

THE COMPANIES ACT 1985

AN UNLIMITED COMPANY HAVING A SHARE CAPITAL

MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
CABLE & WIRELESS HK FINANCE

(Articles of Association amended up to 30 October 2000)

ALLEN & OVERY

LONDON
C2:230983.1



A05
COMPANIES HOUSE

A4G7QUAH

0023
08/11/00

Company Number: 3595332

THE COMPANIES ACT 1985

AN UNLIMITED COMPANY HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION

OF

CABLE & WIRELESS HK FINANCE

1. The Company's name is "Cable & Wireless HK Finance".
2. The Company's registered office is to be situated in England and Wales.
3. The Company's objects are:
 - (1) to lend and advance money, assign or accept by assignment any loan or advance of money or debt or give or receive credit on any terms with or without security to or from any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company) and to receive money on deposit or loan upon any terms;
 - (2) to acquire and hold any kind of interest in, or to provide any form of capital for, any person or undertaking of any kind, to carry on business as a holding and investment company and to co-ordinate and manage the activities of, and to provide finance, services and facilities to, any person or undertaking controlled directly or indirectly by the Company or in which the Company is interested, whether as a shareholder or otherwise and whether directly or indirectly;
 - (3) to carry on business as a general commercial company;
 - (4) to carry on any trade or business whatsoever;
 - (5) to do all such things as are, in the opinion of the directors, incidental or conducive to the carrying on of any trade or business by it;
 - (6) to do all such things as the directors consider to be desirable or for the benefit of the Company;
 - (7) to borrow or raise money by any method and to obtain any form of credit or finance;
 - (8) to secure the payment of any moneys, the discharge of any liabilities and the observance or performance of any kind of obligations by the Company by any charge

over the whole or any part of the undertaking or assets of the Company;

- (9) to guarantee in any manner, or to enter into any indemnity or other arrangement in relation to, the discharge of any liabilities or the observance or performance of any kind of obligations of any person and to secure any such guarantee, indemnity or arrangement or the discharge of any liabilities or the observance or performance of any such obligations by any charge over the whole or any part of the undertaking or assets of the Company;
- (10) to give any financial assistance that may lawfully be given in connection with the acquisition of shares in the Company or any other company;
- (11) to dispose of all or any part of the undertaking, assets and liabilities of the Company;
- (12) to provide or arrange for pensions, lump sum payments, gratuities, life, health, accident and other insurances and other benefits (pecuniary or otherwise) of every kind to or for the benefit of any individuals who are or have been directors of, or employed by, or who provide or have provided services to or for, the Company or any body corporate which is or has been a subsidiary, holding company or fellow subsidiary of the Company or otherwise connected with the Company or the predecessors in business of the Company or of any such subsidiary, holding company or fellow subsidiary or connected company and to or for the benefit of the present or former spouses, children and other relatives and dependants of such individuals and others who have or formerly had with any such individuals any relationship of such a kind as the directors may approve; and for those purposes to establish or participate in any fund or scheme, to effect or contribute to any form of insurance and to enter into any other arrangements of any kind which the directors may approve;
- (13) to support and subscribe to any institution or association which may be for the benefit of the Company or its directors or employees or connected with any town or place where the Company carries on business, to support and subscribe to any charitable or public object whatsoever and to make donations to bodies, associations or causes with political objects;
- (14) to act as trustee, personal representative, director or agent of any kind and for any purpose;
- (15) to exercise any power of the Company for any consideration of any kind or for no consideration;

and it is declared that:

- (a) this clause shall be interpreted in the widest and most general manner and without regard to the *eiusdem generis* rule or any other restrictive principle of interpretation;
- (b) each of the above subclauses shall, unless it expressly provides to the contrary, be deemed to set out a separate, distinct and independent object of the Company and not a power ancillary or incidental to the objects set out in any other subclause;

- (c) subclauses (1), (2) and (4) to (15) are without prejudice to the generality of the objects and powers conferred by subclause (3) and no subclause shall be in any way limited or restricted by reference to or inference from any other subclause;
- (d) in this clause:
 - (i) "assets" includes property, rights and interests of every description, whether present or future, actual or contingent and wherever situate and, in the case of the Company, its uncalled capital;
 - (ii) "charge" includes any mortgage, pledge, lien or other form of security;
 - (iii) "dispose of", in relation to an asset, includes selling or transferring it or surrendering or extinguishing it, and also creating or granting it or any interest or right out of or in respect of it;
 - (iv) "liabilities" includes debts and obligations of every description, whether present or future, actual or contingent; and
 - (v) "person" includes any partnership or other body of persons, whether corporate or unincorporate, and any country, territory, public authority and international organisation.

4. The liability of the members is unlimited.

We, the subscribers to this memorandum of association, wish to be formed into a company pursuant to this memorandum; and we agree to take the number of shares shown opposite our respective names.

Signatures, names and addresses of subscribers

**Number of shares
taken by each
subscriber**

Name: Cable and Wireless European Investments Limited
124 Theobalds Road
London WC1X 8RX

40,000 participating
preference shares

By: EDWARD DILLEY

Name: Cable and Wireless (London Holdings) Limited
124 Theobalds Road
London WC1X 8RX

1 ordinary share

By: EDWARD DILLEY

Total shares taken

40,001

Dated 26th June, 1998.

Witness to the above signatures:

Signature: GRAEME AKHURST

Name: Graeme Akhurst

Address: 124 Theobalds Road, London WC1X 8RX

Occupation: Solicitor

THE COMPANIES ACT 1985

AN UNLIMITED COMPANY
HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION
OF
CABLE & WIRELESS HK FINANCE

(Articles of Association amended up to 30 October 2000)

ALLEN & OVERY

LONDON
C2:230985.1

Company Number: 3595332

THE COMPANIES ACT 1985

AN UNLIMITED COMPANY
HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

OF

CABLE & WIRELESS HK FINANCE

PRELIMINARY

1. Except as otherwise provided in these articles, the regulations contained in Table A shall apply to the Company. For the purposes of these articles, Table A means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985, as amended by the Companies (Tables A to F) (Amendment) Regulations 1985.
2. (1) In these articles, unless the contrary intention appears:
 - (a) the "Statutes" means the Act and every other statute, statutory instrument, regulation or order for the time being in force concerning companies registered under the Act; and
 - (b) words importing the singular number include the plural number and vice versa, words importing one gender include all genders and words importing persons include bodies corporate and unincorporated associations.
- (2) Headings to these articles are inserted for convenience only and shall not affect construction.

SHARE CAPITAL

3. (1) The share capital of the Company is £53,000 divided into 40,000 participating preference shares of £1 each ("**participating preference shares**") and 13,000 ordinary shares of £1 each ("**ordinary shares**").
-

-
- (2) The directors are generally and unconditionally authorised, in accordance with section 80 of the Act, to exercise all the powers of the Company to allot relevant securities up to a maximum nominal amount of £12,999.
 - (3) The authority contained in paragraph (2) shall expire on the day five years after the date of the incorporation of the Company but the Company may, before the authority expires, make an offer or agreement which would or might require relevant securities to be allotted after it expires.
 - (4) Section 89(1) of the Act (which regulates the power to allot equity securities, as defined in section 94 of the Act) is excluded.
 - (5) The Company may by special resolution.
 - (a) increase the share capital by such sum to be divided into shares of such amount as the resolution may prescribe;
 - (b) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
 - (c) subdivide its shares, or any of them, into shares of a smaller amount than its existing shares;
 - (d) 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;
 - (e) reduce its share capital and any share premium account in any way.
 - (6) Regulations 3, 32, 34 and 35 of Table A (issue of redeemable shares, alteration of share capital and purchase of own shares) shall not apply.
 - (7) The rights and restrictions attaching to the participating preference shares are as follows:
 - (a) **Income**
 - (i) Holders are entitled to be paid in respect of each financial year of the Company a fixed cumulative preferential dividend at the annual rate (excluding the amount of any associated tax credit) of eight per cent on the nominal amount of £1 each of the participating preference shares (the "**preferential dividend**"). In addition, the holders of the participating preference shares will be entitled, *pari passu* amongst themselves, to a further dividend (the "**participating dividend**"), in respect of each financial year of the Company, of 0.1 per cent of any profits available for distribution in excess of the sum of £800,000,000.
-

- (ii) The preferential dividend is payable half-yearly in arrears in two equal instalments on 30th June and 31st December (or in either case if not a business day, on the next business day) in respect of the six-month periods ending on 31st March and 30th September respectively in each year (except that the first preferential dividend is payable on 31st December, 1998 in respect of the period starting on the day after the date of the subscription of the participating preference shares and ending on 30th September, 1998 (both dates inclusive)). No preferential dividend on the participating preference shares shall be payable unless a group income election between the Company and the recipient of the dividend is in place.
 - (iii) The participating dividend shall accrue from day to day throughout the relevant financial year and be payable on the date falling six months after the end of the financial year or, if earlier, 14 days after the date of the general meeting at which the accounts of the Company for that financial year are laid before the members (except that the first participating dividend shall accrue on a *pro-rata* basis from the day after the date of subscription of the participating preference shares to the date on which the first financial year of the Company ends). No participating dividend on the participating preference shares shall be payable unless a group income election between the Company and the recipient of the dividend is in place.
 - (iv) Each of the preferential dividend and the participating dividend is payable in priority to a payment of a dividend to the holders of any other class of share.
 - (v) The preferential dividend shall be due and payable on the date specified for its payment and, notwithstanding the fact that the preferential dividend is expressed to be cumulative, it shall on each such date ipso facto and without any resolution of the directors or of the Company in general meeting (and notwithstanding anything contained in regulations 102 to 108 (inclusive) of Table A) become a debt immediately due from and (subject only to there being profits out of which the same may be lawfully paid) payable by the Company to the holders of the participating preference shares. Each payment of the preferential dividend shall be accompanied by a certificate for the associated tax credit.
 - (vi) If any part of the preferential dividend is not paid on the due date for payment, then to the extent that the preferential dividend shall have become a debt due in accordance with sub-paragraph (v) above, interest shall be payable by the Company on the unpaid amount of the
-

preferential dividend at the rate of 2 per cent. per annum above the base rate for the time being of Barclays Bank PLC, calculated on a daily basis from the due date for payment to the date of actual payment.

- (vii) Save as provided in this article 3(7)(a) holders of the participating preference shares shall have no entitlement to the profits of the Company.

(b) Capital

On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of shares) the assets of the Company available for distribution among the members shall be applied in repaying to the holder of each participating preference share the following amounts, in priority to a repayment to the holders of any other class of share:

- (i) the amount of any arrears and accruals of the preferential dividend or any participating dividend relating to the participating preference share to be calculated down to and including the date of commencement of the winding up (in the case of a winding up) or of the return of capital (in another case), to be payable whether or not the preferential dividend or participating dividend has been declared or earned; and
- (ii) the nominal amount of the participating preference share.

(c) Attendance at general meetings and voting

- (i) Participating preference shares confer the right to receive notice of but not to attend or vote at a general meeting unless the business of the meeting includes consideration of a resolution directly and adversely varying any of the special rights attached to the participating preference shares, in which case a holder may vote only in respect of that resolution.
- (ii) On a show of hands, each holder of participating preference shares present in person or (being a corporation) by a representative has one vote. On a poll each holder of participating preference shares present in person or by proxy or (being a corporation) by a representative, is entitled to exercise one vote for every twenty participating preference shares he holds.

(d) Fully paid shares

Participating preference shares may only be issued fully paid or credited as fully paid.

TRANSFER OF SHARES

4. (1) The directors may, in their absolute discretion and without assigning any reason, refuse to register any proposed transfer of a share, whether or not it is a fully paid share.
- (2) The directors may also refuse to register a transfer of a share on which the Company has a lien.
- (3) A person executing an instrument of transfer of a share is deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect of it.
- (4) The first sentence of regulation 24 of Table A shall not apply.

GENERAL MEETINGS

5. The words "at least seven clear days' notice" shall be substituted for the words "at least fourteen clear days' notice" in regulation 38 of Table A.
 6. A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy or (being a corporation) by a representative and entitled to vote. Regulation 46 of Table A shall be amended accordingly.
 7. (1) A general meeting or a meeting of any class of members of the Company may consist of a conference between members some or all of whom are in different places provided that each member who participates is able:
 - (a) to hear each of the other participating members addressing the meeting; and
 - (b) if he so wishes, to address all of the other participating members simultaneously,whether directly, by conference telephone or by any other form of communications equipment (whether in use when these articles are adopted or not) or by a combination of those methods.
 - (2) A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of members required to form a quorum.
 - (3) A meeting held in this way is deemed to take place at the place where the largest group of participating members is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.
 - (4) A resolution put to the vote of a meeting shall be decided by each member indicating to the chairman (in such manner as the chairman may direct) whether the member votes in favour of or against the resolution or abstains. Regulation 46 of Table A shall be amended accordingly.
 - (5) References in this article to members shall include their duly appointed proxies and, in the case of corporate members, their duly authorised representatives.
-

SHAREHOLDERS' RESOLUTIONS

8. A resolution in writing signed or approved by letter, facsimile, telegram or telex by or on behalf of all the members of the Company who would be entitled to vote on it if it had been proposed at a general meeting or at a meeting of any class of members of the Company shall be as valid and effectual as if it had been passed at a general meeting or at such class meeting (as the case may be) duly convened and held. The resolution may be contained in one document or in several documents in like form each stating the terms of the resolution accurately and signed by or on behalf of one or more of the members. This article is in addition to, and not limited by, the provisions in sections 381A, 381B and 381C of the Act. Regulation 53 of Table A shall not apply.

VOTES OF MEMBERS

9. (1) A proxy appointed by a member of the Company under section 372 of the Act may vote on a show of hands as well as on a poll, but no person present shall be entitled to more than one vote on a show of hands except as provided in regulation 50 of Table A. Regulation 54 of Table A shall be amended accordingly.
- (2) The instrument appointing a proxy and any authority under which it is executed (or such copy of the instrument or the authority or both as the directors may approve) may be deposited at the place where the meeting or adjourned meeting is to be held at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. This provision is in addition and without prejudice to the provisions of paragraphs (a), (b) and (c) of regulation 62 of Table A and the last provision of regulation 62 shall be amended accordingly.

DIRECTORS

10. (1) The directors may appoint any person who is willing to act to be a director, either to fill a casual vacancy or as an additional director.
- (2) The directors shall not be subject to retirement by rotation and regulations 73 to 80 (inclusive) and the last sentence of regulation 84 of Table A shall not apply.
- (3) No director shall vacate his office or be ineligible for re-appointment as a director, nor shall any person be ineligible for appointment as a director, by reason only of his having attained a particular age.
- (4) No special notice is required of any resolution appointing or approving the appointment of such a director nor is any notice required to state the age of the person to whom the resolution relates.
- (5) Regulation 64 of Table A shall not apply to the Company.
- (6) The maximum number and minimum number respectively of the directors may be determined from time to time by ordinary resolution in general meeting of the Company. Subject to and in default of any such determination there shall be no maximum number of directors and the minimum number of directors shall be one.
-

Whensoever the minimum number of the directors shall be one, a sole director shall have authority to exercise all the powers and discretions by Table A and by these articles expressed to be vested in the directors generally and regulation 89 of Table A shall be modified accordingly.

- (7) The holders of a majority of the ordinary shares in the Company in issue may appoint any person as a director of the Company and may remove any director. Any appointment or removal shall be made in writing signed by the holders of the majority of the ordinary shares in the Company in issue and, in the case of a body corporate holding any of those shares, the signature of any officer or other duly appointed representative shall suffice. Any appointment or removal shall take effect when it is lodged at the office or produced at any meeting of the directors.
- (8) In addition to the circumstances set out in regulation 81 of Table A the office of a director shall be vacated if he is removed from that office in accordance with this article.

ALTERNATE DIRECTORS

11. (1) In addition to the persons mentioned in regulation 65 of Table A, any director may appoint any person approved by a majority of the other directors to act as an alternate director.
- (2) An alternate director shall be entitled to receive notice of all meetings of directors, to attend and to vote at any such meeting at which the director appointing him is not personally present and at that meeting to exercise and discharge all the functions, powers and duties of his appointor as a director and for the purposes of the proceedings at that meeting the provisions of these articles shall apply as if he were a director. Regulation 66 of Table A shall not apply.
- (3) Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director, but he shall count as only one for the purpose of determining whether a quorum is present. The last sentence of each of regulations 88 and 89 of Table A shall not apply.
- (4) Any person appointed as an alternate director shall vacate his office as an alternate director if the director by whom he has been appointed ceases to be a director or removes him or on the happening of any event which, if he is or were a director, causes or would cause him to vacate that office. Regulation 67 of Table A shall not apply.
- (5) An alternate director shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of the director appointing him. Regulation 69 of Table A shall not apply.

POWERS OF DIRECTORS

12. (1) The powers of the directors mentioned in regulation 87 of Table A shall be exercisable as if the word "executive" (which appears before the word "office") were deleted.

- (2) Without prejudice to any other of their powers, the directors may exercise any of the powers conferred by the Statutes to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any of its subsidiaries.

PROCEEDINGS OF DIRECTORS

13. Provided that he has disclosed to the directors the nature and extent of any material interest of his, a director may vote as a director on a resolution concerning any matter in which he has, directly or indirectly, an interest or duty and, if he votes, his vote shall be counted and he shall be counted in the quorum when that resolution or matter is under consideration. Regulations 94 to 96 (inclusive) of Table A shall not apply.
14. Notices of meetings of the directors shall be given to all directors and to any alternate directors appointed by them. Regulation 88 of Table A shall be amended accordingly.
15. The quorum for a meeting of the directors shall be one director present throughout the meeting. The first sentence of regulation 89 of Table A shall not apply.
16. Subject to article 18, all directors meetings shall be held in the United Kingdom.
17. Regulation 93 of Table A (written resolutions of directors) shall apply as if the word "signed" included "approved by letter, facsimile, telegram or telex".
18. (1) Subject to article 18(4), a meeting of the directors may consist of a conference between directors some or all of whom are in different places provided that each director who participates is able:
- (a) to hear each of the other participating directors addressing the meeting; and
 - (b) if he so wishes, to address all of the other participating directors simultaneously,
- whether directly, by conference telephone or by any other form of communications equipment (whether in use when these articles are adopted or not) or by a combination of those methods.
- (2) A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of directors required to form a quorum, subject to the provisions of article 13.
- (3) Subject to article 18(4), a meeting held in this way is deemed to take place at the place where the largest group of participating directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.
- (4) The largest group of participating directors must be in the United Kingdom or, if no such group is readily identifiable, the chairman must be in the United Kingdom for the meeting to be validly constituted.

SEAL

19. (1) The Company may exercise the powers conferred by the Statutes with regard to having official seals and those powers shall be vested in the directors.
- (2) The directors shall provide for the safe custody of every seal which the Company may have.
- (3) A seal shall be used only by the authority of the directors or a duly authorised committee but that authority may consist of an instruction or approval given by letter, facsimile, telegram, telex or telephone by a majority of the directors or of the members of a duly authorised committee.
- (4) The directors may determine who shall sign any instrument to which a seal is applied, either generally or in relation to a particular instrument or type of instrument, and may also determine, either generally or in any particular case, that such signatures shall be dispensed with or affixed by some mechanical means.
- (5) Unless otherwise decided by the directors:
- (a) certificates for shares, debentures or other securities of the Company to which a seal is applied need not be signed; and
 - (b) every other instrument to which a seal is applied shall be signed by at least one director and the secretary or by at least two directors.
- (6) Certificates for shares, debentures or other securities of the Company need not be sealed with the seal but may be signed on behalf of the Company by at least one director and the secretary or by at least two directors or by such other person or persons as may be authorised by the directors for that purpose. Regulation 6 of Table A shall be amended accordingly. Regulation 101 of Table A shall not apply.

NOTICES

20. (1) The Company may give any notice to a member either personally or by sending it by prepaid airmail or first class post or telex or facsimile transmission to the member at his registered address or by leaving it at that address. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders.
- (2) Regulation 112 of Table A shall not apply and regulation 116 shall apply as if the words "within the United Kingdom" did not appear.
21. (1) Proof that:
- (a) an envelope containing a notice was properly addressed, prepaid and posted (by airmail or first class post, where available); or
-

- (b) a telex or facsimile transmission setting out the terms of a notice was properly addressed and despatched

shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiry of 24 hours after the envelope containing it was posted or, in the case of telex or facsimile transmission, when despatched.

- (2) Regulation 115 of Table A shall not apply.

INDEMNITY

- 22. (1) Subject to the provisions of and to the extent permitted by the Statutes, every director, other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, but:
 - (a) this indemnity shall not apply to any liability to the extent that it is recovered from any other person; and
 - (b) the indemnity is subject to such officer or auditor taking all reasonable steps to effect such recovery, so that the indemnity shall not apply to the extent that an alternative right of recovery is capable of being enforced.
- (2) Regulation 118 of Table A shall not apply.

Names and addresses of subscribers

Cable and Wireless European Investments Limited
124 Theobalds Road
London WC1X 8RX

By: EDWARD DILLEY

Cable and Wireless (London Holdings) Limited
124 Theobalds Road
London WC1X 8RX

By: EDWARD DILLEY

Dated 26th June, 1998.

Witness to the above signatures:

Signature: GRAEME AKHURST

Name: Graeme Akhurst

Address: 88 Claylands Road, London SW8 1NJ

Occupation: Solicitor

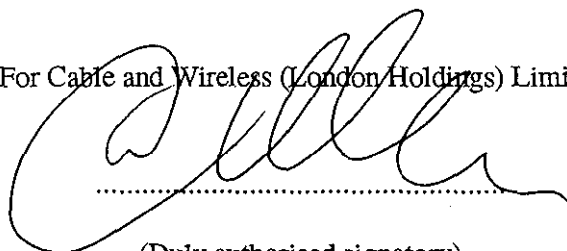
To: The Director
Cable & Wireless HK Finance (the "Company")

Sir,

We being a subscriber to the memorandum and articles of association of the Company hereby undertake to pay to you on demand the sum of £1 (being payment in full at par for the one ordinary share in the capital of the Company subscribed by us) and request you to allot the share to us and to enter our name in the register of members as the holder of such shares. We agree to take the share subject to the memorandum and articles of association of the Company.

Dated.....26th JUNE, 1998

For Cable and Wireless (London Holdings) Limited



(Duly authorised signatory)