register of members shall, mutatis mutandis, apply to the registration, transfer and transmission of the Preferred Shares and the register of Preferred Shareholders, save that the Company shall not be obliged (but may if the directors of the Company so resolve) to maintain any register of Preferred Shareholders at any place outside Hong Kong. The directors of the Company may at any time resolve to cancel any overseas branch register of Preferred Shareholders resolved to be established by them so long as a register of Preferred Shareholders is maintained in Hong Kong.

(12) Preferred Shares Certificates

- (a) On issue of the Preferred Shares, every Preferred Shareholder will be entitled to a definitive certificate in form as may be resolved by the directors of the Company.
- (b) The definitive certificates of the Preferred Shares will be issued under the Common or Securities Seal of the Company or under a facsimile seal adopted for that purpose and signed by two directors or by a director and the secretary of the Company (such signatures need not be autographic but may be affixed by mechanical means or printed thereon).
- (c) Issue and delivery of the Preferred Shares shall be completed on the issue and delivery of the certificate(s) of the Preferred Shares to the relevant Preferred Shareholder (or its representative) by, or by the order of, the Company and completion of the register of Preferred Shareholders by or on behalf of the Company. The Company will pay any stamp, issue, registration, documentary or other similar taxes and duties, including interest and penalties, payable in Hong Kong in respect of the creation and original issue of the Preferred Shares.

- (d) If any certificate of Preferred Shares is mutilated, defaced, destroyed, stolen or lost, it may be replaced upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Company may reasonably require and on payment of such fee not exceeding HK\$50 as the Company may determine. Mutilated or defaced certificates of Preferred Shares must be surrendered before replacements will be issued."



Sharon Pierson
for and on behalf of
Codan Trust Company (Cayman) Limited
Assistant Secretary

Dated this 15th day of October, 2007.



Secretary's Certificate
China Advance Holdings Limited

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

COPY

We, Codan Trust Company (Cayman) Limited, Asst. Secretary of **China Advance Holdings Limited** (the "Company") DO HEREBY CERTIFY the following is a true copy of the resolutions passed at an Extraordinary General Meeting of the company held on 29th September, 2006 and that such resolutions have not been modified.

"THAT the Company's name be and is hereby changed to "China Primary Resources Holdings Limited 中國基礎資源控股有限公司" and THAT such new names of the Company be registered with the Registrar of Companies in the Cayman Islands under the Companies Law (Chapter 22 of the Laws of the Cayman Islands) and the Registrar of Companies in Hong Kong under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and THAT the directors of the Company (the "Directors") be and are hereby authorized to do all such acts, deeds and things as they may, in their absolute discretion, deem fit, to effect and implement the change of name of the Company."


"THAT, subject to the passing of the Special Resolution no. (1) set out in the notice convening this meeting:

- (i) the memorandum of association of the Company be and is hereby amended by deleting paragraph 1 in its entirety and substituting therefor the following paragraph:

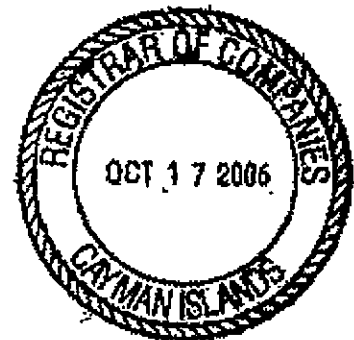
The name of the Company is China Primary Resources Holdings Limited, 中國基礎資源控股有限公司.

- (ii) the articles of association of the Company be and are hereby amended by amending the definition of "Company" in Article 2(1) to read:

"Company" China Primary Resources Holdings Limited 中國基礎資源控股有限公司"



Krysten Lumsden
for and on behalf of
Codan Trust Company (Cayman) Limited
Secretary



Dated this 3rd day of October, 2006

Secretary's Certificate

China Advance Holdings Limited
 Century Yard, Cricket Square
 Hutchins Drive
 P.O. Box 2681
 George Town, Grand Cayman
 British West Indies

COPY

We, Codan Trust Company (Cayman) Limited, Assistant Secretary of China Advance Holdings Limited (the "Company") DO HEREBY CERTIFY the following is a true copy of the written resolution of the Shareholders passed on 27th April 2006 and that such resolution has not been modified, amended, or rescinded since their adoption and are in full force and effect as of the date hereof.

SPECIAL RESOLUTION NO. 5

It was proposed, seconded and resolved that the following resolution no. 5 as set out in the Notice of the AGM be passed as a Special Resolution:

"THAT the articles of association of the Company be and are amended in the following manner:-

(a) Article 66

(a) By inserting the words "voting by way of a poll is required by the rules of the Designated Stock Exchange or" immediately after the words "A resolution put to the vote of a meeting shall be decided on a show of hands unless" in the first paragraph of the existing article 66;

(b) Deleting the full stop at the end of Article 66(d) and replacing it with a ";" and adding the following new Article 66(e) immediately after the existing Article 66(d):

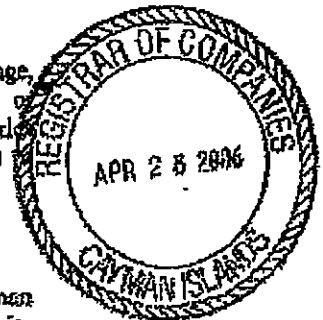
"66(e) if required by the rules of the Designated Stock Exchange, by the chairman of the meeting or any Director or Directors who, individually or collectively, hold pro rata in respect of shares representing five per cent. (5%) more of the total voting rights at such meeting."

(b) Article 68

By deleting the sentence "There shall be no requirement for the chairman to disclose the voting figures on a poll" in the existing article 68 in its entirety and substituting thereof with a new sentence "The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange".

(c) Article 86(3)

By deleting the existing Article 86(3) in its entirety and substituting therefor the following new Article 86(3):



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"36(5) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting."

(d) Article 36(5)

By deleting the existing Article 36(5) in its entirety and substituting therefor the following new Article 36(5):

"36(5) Subject to any provision to the contrary in these Articles the Members may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding any thing in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement)."

(e) Article 37(1)

By deleting the existing Article 37(1) in its entirety and substituting therefor the following new Article 37(1):

"37(1) Notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three(3), the number nearest to one-third) shall retire from office by rotation. Every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years."

(f) Article 37(2)

By deleting the first sentence "A retiring Director shall be eligible for re-election." in the existing article 37(2) and substituting thereof with a new sentence "A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires."

The Chairman declared that the resolution was duly passed as a Special Resolution.

3(1)

COPY

Dated this 28th day of April 2006



Klysten Lumsden
for and on behalf of
CODAN TRUST COMPANY (CAYMAN) LIMITED
Assistant Secretary

COPY

Secretary's Certificate

China Advance Holdings Limited
中國宏遠控股有限公司
Century Yard, Cricket Square
Hutchins Drive
P.O. Box 2681
George Town
Grand Cayman
British West Indies

We, Codan Trust Company (Cayman) Limited, Assistant Secretary of China Advance Holdings Limited 中國宏遠控股有限公司 (the "Company") DO HEREBY CERTIFY the following is a true copy of the minutes of the extraordinary general meeting of the Company convened on 3rd May, 2005 and that such resolutions have not been modified.

ORDINARY RESOLUTION NO. 2

It was proposed, seconded and resolved that the following resolution no. 2 as set out in the Notices be passed as an ordinary resolution:

"THAT, subject to and conditional upon the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited of the listing of, and permission to deal in, the ordinary shares of the Company consolidated in the manner as set out in paragraph (a) of this resolution below:

(a) the 1,000,000,000 shares of HK\$0.005 each in the authorised share capital of the Company be consolidated into 200,000,000 shares of HK\$0.025 each (each a "Consolidated Share") by consolidating every five (5) shares of HK\$0.005 each into one (1) Consolidated Share, such Consolidated Share shall rank pari

passu in all respect with each other;

- (b) all fractions of the Consolidated Shares to which holders of issued shares of HK\$0.025 each in the share capital of the Company would otherwise be entitled to be aggregated, sold and retained for the benefit of the Company; and
- (c) the Board be authorised to do all such acts and things as it consider necessary or expedient to give effect to the foregoing arrangements."

The Chairman declared that the resolution no. 2 was duly passed as an ordinary resolution.

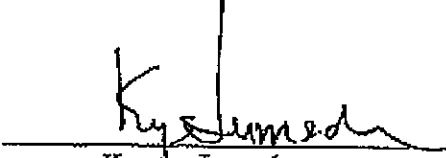
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ORDINARY RESOLUTION NO. 3

It was proposed, seconded and resolved that the following resolution no. 3 as set out in the Notice be passed as an ordinary resolution:

"THAT, subject to the passing of ordinary resolution numbered 2 as set out in the notice convening the Meeting, the authorised share capital of the Company be and is hereby increased from HK\$5,000,000 to HK\$125,000,000 by the creation of an additional 4,800,000,000 Consolidation Shares."

The Chairman declared that the resolution no. 3 was duly passed as an ordinary resolution.



Krysten Lumsden
for and on behalf of
Codan Trust Company (Cayman) Limited
Assistant Secretary

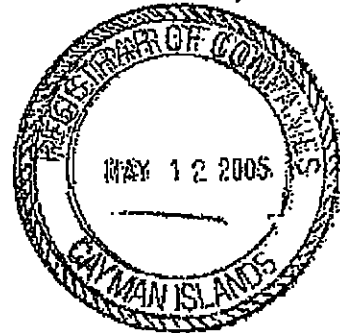
Dated this 12th day of May, 2005

Certified A True Copy By
Codan Trust Company (Cayman) Limited
as Secretary/ Assistant Secretary



For and on behalf of
Codan Trust Company (Cayman) Limited

Date: 08 JUN 2006



COPY

4/11

Secretary's Certificate

Billybala Holdings Limited
Century Yard, Cricket Square
Hutchins Drive
P.O. Box 2681
George Town, Grand Cayman
British West Indies

We, Codan Trust Company (Cayman) Limited, Assistant Secretary of Billybala Holdings Limited (the "Company") **DO HEREBY CERTIFY** the following is a true copy of the resolutions adopted by all the Shareholders of the Company on 11th May, 2004 and that such resolutions have not been modified, amended, or rescinded since their adoption and are in full force and effect as of the date hereof.

SPECIAL RESOLUTIONS

4. CHANGE OF COMPANY NAME

It was proposed, seconded and resolved that the following resolution no. 1 set out in the Notice be passed as a special resolution:

"THAT subject to, and conditional upon the approval of the Registrar of Companies in the Cayman Islands being obtained, the English name of the Company be and is hereby changed from "Billybala Holdings Limited" to "China Advance Holdings Limited" and the Chinese name of the Company be and is hereby changed from "馬盧喇利控股有限公司" to "中國宏達控股有限公司"."

5. AMENDMENT TO THE ARTICLES OF ASSOCIATION

It was proposed, seconded and resolved that the following resolutions no. 2 set out in the Notice be passed as a special resolution:

"THAT the articles of association of the Company be amended in manner as follows;

(A) Article 2

(a) By inserting the following new definition of "associate" in Article 2:

" "associate" the meaning attributed to it in the rules of the Designated Stock Exchange."

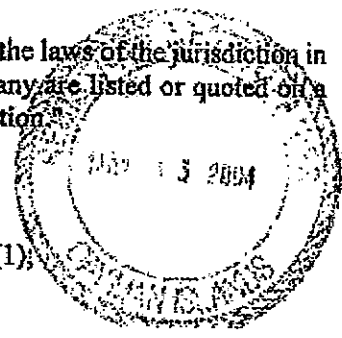
(b) By inserting the existing definition of "clearing house" with the following new definition in Article 2:

" "clearing house" a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction"

(B) Article 76

1. By re-numbering existing Article 76 as Article 76(1);

2. By inserting the following as new Article 76(2).



"(2) Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted."

(C) Article 88

By deleting the words "not less than seven (7) clear days but not more than fourteen (14) clear days before the date of the general meeting" in the last sentence of Article 88 and replacing therewith the following provision:

"provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such Notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting."

(D) Article 103

By deleting the existing Article 103 in its entirety and replacing therewith the following new Article 103:

"103. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;

any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

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- (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
 - (v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director and any of his associates are not in aggregate beneficially interested in five (5) per cent. or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associates is derived); or
 - (vi) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which related both to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates.
- (2) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.
- (3) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board."

7/11

The Chairman declared that the resolution was duly passed as a special resolution.



Neil T. Cox
for and on behalf of
CODAN TRUST COMPANY (CAYMAN) LIMITED
Assistant Secretary

Dated this 13th day of May, 2004.



**THE COMPANIES LAW (REVISED)
COMPANY LIMITED BY SHARES**

**(Amended pursuant to written resolutions of all the
shareholders of the Company passed on 28 November, 2001)
MEMORANDUM OF ASSOCIATION**

OF

Billybala Holdings Limited 霹靂啪喇控股有限公司

1. The name of the Company is **Billybala Holdings Limited 霹靂啪喇控股有限公司**.
2. The Registered Office of the Company shall be at the offices of Codan Trust Company (Cayman) Limited, P.O. Box 2681 GT, Zephyr House, Mary Street, George Town, Grand Cayman, British West Indies.
3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted and shall include, but without limitation:
 - (a) to act and to perform all the functions of a holding company in all its branches and to co-ordinate the policy and administration of any subsidiary company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled directly or indirectly by the Company;
 - (b) to act as an investment company and for that purpose to acquire and hold upon any terms and, either in the name of the Company or that of any nominee, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company wherever incorporated or carrying on business, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to make payments thereon as called up or in advance of calls or otherwise and to subscribe for the same, whether conditionally or absolutely, and to hold the same with a view to investment, but with the power to vary any investments, and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof, and to invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may be from time to time determined.
4. Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of The Companies Law (Revised).

5. Nothing in this Memorandum shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licensed.
6. If the Company is exempted, it shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
8. The share capital of the Company is HK\$5,000,000 divided into 1,000,000,000 shares of a nominal or par value of HK\$0.005 each, with power for the Company insofar as is permitted by law to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (Revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether stated to be preference or otherwise shall be subject to the powers hereinbefore contained.