



**Shanghai Haohai Biological Technology Co., Ltd.\***

**上海昊海生物科技股份有限公司**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock code: 6826)**

**ARTICLES OF ASSOCIATION  
OF  
SHANGHAI HAOHAI BIOLOGICAL TECHNOLOGY CO., LTD.  
(amended at 2021 Annual General Meeting held on 29 June 2022)**

*\*For identification purpose only*

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## Chapter 1 General Provisions

**Article 1** To safeguard the legitimate rights and interests of Shanghai Haohai Biological Technology Co., Ltd.\* (上海昊海生物科技股份有限公司) (the “Company”) and its shareholders and creditors, and to regulate the organization and acts of the Company, this Articles of Association is formulated pursuant to the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Rules Governing the Listing of Securities on the Science and Technology Innovation Board of the Shanghai Stock Exchange, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”) and, the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong (hereinafter referred to as the “Letter of Opinions on Supplements and Amendments”), Guidelines to Articles of Association of Listed Companies (amended in 2022)” (hereinafter referred to as the “Guidelines to Articles of Association”) and other relevant laws and provisions.

Article 1 of the Guidelines to Articles of Association

**Article 2** The Company is a joint stock limited company incorporated under the Company Law, the Securities Law, the Special Regulations and other relevant laws and administrative regulations of the People’s Republic of China (the “PRC”, excluding, for the purpose of this Articles of Association and its appendices, Hong Kong, Macau and Taiwan).

Article 1 of the Mandatory Provisions, Articles 2 and 12 of the Guidelines to Articles of Association

The Company was established on 1 July 2010 by way of promotion and registered at Shanghai Municipal Administration for Market Supervision on 2 August 2010 with a business license granted. The unified social credit code of the Company is 91310000797066532Q.

The promoters of the Company are 23 natural persons, namely, Jiang Wei (蔣偉), You Jie (游捷), Lou Guoliang (樓國梁), Hou Yongtai (侯永泰), Wu Jianying (吳劍英), Ling Xihua (凌錫華), Peng Jinhua (彭錦華), Huang Ming (黃明), Liu Yuanzhong (劉遠中), Shen Rongyuan (沈榮元), Tao Weidong (陶偉棟), Wang Wenbin (王文斌), Fan Jipeng (范吉鵬), Gan Renbao (甘人寶), Wu Ming (吳明), Chen Yiyi (陳奕奕), Shi Xiaoli (時小麗), Zhao Meilan (趙美蘭), Liu Jun (劉軍), Zhu Min (朱敏), Lu Rujuan (陸如娟), Sun Xiaohuang (孫孝煌) and Wu Yazhen (吳雅貞).

The Company shall set up its Communist Party of China (hereinafter referred to as “CPC”) organization and carry out CPC activities in accordance with the requirements of the Constitution of the CPC. The Company shall provide the CPC organization with necessary conditions for its activities.

**Article 3** Registered name of the Company

Chinese name: 上海昊海生物科技股份有限公司

English name: Shanghai Haohai Biological Technology Co., Ltd.

Article 2 of the Mandatory Provisions, Article 4 of the Guidelines to Articles of Association

**Article 4** Address of the Company: No. 5 Dongjing Road, Songjiang Industrial Zone, Shanghai

Postal code: 201613

Telephone: 021-52293555

Fax: 02152293558

Article 3 of the Mandatory Provisions, Article 5 of the Guidelines to Articles of Association

**Article 5** The Company's legal representative is the chairman of the board of directors (the "Board") of the Company.

Article 4 of the Mandatory Provisions, Article 8 of the Guidelines to Articles of Association

**Article 6** The Company is a joint stock limited company in perpetual existence.

The Company is an independent legal person with independent legal person property and enjoys the right to legal person property and is entitled to civil rights and subject to civil liabilities pursuant to laws. The Company is under the jurisdiction and protection of the laws, administrative rules and other relevant regulations of the PRC.

Article 5 of the Mandatory Provisions, Article 3 of the Company Law, Articles 7 and 9 of the Guidelines to Articles of Association

All the capital of the Company is divided into equal shares. The right and liability of the shareholders of the Company in respect of the Company are limited to the extent of the number of shares held by them and the liability of the Company to indebtedness is limited to the full amount of its assets.

**Article 7** This Articles of Association has been approved by a special resolution at a general meeting of the Company and shall take effect on the date on which the A Shares of the Company are listed and commence dealings on stock exchange in the People's Republic of China, and shall supersede previous articles of association of the Company filed with competent administration for Market Supervision.

Article 6 of the Mandatory Provisions, Article 10 of the Guidelines to Articles of Association

From the effective date of this Articles of Association, this Articles of Association shall become a legally binding document which regulates the Company's organization and acts, the rights and obligations between the Company and shareholders, and amongst the shareholders.

**Article 8** This Articles of Association shall be binding on the Company and its shareholders, directors, supervisors, general manager, vice general manager(s) and other senior management, and the above-mentioned persons shall be entitled to make claims on matters relating to the Company in accordance with this Articles of Association.

Article 7 of the Mandatory Provisions, Articles 10 and 124 of the Guidelines to Articles of Association

Pursuant to this Articles of Association, a shareholder can sue the Company and its shareholders, directors, supervisors, general manager, vice general manager(s) and other senior management, and the Company can sue its shareholders, directors, supervisors, general manager, vice general manager(s) and other senior management.

The term “sue” as mentioned in the preceding paragraph shall include the initiation of proceedings in a court or application to an arbitration organization for arbitration.

The term “other senior management” as mentioned in the preceding paragraph shall include the financial controller and the secretary to the Board of the Company.

**Article 9** The Company may invest in other limited liability companies and joint stock limited companies and undertake liabilities for the invested company as limited to the capital contribution made by it provided that, unless otherwise provided by laws and administrative regulations, the Company shall not become an investor that is jointly and severally liable for the liabilities owed by the invested company, nor shall it become a shareholder of unlimited liabilities of other economic organizations.

Article 8 of the Mandatory Provisions, Article 15 of the Company Law

## **Chapter 2 Objective and Scope of Operation**

**Article 10** The operation objective of the Company is: to bring benefits to the majority of patients by applying biotechnological achievements to treat human diseases and maximize benefits of public society and shareholders by taking the laws and regulations of the PRC as criterion, the philosophy of scientific management as guideline, continuous innovations in research and development as driving forces and biopharmaceutical preparations and biological materials as professional directions.

Article 9 of the Mandatory Provisions, Article 13 of the Guidelines to Articles of Association

**Article 11** The Company’s scope of operation shall be consistent with the scope of operation approved by the authority responsible for the Company’s registration. The scope of operation of the Company covers: technology development, technology transfer, technical consulting and technical services in respect of genetic engineering, chemical synthesis, natural medicines and diagnostic reagents; research and production of small dose injections, active pharmaceutical ingredients, bioengineering products, Class III 6822 implanted or long-term attached ophthalmic optical devices, 6864 absorbable hemostatic material and anti-adhesion material; import and export of goods and technologies; medical devices business; wholesale of anhydrous ethanol (without storage facilities); and sales of chemical raw materials and products (except for hazardous chemicals) and cosmetics (Businesses subject to approvals under laws shall be carried out upon approval by relevant authorities).

Article 10 of the Mandatory Provisions, Article 14 of the Guidelines to Articles of Association

The Company may, in light of changes in domestic or overseas markets, the development of its businesses and its own capabilities, lawfully change its scope of operation and complete relevant formalities for such change.

### Chapter 3 Shares and Registered Capital

**Article 12** The Company shall have ordinary shares at all times. It may have other classes of shares as needed, upon approval by competent authorities authorized by the State Council.

Article 11 of the Mandatory Provisions

Shareholders of each class of the Company shall enjoy equal rights in the distribution of dividends or distributions in any other forms.

**Article 13** The Company's shares shall be in the form of share certificates. All the shares issued by the Company shall have a par value which shall be RMB1 for each share.

Article 12 of the Mandatory Provisions, Articles 15 and 17 of the Guidelines to Articles of Association

The RMB as mentioned in the preceding paragraph refers to the lawful currency of the PRC.

**Article 14** The Company's shares shall be issued based on the principles of openness, fairness and justice. Shares of the same class shall carry equal rights.

Article 126 of the Company Law, Article 16 of the Guidelines to Articles of Association

For the same class of shares of the same issuance, each share shall be issued at the same price and subject to the same conditions. Any entity or individual shall pay the same price per share for any such shares subscribed.

**Article 15** The Company may issue shares to investors inside the PRC and investors outside the PRC upon approval by competent securities regulatory authorities under the State Council.

Article 13 of the Mandatory Provisions

The term "investors outside the PRC" as mentioned in the preceding paragraph shall refer to investors from foreign countries or Hong Kong, Macau or Taiwan that subscribe for shares issued by the Company. The term "investors inside the PRC" shall refer to investors within the PRC, excluding the above-mentioned regions, that subscribe for the shares issued by the Company.

**Article 16** The shares issued by the Company to investors inside the PRC for subscription in RMB shall be referred to as "domestic shares". The shares issued by the Company to investors outside the PRC for subscription in foreign currencies shall be referred to as "foreign shares". The domestic shares that are listed on the stock exchange in the PRC shall be referred to as "domestic listed shares". The foreign shares that are listed overseas shall be referred to as "overseas-listed foreign shares". A holder of domestic shares and a holder of foreign shares are both holders of ordinary shares.

Article 14 of the Mandatory Provisions, Article 18 of the Guidelines to Articles of Association

The term “foreign currencies” as mentioned in the preceding paragraph shall refer to the lawful currencies freely convertible in other countries or regions (other than RMB), which are recognized by State’s foreign exchange authority and acceptable to pay for the shares to the Company.

The overseas-listed foreign shares of the Company listed in Hong Kong shall be referred to as H shares. H shares shall refer to shares with a par value denominated in RMB, which are approved by the Hong Kong Stock Exchange for listing and will be subscribed for and traded in Hong Kong dollars.

Domestic shares listed in the PRC are referred to as “A Shares” in short. A Shares are shares which have been approved by securities regulatory authorities for offering and admitted for listing on the stock exchanges in the PRC with a par value denominated in RMB and are subscribed for and traded in RMB.

A Shares are managed centrally by securities registration & settlement institution in the PRC.

Upon approval by the securities regulatory authorities under the State Council, shareholders of the unlisted shares of the Company may have the shares held by them listed and traded overseas. Shareholders of the non-listing shares of the Company may transfer the shares held by them to overseas investors and have such shares listed and traded overseas. The non-listing shares are convertible into foreign shares, and the resulting shares may be listed and traded overseas. The listing and trading of the transferred or converted shares in overseas stock exchange(s), or the conversion of domestic shares into foreign shares for listing and trading on foreign stock exchange(s), do not require a voting at shareholders’ general meeting or a voting at class shareholders’ meeting. The aforesaid shares, which are listed and traded on an overseas stock exchange, shall also comply with the regulatory procedures, rules and requirements of the relevant overseas securities markets. The aforesaid shares will be converted to overseas listed shares after listing and trading on foreign stock exchange(s), and shall be of the same class of shares with the existing overseas listed shares.

**Article 17** Upon approval by the authorities authorized by the State Council, a total of 120,000,000 ordinary shares were issued by the Company prior to its initial public offering of H shares, representing 100% of the issued ordinary shares of the Company which were wholly subscribed and held by promoters, of which:

46,600,000 shares were subscribed and held by Jiang Wei (蔣偉), representing 38.83% of the total number of ordinary shares of the Company in issue upon its establishment;

Article 15 of  
the Mandatory  
Provisions,  
Article 19 of  
the Guidelines  
to Articles of  
Association

28,800,000 shares were subscribed and held by You Jie (游捷), representing 24.00% of the total number of ordinary shares of the Company in issue upon its establishment;

10,000,000 shares were subscribed and held by Lou Guoliang (樓國梁), representing 8.33% of the total number of ordinary shares of the Company in issue upon its establishment;

6,000,000 shares were subscribed and held by Hou Yongtai (侯永泰), representing 5.00% of the total number of ordinary shares of the Company in issue upon its establishment;

6,000,000 shares were subscribed and held by Wu Jianying (吳劍英), representing 5.00% of the total number of ordinary shares of the Company in issue upon its establishment;

6,000,000 shares were subscribed and held by Ling Xihua (凌錫華), representing 5.00% of the total number of ordinary shares of the Company in issue upon its establishment;

3,000,000 shares were subscribed and held by Peng Jinhua (彭錦華), representing 2.50% of the total number of ordinary shares of the Company in issue upon its establishment;

2,000,000 shares were subscribed and held by Huang Ming (黃明), representing 1.67% of the total number of ordinary shares of the Company in issue upon its establishment;

2,000,000 shares were subscribed and held by Liu Yuanzhong (劉遠中), representing 1.67% of the total number of ordinary shares of the Company in issue upon its establishment;

2,000,000 shares were subscribed and held by Shen Rongyuan (沈榮元), representing 1.67% of the total number of ordinary shares of the Company in issue upon its establishment;

2,000,000 shares were subscribed and held by Tao Weidong (陶偉棟), representing 1.67% of the total number of ordinary shares of the Company in issue upon its establishment;

1,700,000 shares were subscribed and held by Wang Wenbin (王文斌), representing 1.42% of the total number of ordinary shares of the Company in issue upon its establishment;

500,000 shares were subscribed and held by Fan Jipeng (范吉鵬), representing 0.42% of the total number of ordinary shares of the Company in issue upon its establishment;

500,000 shares were subscribed and held by Wu Ming (吳明), representing 0.42% of the total number of ordinary shares of the Company in issue upon its establishment;

500,000 shares were subscribed and held by Gan Renbao (甘人寶), representing 0.42% of the total number of ordinary shares of the Company in issue upon its establishment;

400,000 shares were subscribed and held by Zhao Meilan (趙美蘭), representing 0.33% of the total number of ordinary shares of the Company in issue upon its establishment;



400,000 shares were subscribed and held by Chen Yiyi (陳奕奕), representing 0.33% of the total number of ordinary shares of the Company in issue upon its establishment;

400,000 shares were subscribed and held by Shi Xiaoli (時小麗), representing 0.33% of the total number of ordinary shares of the Company in issue upon its establishment;

300,000 shares were subscribed and held by Zhu Min (朱敏), representing 0.25% of the total number of ordinary shares of the Company in issue upon its establishment;

300,000 shares were subscribed and held by Liu Jun (劉軍), representing 0.25% of the total number of ordinary shares of the Company in issue upon its establishment;

200,000 shares were subscribed and held by Sun Xiaohuang (孫孝煌), representing 0.17% of the total number of ordinary shares of the Company in issue upon its establishment;

200,000 shares were subscribed and held by Wu Yazhen (吳雅貞), representing 0.17% of the total number of ordinary shares of the Company in issue upon its establishment;

200,000 shares were subscribed and held by Lu Rujuan (陸如娟), representing 0.17% of the total number of ordinary shares of the Company in issue upon its establishment.

**Article 18** Upon establishment of the Company, as approved by the securities regulatory authorities under the State Council and the Hong Kong Stock Exchange, the Company issued 40,045,300 ordinary shares through initial public offering, all are H shares.

Upon completion of the aforesaid issue of H shares, the Company's shareholding structure is: a total of 120,000,000 shares held by Jiang Wei (蔣偉), You Jie (游捷), Zhao Meilan (趙美蘭), Zhong Jingjing (鍾婧婧), Liu Jun (劉軍), Shen Rongyuan (沈榮元), Wang Wenbin (王文斌), Tao Weidong (陶偉棟), Ling Xihua (凌錫華), Wu Jianying (吳劍英), Chen Yiyi (陳奕奕), Hou Yongtai (侯永泰), Wu Yazhen (吳雅貞), Shi Xiaoli (時小麗), Fan Jipeng (范吉鵬), Wu Ming (吳明), Huang Ming (黃明), Liu Yuanzhong (劉遠中), Peng Jinhua (彭錦華), Gan Renbao (甘人寶), Lou Guoliang (樓國梁) and Lu Rujuan (陸如娟), representing 74.979% of the total ordinary share capital, and 40,045,300 shares held by other holders of H shares, representing 25.021% of the total ordinary share capital.

On 27 September 2019, approved by China Security Regulatory Commission ("CSRC") (Zheng Jian Xu Ke [2019] No. 1793), the Company initially public offered 17,800,000 Domestic Shares, such Domestic Shares issued and issued previous by the Company are listed on 30 October 2019. The capital structure of the Company: total share capital is 177,845,300 shares, of which 137,800,000 are A shares, representing 77.483% of ordinary shares capital of the Company, 40,045,300 are H shares, representing 22.517% of ordinary shares capital of the Company.

Upon obtaining approval at the Company's 2020 first extraordinary general meeting, 2020 first A shareholders' class meeting and 2020 first H shareholders' class meeting, the Company repurchased and cancelled 638,700 H shares. Upon obtaining approval at the Company's 2019 annual general meeting, 2020 second A shareholders' class meeting and 2020 second H shareholders' class meeting, the Company repurchased and cancelled 1,384,500 H shares. After cancellation of the respective repurchased H shares, the share capital structure of the Company is as follows: the total share capital is 175,822,100 shares, of which 137,800,000 are A shares, representing 78.375% of the ordinary share capital of the Company, and 38,022,100 are H shares, representing 21.625% of the ordinary share capital of the Company.

Article 16 of the Mandatory Provisions, Articles 3 and 20 of the Guidelines to Articles of Association

**Article 19** After the plans for issuing overseas-listed foreign shares and domestic shares have been approved by the securities regulatory authorities under the State Council, the Board of the Company may arrange for implementation of such plans by means of separate issuances.

Article 17 of the Mandatory Provisions

The Company’s plan for separate issuance of overseas-listed foreign shares and domestic shares in accordance with the preceding paragraph may be implemented separately within 15 months upon approval by the securities regulatory authorities under the State Council.

**Article 20** Where the Company issues overseas-listed foreign shares and domestic shares separately within the total number of shares specified in the issuance plans, such shares shall be fully subscribed in one single issuance. Where special circumstances make it impossible for every such single issuance to be fully subscribed, the shares may be issued in several tranches, subject to the approval of the securities regulatory authorities under the State Council.

Article 18 of the Mandatory Provisions

**Article 21** The registered capital of the Company is RMB175,822,100.

Article 19 of the Mandatory Provisions, Article 6 of the Guidelines to Articles of Association

**Article 22** The Company may increase its registered capital as required for its operation and development, pursuant to the relevant provisions of this Articles of Association.

Article 20 of the Mandatory Provisions, Article 22 of the Guidelines to Articles of Association

The Company may increase its capital by the following methods:

- (1) Public offering;
- (2) shareholders Non-public offering;
- (3) Giving bonus shares to existing shareholders;
- (4) Convert surplus reserve into capital;
- (5) Other means permitted by laws and administrative regulations and approved by regulatory organization.

The Company’s increase of capital shall be carried out in accordance with the procedures specified in relevant State laws and administrative regulations, after having been approved in accordance with this Articles of Association.

**Article 23** Unless otherwise provided by the laws and administrative regulations, shares of the Company are freely transferable and are not subject to any lien.

**Article 24** The Company does not accept pledges created over the Company's shares.

**Article 25** Shares held by promoters shall not be transferred within one (1) year from the date of establishment of the Company. Domestic Shares previously issued by the Company prior to the initial public offering shall not be transferred within one (1) year from the date on which the shares of the Company are listed and traded on a stock exchange.

During their terms of office, directors, supervisors and other senior management of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer annually during their terms of office more than 25% of the total number of shares of the Company which they hold; the shares of the Company held by them shall not be transferred within one (1) year from the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six (6) months from the date of their leaving the Company. Where the aforementioned restrictions on transfer involve H Shares, compliance with the Hong Kong Listing Rules is required.

If the directors, supervisors and senior management members of the Company as well as the shareholders holding more than 5% of the A Shares of the Company sell shares or other securities with the nature of equities of the Company they hold within six months after purchase or buy shares or other securities with the nature of equities of the Company within six months after the sale, the gains generated from such trade shall be disgorged and paid to the Company. The Board of the Company shall forfeit such gains from the abovementioned parties. Nevertheless, if a securities company holds more than 5% of the shares of the Company by buying the remaining Shares pursuant to an underwriting arrangement and except other circumstances as stipulated by the CSRC.

For the purpose of the foregoing paragraph, the shares or other securities with the nature of equities held by the Directors, Supervisors, senior management members and natural person shareholders shall include the shares or other securities with the nature of equities held by their spouses, parents and children, as well as those held through others' accounts.

Should the Board of the Company does not observe the provisions under the third paragraph of this article, the Shareholders shall be entitled to require the Board to effect the same within 30 days. If the Board of the Company third to do so within the aforesaid time limit, the Shareholders may directly initiate people's court proceedings in their own name for the interests of the Company.

Should the Board of the Company fail to execute the provisions under the third paragraph of this article, the responsible Director(s) held accountable shall assume joint and several liabilities under the law.

Article 21 of the Mandatory Provisions, Article 27 of the Guidelines to Articles of Association Article 142 of the Company Law, Article 28 of the Guidelines to Articles of Association

Article 141 of the Company Law, Articles 29 and 30 of the Guidelines to Articles of Association

## Chapter 4 Reduction of Capital and Repurchase of Shares

**Article 26** The Company may reduce its registered capital pursuant to the provisions of this Articles of Association. Where the Company reduces its registered capital, procedures shall be made in accordance with the Company Law and other relevant requirements and this Articles of Association.

Article 22 of the Mandatory Provisions, Article 23 of the Guidelines to Articles of Association

**Article 27** Where the Company reduces its registered capital, it must prepare a balance sheet and an inventory of assets.

Article 23 of the Mandatory Provisions, Article 177 of the Company Law, Article 177 of the Guidelines to Articles of Association

The Company shall notify its creditors within 10 days from the date of the Company's resolution for reduction of registered capital and shall publish a public announcement for at least 3 times in newspapers within 30 days from the date of such resolution. A creditor shall be entitled, within 30 days from the date of receipt of the notice from the Company or, in case of a creditor who has not received such notice, within 45 days from the date of the first public announcement, to require the Company to repay its debts or provide a corresponding guarantee for such debts.

The Company's registered capital after the capital reduction shall not be less than the minimum statutory amount.

**Article 28** The Company shall not repurchase its own outstanding shares except under one of the following circumstances:

Article 24 of the Mandatory Provisions, Article 142 of the Company Law, Article 24 of the Guidelines to Articles of Association

- (1) To cancel shares for the purpose of reducing the capital of the Company;
- (2) To merge with other companies that hold shares in the Company;
- (3) To use the shares for employee shareholding schemes or as share incentives;
- (4) To acquire the shares of shareholders (upon their request) who vote against to any resolution adopted at any general meetings on the merger or division of the Company;
- (5) To use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company;
- (6) To safeguard corporate value and shareholders' equity as the Company deems necessary.

**Article 29** Upon approval of the repurchase of its own shares of the Company by relevant State authorities, it may proceed in any of the following manners:

Article 25 of the Mandatory Provisions, Article 25 of the Guidelines to Articles of Association

- (1) Making a repurchase offer in proportion to respective shareholdings of all shareholders;
- (2) Repurchase through open transactions on a stock exchange;
- (3) Repurchase by an agreement outside a stock exchange; or
- (4) Other means permitted by laws and administrative regulations and approved by regulatory authorities.

**Article 30** In the event of a repurchase of shares by the Company by an agreement outside of a stock exchange, prior approval shall be obtained from the shareholders at a general meeting in accordance with the procedures specified in the Articles of Association. Upon obtaining further prior approval of the shareholders at the general meeting in the same manner, the Company may terminate or amend contracts concluded in the manner set forth above or waive any of its rights under such contracts.

Article 26 of the Mandatory Provisions

The contracts for the repurchase of shares referred to in the above paragraph include (but not limited to) agreements whereby repurchase obligations are undertaken and repurchase rights are acquired.

The Company may not assign contracts for the repurchase of its own shares or any of its rights thereunder.

**Article 31** If the Company repurchases its own shares for the circumstances under sub-paragraphs (1) to (2) of paragraph 1 of Article 28 hereof, resolutions related thereto shall be adopted at a general meeting. If the Company repurchases its own shares in accordance with for the circumstances under sub-paragraph (3), (5), (6) of paragraph 1 of Article 28 hereof, resolutions related thereto shall be adopted at a board meeting attended by more than two-thirds of the Directors according to the requirements of Articles of Association and the authorization of general meeting.

If the Company repurchases its own shares in accordance with Article 28 under the circumstances set forth in sub-paragraph (1) of paragraph 1, the shares so repurchased shall be cancelled within 10 days from the date of repurchase. If the Company repurchases its own shares in accordance with Article 28 under the circumstances set forth in sub-paragraph (2), (4) of paragraph 1, the shares so repurchased shall be transferred or cancelled within 6 months. If the Company repurchases its own shares in accordance with Article 28 under the circumstances set forth in sub-paragraph (3), (5), (6) of paragraph 1, the total number of shares held by the Company shall not exceed 10% of the total number of shares issued by the Company, and shall be transferred or cancelled within 3 years.

If the listed company purchases the shares of the Company, the listed company shall perform the obligation of information disclosure in accordance with the Securities Law of the People's Republic of China. If the listed company purchases the shares of the Company in accordance with Article 28 under the circumstances set forth in sub-paragraph (3), (5), (6) of the first paragraph, it shall conduct such purchases through centralized public transaction.

Shares which have been legally repurchased by the Company shall be cancelled within the period prescribed by laws and administrative regulations, and the Company shall apply to the Company's original registration authorities for registration of the change in its registered capital.

The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.

**Article 32** Unless the Company is in the course of liquidation, it must comply with the following provisions in relation to repurchasing its issued and outstanding shares:

- (I) Where the Company repurchases shares at par value, payment shall be made out of the book balance of distributable profits of the Company and/or out of the proceeds from new shares issued for such purpose;

- (II) Where the Company repurchases shares at a premium to the par value, payment up to the par value may be made out of the book balance of distributable profits of the Company and/or out of the proceeds from new shares issued for that purpose. Payment of the portion in excess of the par value shall be effected as follows:
- (1) If the shares being repurchased were issued at par value, payment shall be made out of the book balance of distributable profits of the Company;
  - (2) If the shares being repurchased were issued at a premium to the par value, payment shall be made out of the book balance of distributable profits of the Company and/or out of the proceeds from new shares issued for that purpose, provided that the amount paid out of such proceeds shall not exceed the aggregate of the premiums received on the issue of the shares repurchased nor shall it exceed the book value of the Company's premium account (or capital common reserve account) (including the premiums on the new issue) at the time of the repurchase;
- (III) The Company shall make payments for the following applications out of the Company's distributable profits:
- (1) Acquisition of the right to repurchase its own shares;
  - (2) Modification of any contract for the repurchase of its shares;
  - (3) Release of its obligation(s) under any contract for repurchasing its shares.
- (IV) After the Company's registered capital has been reduced by the aggregate par value of the cancelled shares in accordance with relevant regulations, the amount deducted from the distributable profits for payment of the par value of the repurchased shares shall be transferred to the Company's premium account (or capital common reserve account).

### **Chapter 5 Financial Assistance for Purchase of Shares of the Company**

**Article 33** The Company or its subsidiaries (including entities affiliated to the Company) shall not, by way of a gift or by granting an advance, guarantee, compensation, loan or otherwise at any time, provide any form of financial assistance to a person who purchases or intends to purchase shares in the Company. The person who purchases shares in the Company set forth above includes any person who directly or indirectly assumes any obligations as a result of the acquisition of shares in the Company.

Article 29 of  
the Mandatory  
Provisions,  
Article 21 of  
the Guidelines  
to Articles of  
Association



Neither the Company nor its subsidiaries (including entities affiliated to the Company) shall, by any means at any time, provide financial assistance to such person for the purposes of reducing or discharging the obligations assumed by such person.

This Article shall not apply to the circumstances referred to in Article 35 in this Articles of Association.

**Article 34** For the purposes of this Chapter, the term “financial assistance” shall include (but not limited to):

Article 30 of  
the Mandatory  
Provisions

- (1) Gifts;
- (2) Guarantee (including the assumption of liability or the provision of assets by the guarantor to secure the performance of obligations by the obligor), compensation (other than compensation in respect of the Company’s own default) or release or waiver of any rights;
- (3) Provision of a loan or entering into any other agreement under which the obligations of the Company are to be fulfilled prior to the fulfillment of obligations of another party to the agreement, or a change in the parties to, or the assignment of rights under, such loan or agreement;
- (4) Any other form of financial assistance given by the Company when the Company is insolvent or has no net asset or when its net assets would thereby be reduced to a material extent.

For the purposes of this Articles of Association, the “assumption of obligations” means the assumption of obligations by way of contract or by way of arrangement (irrespective of whether such contract or arrangement is enforceable or not, and irrespective of whether such obligations are to be borne by the obligor solely or jointly with other persons), or by any other means which results in a change in the Company’s financial position.

**Article 35** The following acts shall not be deemed to be prohibited under Article 33 of this Articles of Association:

Article 31 of  
the Mandatory  
Provisions

- (1) The provision of financial assistance by the Company where the financial assistance is provided in good faith in the interests of the Company and the principal purpose of which is not for the acquisition of shares in the Company, or where the provision of financial assistance is an incidental part of certain overall plan of the Company;
- (2) The lawful distribution of the Company’s properties by way of dividends;



- (3) The allotment of bonus shares as dividends;
- (4) A reduction of registered capital, repurchase of shares or adjustment of the share capital structure effected in accordance with this Articles of Association;
- (5) The provision by the Company of a loan within its scope of operation and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of its distributable profits);
- (6) The monetary contribution by the Company to the employee share option schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of its distributable profits).

## **Chapter 6 Share Certificates and Register of Members**

**Article 36** The share certificates of the Company shall be in registered form.

Article 32 of  
the Mandatory  
Provisions

In addition to those provided in the Company Law, a share certificate of the Company shall also contain any other items required to be specified by the stock exchange on which the shares of the Company are listed.

**Article 37** The share certificates shall be signed by the chairman of the Board. Where the stock exchange on which the shares of the Company are listed requires the share certificates to be signed by other senior management, the share certificates shall also be signed by such senior management. The share certificates shall take effect after being affixed or printed with the seal of the Company. The share certificates shall only be affixed with the Company's seal with the authorization of the Board. The signatures of the chairman of the Board or other relevant senior management on the share certificates may also be in printed form.

Article 33 of  
the Mandatory  
Provisions

**Article 38** The Company shall keep a register of members based on the evidence provided by the share registrar. The register of members shall contain the following particulars:

Article 34 of  
the Mandatory  
Provisions

- (1) The name, address (place of domicile), occupation or nature of business of each shareholder;
- (2) The class and number of shares held by each shareholder;
- (3) The amount paid-up or payable in respect of shares held by each shareholder;

- (4) The serial numbers of the shares held by each shareholder;
- (5) The date on which each shareholder was registered as a shareholder; and
- (6) The date on which any shareholder ceased to be a shareholder.

Unless there is evidence to the contrary, the register of members shall be the sufficient evidence of the shareholders' shareholding in the Company.

**Article 39** The Company may, in accordance with the mutual understanding and agreements made between the competent securities authorities of the State Council and overseas securities regulatory authorities, keep its register of holders of overseas-listed foreign shares outside of the PRC and appoint overseas agent(s) to manage such register. The original register of holders of overseas-listed foreign shares listed in Hong Kong shall be maintained in Hong Kong.

Article 35 of  
the Mandatory  
Provisions

The Company shall maintain a duplicate of the register of holders of overseas-listed foreign shares at its place of domicile. The appointed overseas agent(s) shall ensure consistency between the original version and the duplicate register of holders of overseas-listed foreign shares at all times.

If there is any inconsistency between the original and the duplicate register of holders of overseas-listed foreign shares, the original version shall prevail.

**Article 40** The Company shall maintain a complete register of members.

The register of members shall include the following parts:

- (1) The register of members which is maintained at the Company's place of domicile (other than those share registers which are described in paragraphs (2) and (3) of this Article);
- (2) The register of members in respect of the holders of overseas-listed foreign shares of the Company which is maintained at the place where the overseas stock exchange on which the shares are listed is located. The original register of holders of overseas-listed foreign shares listed on the Hong Kong Stock Exchange shall be maintained in Hong Kong; and
- (3) The register of members which is maintained in such other place as the Board may consider necessary for the purpose of listing of the Company's shares.

Article 36 of  
the Mandatory  
Provisions,  
Paragraph b of  
Section 1 of Part  
D of Appendix  
13 to the Hong  
Kong Listing  
Rules

**Article 41** Different parts of the register of members shall not overlap one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of members.

Alteration or rectification of each part of the register of members shall be made in accordance with the laws of the place where that part of the register of members is maintained.

**Article 42** All fully paid-up overseas-listed foreign shares listed in Hong Kong are freely transferable pursuant to the Articles of Association. The Board may refuse to recognize any instrument of transfer without explanation unless such transfer is in compliance with the following conditions:

- (1) Transfer documents and other documents which relates to share ownership or may affect share ownership shall be registered, and a fee determined under the Hong Kong Listing Rules shall be paid to the Company for such registration;
- (2) The instrument of transfer involves only the overseas-listed foreign shares listed in Hong Kong;
- (3) The stamp duty payable under the laws of Hong Kong on the instrument of transfer has been paid;
- (4) The relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares;
- (5) If the shares are to be transferred to joint holders, the number of shareholders jointly registered shall not exceed four (4);
- (6) The Company has not created any lien over the relevant shares.

If the Board refuses to register a share transfer, the Company shall send the transferor and the transferee a notice of refusal to register the said share transfer within 2 months from the date of submission of the application for transfer.

All transfers of overseas-listed foreign shares shall be effected by a written instrument of transfer in an ordinary or usual form or any other form acceptable to the Board (including the standard transfer format or form of transfer specified by The Stock Exchange of Hong Kong Limited from time to time). The written instrument of transfer may be signed by hand. Where the transferor or transferee is a recognized clearing house (“recognized clearing house”) as defined by the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or its nominee, it may be signed in a machine-imprinted format.

All instruments of transfer shall be maintained at the legal address of the Company or any places specified by the Board from time to time.

**Article 43** If it is otherwise required under relevant laws, regulations, departmental rules, other regulatory documents, and the relevant provisions of securities regulatory authorities of the places on which the Company's shares are listed on periods during which transfers may not be entered in the register of members prior to the date of a general meeting or prior to the record date(s) set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

**Article 44** When the Company intends to convene a general meeting, distribute dividends, enter into liquidation and engage in other activities that involve determination of shareholdings, the convener of the board meeting or general meeting shall determine a specific date for the determination of rights attaching to shares (record date). Shareholders named in the register of members by the end of the date for the determination of rights attaching to shares (record date) shall be the shareholders of the Company.

Article 39 of the Mandatory Provisions, Article 32 of the Guidelines to Articles of Association

**Article 45** Any person who dissents from the register of members and requests to have his name included in or removed from the register of members may apply to the court of relevant jurisdiction to correct the register of members.

Article 40 of the Mandatory Provisions

**Article 46** Any shareholder who is registered in, or any person requests to have his name (title) entered into, the register of members may, if his share certificate (the "Original Certificate") is lost, apply to the Company for a replacement share certificate in respect of such shares (the "Relevant Shares").

Article 41 of the Mandatory Provisions

If a holder of domestic shares loses his share certificate and applies for a replacement share certificate, it shall be dealt with in accordance with the provisions of the Company Law and relevant laws and regulations.

If a holder of overseas-listed foreign shares loses his share certificate and applies for a replacement share certificate, it may be dealt with in accordance with relevant laws, the rules of the stock exchange and other relevant regulations of the place where the original register of holders of overseas-listed foreign shares is maintained.

If a holder of overseas-listed foreign shares of a company listed in Hong Kong loses his share certificate and applies for a replacement share certificate, such share certificate shall be issued in compliance with the following requirements:

- (1) The applicant shall submit an application to the Company in the standard form prescribed by the Company accompanied by a notarially certified certificate or statutory declaration containing the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificate as well as declaring that no other person is entitled to request to be registered as the shareholder of the Relevant Shares.

- (2) Before the Company decides to issue the replacement share certificate, no statement made by a person other than the applicant requesting that he shall be registered as the shareholder in respect of the Relevant Shares has been received.
- (3) The Company shall, if it decides to issue a replacement share certificate to the applicant, make an announcement of its intention to issue the replacement share certificate in such newspapers designated by the Board; the announcement shall be made at least once every 30 days for a period of 90 days.
- (4) The Company shall have, prior to the publication of its intention to issue a replacement share certificate, delivered to the stock exchange on which its shares are listed a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from such stock exchange that the announcement has been displayed at the premises of the stock exchange. The announcement shall be displayed at the premises of the stock exchange for a period of 90 days.

In case an application to issue a replacement share certificate has been made without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such registered shareholder a copy of the announcement to be published.

- (5) If, upon expiration of the 90-day period of announcement and display referred to in paragraphs (3) and (4) of this article, the Company has not received from any person any objection to such application, the Company may issue a replacement share certificate to the applicant accordingly.
- (6) Where the Company issues a replacement share certificate in accordance with this article, it shall forthwith cancel the Original Certificate and record the cancellation and replacement matters in the register of members accordingly.
- (7) All expenses relating to the cancellation of an Original Certificate and the issuance of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

**Article 47** After the Company issues a replacement share certificate pursuant to the Articles of Association, the name of a bona fide purchaser who obtains the aforementioned new share certificate or a shareholder who thereafter registers as the owner of such shares (in the case where he is a bona fide purchaser) shall not be deleted from the register of members.

Article 42 of  
the Mandatory  
Provisions

**Article 48** The Company shall not have any obligation to indemnify any person for any damages suffered thereby arising out of the cancellation of the Original Certificate or the issuance of a replacement share certificate, unless such person concerned can prove that the Company has committed a fraudulent act.

Article 43 of the Mandatory Provisions, Article 31 of the Guidelines to Articles of Association

## **Chapter 7 Shareholders' Rights and Obligations**

**Article 49** A shareholder of the Company is a person who lawfully holds shares of the Company and has his name (title) recorded in the register of members.

Article 44 of the Mandatory Provisions

A shareholder shall enjoy relevant rights and assume relevant obligations in accordance with the class and number of shares he holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

**Article 50** Holders of the ordinary shares of the Company shall enjoy the following rights:

Article 45 of the Mandatory Provisions, Rule 19A.50 and Rule 19A.50A of the Hong Kong Listing Rules, Articles 33 and 34 of the Guidelines to Articles of Association

- (1) The right to dividends and other profit distributions in proportion to the number of shares held;
- (2) The right to propose, convene and preside over, to attend or appoint proxies to attend general meetings and to exercise the corresponding rights to speak and vote thereat in accordance with laws;
- (3) The right to supervise and manage, present proposals or raise enquiries about the Company's business operations;
- (4) The right to transfer, give as a gift or pledge the shares in their possession in accordance with laws, administrative regulations and the Articles of Association;
- (5) The right to obtain relevant information in accordance with the Articles of Association, including:
  1. The right to obtain a copy of the Articles of Association, subject to payment of relevant costs;
  2. The right to inspect and copy, subject to a payment of a reasonable fee:
    - (1) All parts of the register of members;
    - (2) Personal particulars of each of the Company's directors, supervisors, general manager, and other senior management, including:
      - (a) Present and former name or alias;

- (b) Principal address (place of domicile);
  - (c) Nationality;
  - (d) Primary and all other part-time occupations and duties;
  - (e) Identification document and its number.
- (3) Reports on the status of the Company's share capital;
  - (4) The latest audited financial statements of the Company, and the reports of the Board, auditors and the supervisory committee;
  - (5) Special resolutions of the general meetings and/or board meetings of the Company;
  - (6) A copy of the latest annual return filed with the competent administration for Market Supervision;
  - (7) Reports showing the aggregate par value, quantity, the maximum and minimum prices paid in respect of each class of shares repurchased by the Company since the end of the last financial year, and the aggregate amount paid by the Company for this purpose;
  - (8) Minutes of general meetings;
  - (9) Corporate bond certificates and published financial accounting reports.

Documents of items (3) to (7) above shall be posted on the website of the Hong Kong Stock Exchange and the website of the Company in accordance with the requirements of the Hong Kong Listing Rules. Documents of items (1) and (8) above shall be made available at the Company's address in Hong Kong for the shareholders to inspect with no charge and to make photocopies subject to a payment of a reasonable fee.

- (6) In the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in accordance with the number of shares held;
- (7) With respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to acquire the shares held by them;
- (8) Such other rights conferred by laws, administrative regulations and the Articles of Association.

**Article 51** If the contents of the resolution made by the General Meeting or the Board of the Company violate any laws and/or administrative regulations, the said resolution shall be invalidated.

Article 22 of the Company Law, Article 35 of the Guidelines to Articles of Association

If the convening procedure and voting method of the General Meeting and Board meeting violate the laws, administrative regulations or these Articles of Association, or the contents of the resolution go against these Articles of Association, the shareholders shall have the right to request the people’s court to cancel the said procedure, method or resolution within sixty (60) days after adoption of the resolution.

**Article 52** If any Director or senior management member violate the laws, administrative regulations and these Articles of Association in fulfilling his/her duties and incurs losses to the Company, the Shareholders severally or jointly holding 1% or more shares of the Company for more than 180 days continuously shall have the right to request in writing to the Board of Supervisors to lodge a legal action in people’s court; if the Board of Supervisors violates the laws, administrative regulations and these Articles of Association in fulfilling its duties and incurs losses to the Company, the shareholders shall have the right to request in writing to the Board of Directors to lodge a legal action in people’s court.

Article 151 of the Company Law, Article 36 of the Guidelines to Articles of Association

If the Board of Supervisors or the Board of Directors refuses to lodge legal action after receipt of the said written request from the Shareholder, or if they fail to take any legal action within 30 days after receipt of the request, or if the circumstances are urgent or if any delay of legal proceedings may cause irrecoverable damage to the interests of the Company, the shareholder specified under the preceding paragraph shall, in the interest of the Company, have the right to lodge legal action in people’s court under his/her own name.

If the legitimate rights and interests of the Company are endangered, incurring losses for the Company, the shareholder specified under the first paragraph of this Article may institute a legal action in people’s court according to the provisions under the preceding two paragraphs.

**Article 53** If any Director or senior management member violates the laws, administrative regulations or these Articles of Association, thereby causing any loss to the Shareholders, the Shareholders may initiate legal action in people’s court.

Article 152 of the Company Law, Article 37 of the Guidelines to Articles of Association



**Article 54** Holders of the ordinary shares of the Company shall have the following obligations:

- (1) To abide by laws, administrative regulations and the Articles of Association;
- (2) To pay the share subscription price based on the shares subscribed and the method of subscription;
- (3) Not to withdraw their shares except in circumstances specified in laws and regulations;
- (4) Not to abuse their shareholders' rights to prejudice the interests of the Company or other shareholders, and not to abuse the independent status of the Company as a legal entity and the limited liability of shareholders to prejudice the interests of the Company's creditors;
- (5) To assume other obligations required by laws, administrative regulations and the Articles of Association.

If a shareholder of the Company abuses the rights of shareholder and thereby causes loss on the Company or other shareholders, such shareholder shall be liable for indemnity in accordance with the law.

If a shareholder of the Company abuses the Company's independent status as a legal entity and the limited liability of shareholders for the purposes of avoiding debts, thereby materially impairing the interests of the creditors of the Company, such shareholder shall be jointly and severally liable for the debts owed by the Company.

Shareholders shall not be liable to make any further contributions to the share capital other than according to the terms agreed by the subscribers at the time of share subscription.

**Article 55** If a Shareholder of A Share holding more than 5% of the Company Shares with voting right pledges the Shares held, the said Shareholder shall report such pledge in writing to the Company on the very day upon occurrence of the pledge. Such pledge shall be in compliance with the relevant requirements stipulated by Hong Kong Stock Exchange.

Article 46 of the Mandatory Provisions, Article 20 of the Company Law, Article 38 of the Guidelines to Articles of Association

Article 39 of the Guidelines to Articles of Association

**Article 56** In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange on which the shares of the Company are listed, a controlling shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or part of the shareholders of the Company:

- (1) To waive a director or supervisor of his responsibility to act honestly in the best interests of the Company;
- (2) To approve the expropriation by a director or supervisor (for his own benefits or for the benefits of another person), in any way, of the Company's properties, including (but not limited to) any opportunities beneficial to the Company;
- (3) To approve the expropriation by a director or supervisor (for his own benefits or for the benefits of another person) of personal rights of other shareholders, including (but not limited to) rights to distributions and voting rights save pursuant to a restructuring submitted to shareholders for approval at a general meeting in accordance with the Articles of Association.

The controlling shareholders or actual controllers of the Company shall not use their connected relationships to harm the interests of the Company. These persons shall be liable for the compensation of any losses of the Company, if any, caused by such violation.

The controlling shareholders and actual controllers of the Company have a fiduciary obligation to the Company and to its public shareholders. The controlling shareholders shall exercise their rights as capital contributors in strict compliance with law. They shall not use profit distribution, asset restructuring, external investment, use of capital, loan guarantee or other methods to impair the legitimate rights and interests of the Company and of the public shareholders, or use their controlling position to harm the interests of the Company and public shareholders.

**Article 57** The term "controlling shareholder" referred to in the preceding provision means a person who satisfies any one of the following conditions:

- (1) a person who, acting alone or in concert with others, is entitled to elect more than half of the Board;
- (2) a person who, acting alone or in concert with others, is entitled to exercise or to control the exercise of more than 30% of the voting rights of the Company;

- (3) a person who, acting alone or in concert with others, holds more than 30% of the outstanding issued shares of the Company;
- (4) a person who, acting alone or in concert with others, has de facto control over the Company in any other manner(s).

For the purposes hereof, the term “de facto controller” means the persons, not being shareholders of the Company, who are able to exercise actual control over the acts of the Company through an investment relationship, agreement or other arrangements.

### **Chapter 8 General Meeting**

**Article 58** The general meeting shall be the organ of authority of the Company and shall exercise the functions and powers according to law.

Article 49 of  
the Mandatory  
Provisions

**Article 59** The general meeting shall exercise the following functions and powers:

Article 50 of  
the Mandatory  
Provisions,  
Article 41 of  
the Guidelines  
to Articles of  
Association

- (1) Decide the operational policy and investment plan of the Company;
- (2) Elect and replace directors who are not staff representatives. Make decisions on matters in relation to the remuneration of the relevant directors;
- (3) Elect and replace supervisors who are not staff representatives. Make decisions on matters in relation to the remuneration of the relevant supervisors;
- (4) Examine and approve the reports of the Board;
- (5) Examine and approve the reports of the supervisory committee;
- (6) Examine and approve the annual financial budgets and final accounting of the Company;
- (7) Examine and approve the profit distribution plan and loss compensation plan of the Company;
- (8) Decide on increasing or reducing the registered capital of the Company and acquiring its shares;
- (9) Decide on matters such as merger, division, dissolution, liquidation and changing the form of the Company;
- (10) Decide on the issuance of bonds and other securities by the Company or listing thereof;

- (11) Adopt resolutions on the appointment, dismissal or non-reappointment of accounting firms by the Company;
- (12) Amend this Articles of Association;
- (13) Examine motions raised by the shareholders who individually or together hold 3% or more of the Company's voting shares;
- (14) Examine and approve the guarantee issues which shall be passed at the general meeting as prescribed in this Articles of Association;
- (15) Examine matters relating to the purchases and sales of significant assets within one year exceeding 30% of the latest audited total assets of the Company;
- (16) Consider the matters regarding connected transactions to be decided at the general meeting as stipulated by the listing rules of the place where the shares of the Company are listed;
- (17) Examine and approve changes in use of proceeds;
- (18) Examine share incentive plans and employee shareholding plan;
- (19) Examine other matters to be decided at the general meeting as prescribed by the law, administrative regulations, departmental rules or this Articles of Association.

Matters which, in accordance with the provisions of the laws, administrative regulations and this Articles of Association, are required to be decided at the general meeting, shall be considered at the general meeting so as to protect the decision-making power of the shareholders of the Company on such matters. Under necessary and reasonable circumstances, the general meeting may authorize the Board to determine, within the scope of authorization granted by such general meeting, specific issues relating to matters which shall be resolved but cannot be decided upon immediately at such general meeting.

The annual general meeting of the Company may authorize the Board to approve the issuance of domestic shares with a total financing amount of not more than RMB300 million and not more than 20% of the net assets as at the end of the latest year to specific subscriber(s), and such authorization will expire on the date of the annual general meeting for the next year, subject to relevant laws and regulations, including the Hong Kong Listing Rules (if applicable).

An authorization to the Board by general meeting in relation to matters to be decided by ordinary resolutions shall be passed by shareholders (including their proxies) representing more than half of the voting rights present at the general meeting; an authorization to the Board in relation to matters to be decided by special resolutions shall be passed by shareholders (including their proxies) representing more than two-thirds of the voting rights present at the general meeting. The contents of the authorization shall be clear and specific.

**Article 60** The following external guarantees of the Company must be reviewed and passed at the general meeting:

- (1) Any subsequent guarantee in addition to the aggregate of all external guarantees provided by the Company or its controlled subsidiary with a total amount more than 50% of the Company's latest audited net assets;
- (2) Any subsequent guarantee in addition to the aggregate of all external guarantees provided by the Company with a total amount more than 30% of the Company's latest audited total assets;
- (3) Any guarantee provided by the Company to other companies, where the amount of guarantees within one year exceeds thirty percent of the latest audited net assets;
- (4) To provide guarantee to any person or entity with a gearing ratio in excess of 70%;
- (5) A single guarantee whose amount exceeds 10% of the latest audited net assets;
- (6) To provide guarantee for shareholders, de facto controllers and their related parties;
- (7) Other guarantees which shall be passed at the general meeting as prescribed by the local stock exchange where the Company's shares are listed and this Articles of Association.

When the general meeting is considering a motion to provide guarantee for any shareholder, de facto controllers or their respective related parties, the said shareholder or the shareholders controlled by the said de facto controllers shall be abstained from voting on the motion, and the approval of such motion shall be subject to exceeding half of the voting rights of the other attending shareholders.

**Article 61** The Company shall not, without prior approval by general meeting, enter into a contract to handover all or part of the management of important matters of the Company to a person other than to a director, supervisor, general manager, vice general manager(s) and other senior management.

**Article 62** The general meetings shall include annual general meetings and extraordinary general meetings. A general meeting shall be convened by the Board. Annual general meetings shall be convened once a year and shall be held within six (6) months from the end of the preceding financial year.

The Board shall convene an extraordinary general meeting within two (2) months upon the occurrence of any of the following circumstances:

- (1) The number of directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in this Articles of Association;

- (2) The losses of the Company that have not been made up reach one-third of the total share capital of the Company;
- (3) Shareholders who hold more than 10% of the shares of the issued voting Company require in writing an extraordinary general meeting to be convened;
- (4) Whenever the Board considers necessary or when the supervisory committee proposes a meeting;
- (5) Other circumstances prescribed by the laws, administrative regulations, departmental rules or this Articles of Association.

**Article 63** The venue of the general meeting shall be the domicile of the Company or the venue specified in the notice of the general meeting.

Article 45 of  
the Guidelines  
to Articles of  
Association

The Company shall set the meeting venue by way of on-site meetings. In addition, the Company will provide online and other means for the convenience of participation by the shareholders. Shareholders attending the general meeting via the abovementioned methods are considered to be present at such meeting. Online voting is not applicable to the holders of H shares.

**Article 64** When the Company holds a general meeting, it shall engage lawyers to provide legal opinions and prepare announcements on the following matters:

Article 46 of  
the Guidelines  
to Articles of  
Association

- (1) Whether the procedures for convening and holding the general meeting comply with the requirements of the relevant laws, administrative regulations, and this Articles of Association;
- (2) Whether the qualifications of the attendees and the convener are legally valid;
- (3) Whether the voting procedures and results of the general meeting are legally valid;
- (4) Provide legal opinion on any other matters as may be required by the Company.

**Article 65** When the Company convenes an annual general meeting, written notice of the meeting shall be given twenty (20) working days before the date of the meeting, and when the Company convenes an extraordinary general meeting, written notice of the meeting shall be given fifteen (15) days or ten (10) working days, whichever is longer, before the date of meeting. The written notice shall notify all shareholders whose names appear in the share register of the matters to be considered and the date and place of the meeting.

The “working days” in the preceding paragraph refers to the days on which the Hong Kong Stock Exchange is open for business for dealing in securities.

**Article 66** The contents of proposals shall fall within the scope of powers of the general meeting, have definite topics and specific matters to resolve, and conform to the Laws, administrative regulations and Articles of Association.

Article 53 of the Guidelines to Articles of Association

**Article 67** Whenever the Company convenes a general meeting, the Board, the supervisory committee and shareholder(s) individually or together holding more than 3% of the Company’s shares shall have the right to propose motions in writing to the Company. The Company shall place such proposed motions on the agenda of such meeting if they are matters falling within the functions and powers of general meetings.

Article 54 of the Mandatory Provisions, Article 102 of the Company Law, Article 54 of the Guidelines to Articles of Association

Shareholder(s) individually or together holding more than 3% of the Company’s shares shall have the right to propose an extempore motion ten (10) days prior to the general meeting by submitting the same to the convener in writing. The convener shall issue a supplemental notice of general meeting within two (2) days after receiving the proposed motion to notify other shareholders, and shall place such proposed motions on the agenda of such general meeting if they are matters falling within the functions and powers of general meetings and submit to the general meeting for consideration. Where required otherwise by the listing rules of the stock exchange where the Company’s shares are listed, such requirements shall be satisfied. Shareholders shall propose motions which meet the following requirements:

- (1) The content does not infringe the law, regulations and falls within the scope of the Company’s business and the functions and powers of general meetings;
- (2) With definite topics to discuss and specific matters to resolve; and
- (3) Is made in writing submitted or delivered to the Board.

**Article 68** A general meeting shall not decide on matters not specified in the notice.

**Article 69** Notice of the general meeting shall meet the following requirements:

- (1) Be made in writing;
- (2) Specify the place, date and time of the meeting;
- (3) Specify the matters to be deliberated at the meeting;
- (4) Specify the record date for the entitlement of the shareholders to attend the general meeting;
- (5) Provide to the shareholders of the information and explanations as necessary for the shareholders to make sound decisions about the matters to be deliberated. This principle includes, but not limited to, the provision of the specific terms and contract(s), if any, of the proposed transaction(s) and sincere explanations about related causes and effects when the Company proposes merger, repurchase of shares, restructuring of share capital or other restructuring;
- (6) In the event that any of the directors, supervisors, general managers, vice general manager(s) or other senior management has material interests in matters to be deliberated, the nature and extent of the interests shall be disclosed. If the matters to be deliberated affect any director, supervisor, general manager, vice general manager(s) or other senior management as a shareholder in a manner different from how they affect other shareholders of the same class, the difference shall be explained;
- (7) Contain the full text of any special resolution to be proposed for adoption at the meeting;

Article 56 of  
the Mandatory  
Provisions,  
Article 56 of  
the Guidelines  
to Articles of  
Association



- (8) Contain a conspicuous statement indicating that a shareholder who is entitled to attend and vote at the general meeting may appoint one or more proxies to attend and vote at the meeting on his or her behalf and that such proxies are not necessarily be shareholders;
- (9) Specify delivery time and place of the power of attorney for proxy voting at the meeting;
- (10) Specify the name and telephone number of the contact person for the meeting ;
- (11) Specify the voting time and voting procedure for voting on the network or otherwise.

Any notice and supplementary notice of general meetings shall sufficiently and completely disclose all contents of all motions in full. If any matter to be discussed requires opinions of the independent directors, the opinions and reasons of the independent directors shall be disclosed together with the issuance of such notice.

**Article 70** Where the election of directors and supervisors are scheduled to be discussed at a general meeting, the notice of the general meeting shall sufficiently disclose the detailed information about the director and supervisor candidate(s), including at least the following contents:

Article 57 of the Guidelines to Articles of Association

- (1) personal information including education background, working experience and part-time job;
- (2) whether he is connected with the Company or its controlling shareholders and actual controller;
- (3) his shareholding in the Company;
- (4) whether he has received any punishment from the CSRC and other relevant authorities and any penalty and warning from the stock exchange.

Except the election of directors and supervisors by means of cumulative voting, election of every director and supervisor candidate shall be conducted by separate resolution.

**Article 71** Unless otherwise required by the relevant laws, regulations, the listing rules of the stock exchange where the Company's shares are listed and this Articles of Association, notice of general meeting shall be served to any shareholder (whether has voting right on general meeting or not) either by hand or by post in a prepaid mail, addressed to such shareholder at his registered address as shown in the register of members, or by publication on the Company's website or other means as required by this Articles of Association. For holders of domestic shares, the notice of a general meeting may also be given by public announcement.

Articles 57 and 58 of the Mandatory Provisions, Article 170 of the Guidelines to Articles of Association

The public announcement referred to in the preceding paragraph shall be published on the media that meets the conditions prescribed by the securities regulatory authority under the State Council before holding of the meeting. Once the announcement is published, all holders of domestic shares shall be deemed to have received the notice of the relevant general meeting.

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

**Article 72** After the notice of the general meeting is issued, the general meeting shall not be postponed or cancelled, and the motions set out in such notice shall not be cancelled without valid reasons. Where a general meeting has to be postponed or cancelled, the convener shall publish a public announcement at least 2 working days before the original date of the general meeting and state the relevant reasons.

Article 58 of the Guidelines to Articles of Association

**Article 73** The Board and other convener shall take necessary measures to ensure the good order of the general meeting, take measures to deter any act disturbing the meeting, picking quarrels and provoking troubles or infringing the lawful rights and interests of any shareholder, and shall report in a timely manner such act to the relevant authority for investigation and punishment.

Article 59 of the Guidelines to Articles of Association

**Article 74** All ordinary shareholders or their authorized proxies in the register of shareholders on the share registration date shall have the right to attend the general meeting and exercise their voting rights in accordance with relevant laws, regulations and this Articles of Association. A shareholder may attend and vote either personally or by proxy at a general meeting of shareholders.

Article 59 of the Mandatory Provisions, Article 60 of the Guidelines to Articles of Association

Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one (1) or more persons (who may not be a shareholder) as his proxies to attend and vote on his behalf. Such proxies may exercise the following rights as entrusted by the shareholder:

- (1) The shareholder’s right to speak at the general meeting;
- (2) The right to demand by himself or jointly with others, to make a resolution by voting;
- (3) Unless otherwise provided in the applicable listing rules or other securities laws and regulations, the right to vote may be exercised either by a show of hands or on a poll, except that if a shareholder has appointed more than one (1) proxy, such proxies may only exercise their voting rights on a poll.

**Article 75** The instrument appointing a proxy shall be in writing under the hand of the appointing shareholder or his duly authorized proxy in writing; where the appointing shareholder is a legal entity, such instrument shall be under its seal or under the hand of its director or duly authorized proxy. Such instrument shall contain:

1. Name of the proxy;
2. Whether the proxy has voting rights;
3. Indication of consent, objection or abstention concerning each proposal on the shareholders' general meeting agenda;
4. Date of signing of the authorization letter and validity period;
5. Signature (or chop) of the appointing shareholder. If the appointing shareholder is a corporate shareholder, it should add the chop of the legal person.

**Article 76** The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting 24 hours before the convening of the relevant meeting at which the proxy is authorized to vote or 24 hours before the designated time of voting. Where the instrument is signed by another person authorized by the entrusting party, the authorization letter or other document authorizing the signatory shall be notarized. The notarized authorization letter or other authorization document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

If the entrusting party is a legal entity, its legal representative or any representative authorized by the Board or by other decision-making body shall attend the general meeting of the Company on its behalf.

If a shareholder is a recognized clearing house or its agent, it may authorize one or more proxy(ies) as it thinks fit to act as its proxy(ies) at any general meeting or any class meeting. However, if more than one (1) proxies are appointed, the power of attorney shall specify the number and class of shares represented by each of such persons under the authorization, and signed by authorized persons of recognized clearing house. Such authorized persons may attend meeting on behalf of the recognized clearing house or its agent (without presentation of evidence of its shareholding, notarized authorization and/or any further proof demonstrating the duly granting of the same) and exercise the right of the recognized clearing house or its agent, as if they were individual shareholders of the Company.

**Article 77** Any form issued by the Board of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast vote in favor of or against on each resolution and enable the shareholders to give separate instructions on each matter to be voted at the meeting. The proxy form shall state that if the shareholder does not give instructions, the proxy shall vote at his own discretion.

Article 62 of the Mandatory Provisions, Articles 61 and 63 of the Guidelines to Articles of Association

An individual shareholder who attends the general meeting in person shall produce his identification documents or other valid document or certificate which can prove his identity and his stock account card. Where a proxy is appointed to attend the meeting, the proxy shall produce his own identification documents and the proxy form.

A legal person shareholder shall attend the meeting by its authorized representative or the attorney as appointed by such authorized representative. An authorized representative who attends the general meeting in person shall produce his identification documents, valid certificate which can prove his identity. Where an attorney is appointed to attend the meeting, the attorney shall produce his own identification documents and the relevant power of attorney executed by such authorized representative pursuant to the laws.

**Article 78** Where the entrusting party has deceased, incapacitated to act, withdrawn the appointment or the signed power of attorney, or the relevant shares have been transferred prior to the voting, a vote given in accordance with the instrument of proxy shall remain valid as long as the Company did not receive a written notice of the event before the commencement of the relevant meeting.

Article 63 of the Mandatory Provisions

**Article 79** The Company shall prepare a log book to record the parties attending the general meeting. The log book shall set out the name of the person or unit attending the meeting, their identification document numbers, resident address, the number of voting shares they have and the name of the principals or unit.

Article 65 of the Guidelines to Articles of Association

**Article 80** The convener and the legal advisers retained by the Company shall jointly verify the eligibility of the shareholders to vote based on the Company's shareholder register provided by the securities registration and clearing authority and shall register the name of the shareholders together with the numbers of voting shares they have. Registration shall come to a close before the chairman of the meeting announces the number of shareholders and proxies physically present at the meeting as well as the total number of voting shares represented by the shareholders who are entitled to vote.

Article 66 of the Guidelines to Articles of Association

**Article 81** All directors, supervisors and the Secretary to the Board shall be present at general meetings, and the managers and other senior management members shall be in attendance at the meetings.

Article 67 of the Guidelines to Articles of Association

**Article 82** The Company shall formulate the rules of procedures for general meetings, which stipulate procedures for convening general meetings and voting procedures, including the notice, registration, consideration of proposed motions, voting, vote counting, announcement of voting results, formation of meeting resolutions, keeping and signing of meeting minutes, and announcement, as well as the authorization principle by the general meetings to the Board and the specific powers so authorized. The rules of procedures for general meetings shall constitute an appendix to the Article of Association, which shall be proposed by the Board and approved by the general meeting.

Article 69 of the Guidelines to Articles of Association

**Article 83** At the annual general meeting, the Board and the supervisory committee shall make report on their works in the past year to the general meeting. Each independent director shall also make work report.

Article 70 of the Guidelines to Articles of Association

**Article 84** The directors, supervisors and senior management members shall make explanation and interpretation on the inquiry and suggestions of the shareholders at the general meeting.

Article 71 of the Guidelines to Articles of Association

**Article 85** The meeting presider shall declare the number of shareholders and proxies present and the total number of shares with voting rights they hold before voting. To determine the number of shareholders and proxies present and the total number of shares with voting rights they hold, the meeting register shall prevail.

Article 72 of the Guidelines to Articles of Association

**Article 86** The conveners shall ensure the continuation of the general meeting, till the final resolution is made. If the general meeting is suspended or the resolution cannot be made due to force majeure or other special cause, necessary measures shall be taken to restore the general meeting or directly terminate the general meeting, and public announcement shall be made in time. Meanwhile, the convener shall report to the local office of the CSRC at the place where the Company is situated and the relevant stock exchange.

Article 75 of the Guidelines to Articles of Association

**Article 87** Resolutions of the general meeting include ordinary resolutions and special resolutions.

Article 64 of the Mandatory Provisions, Article 103 of the Company Law, Article 76 of the Guidelines to Articles of Association

Ordinary resolution at a general meeting shall be passed by exceeding half of the voting rights held by shareholders (including their proxies) attending the general meeting.

Special resolution at a general meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.

**Article 88** Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting. When shareholders (including proxies) vote at the general meeting, they shall exercise their voting rights according to the number of voting shares that they represent. Each share shall carry one voting right.

Article 65 of the Mandatory Provisions, Rule 14 of Appendix 3 to the Hong Kong Listing Rules, Articles 79 and 80 of the Guidelines to Articles of Association

When material issues affecting the interests of small and medium investors are being considered at the general meeting, the votes of such investors shall be counted separately. The separate counting results shall be promptly and publicly disclosed.

Shareholders who purchase the voting shares of the Company in violation of Clause 1 and Clause 2 of Article 63 of the Securities Law shall not exercise the voting right of the shares that exceed the prescribed ratio within 36 months after purchasing them, and such number shall not be counted in the total number of voting shares represented by shareholders attending a general meeting.

The Board, independent directors and shareholders holding 1% or more shares with voting rights or investor protection agencies established pursuant to laws, administrative regulations or the provisions of CSRC may publicly solicit voting rights from the shareholders. When soliciting voting rights from the shareholders, information such as specific voting intentions should be fully disclosed to the shareholders being solicited. Soliciting voting rights from the shareholders with compensation or disguised compensation is prohibited. Save for statutory conditions, the Company shall not set a lowest shareholding percentage when soliciting the shareholder voting rights.

When considering related transactions during the general meeting, the related shareholders must not participate in the voting, and the number of shares with voting rights represented by him/ her shall not be included in the total number of valid votes. The announcement on the resolutions shall fully disclose the voting of the non-related shareholders.

In accordance with the applicable laws, regulations and listing rules of the stock exchange at the location where the Company’s shares are listed, where any shareholder is required to abstain from voting on any particular resolution, or is restricted to vote only for or against such resolution, any votes in violation of such requirement or restriction by the shareholders (or their proxies) shall not be counted.

**Article 89** Voting at the general meeting shall be conducted by poll with registration.

Article 86 of the Guidelines to Articles of Association Article 89 of the Guidelines to Articles of Association

**Article 90** Shareholders who attend the general meeting shall take one of the following stances when a proposal is put forward for voting: for, against or abstain, except for the securities registration and settlement institutions which, being the nominal holders of shares under Stock Connect between the Mainland and Hong Kong, shall make declarations according to the intentions of the beneficial holders.

For voters whose voting slips are left blank, incorrectly completed, illegible or without vote casting, he shall be deemed to have waived his voting rights, and the votes in respect of the number of shares held by him shall be counted as “abstain”.

**Article 91** A resolution put to vote at the general meeting of the Company shall be decided on a poll, save that the chairman of the meeting, may in good faith, allow a resolution which relates purely to a procedural or administrative issue to be decided on a show of hands, subject to compliance with the Hong Kong Listing Rules.

Article 66 of the Mandatory Provisions, Rule 13.39(4) of the Hong Kong Listing Rules

**Article 92** Where a resolution is voted by a show of hands as permitted under the Hong Kong Listing Rules, a declaration by the chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

Article 66 of the Mandatory Provisions

**Article 93** A poll demanded on the election of the chairman of the meeting, or on adjournment of the meeting, shall be taken forthwith. A poll demanded on any other issues shall be taken at such time as the chairman of the meeting directs, and any matter other than that upon which a poll has been demanded may proceed with, pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

Article 67 of the Mandatory Provisions

**Article 94** When a poll is taken at a meeting, a shareholder (including his proxy) who has the right to two (2) or more votes need not cast all his votes in the same way.

Article 68 of the Mandatory Provisions

Resolutions shall be voted one by one by a poll at a general meeting.

**Article 95** When the number of votes for and against a resolution is equal, whether the vote is taken by a show of hands or on a poll, the chairman of the meeting shall be entitled to one additional vote.

Article 69 of the Mandatory Provisions

**Article 96** The following matters shall be resolved by way of ordinary resolutions at a general meeting:

Article 70 of the Mandatory Provisions, Article 77 of the Guidelines to Articles of Association

- (1) Work reports of the Board and the supervisory committee;
- (2) Profit distribution plan and loss make-up plan formulated by the Board;
- (3) Appointment or dismissal of the members of the Board and the members of the supervisory committee and their remuneration and payment methods thereof;
- (4) Annual preliminary and final budgets, balance sheet, profit statement and other financial statements of the Company;
- (5) Matters other than those requiring approval by special resolutions in accordance with the laws, administrative regulations, the requirements of the stock exchange on which our shares are listed or this Articles of Association.



**Article 97** The following matters shall be resolved by way of special resolutions at a general meeting:

- (1) Increase or reduction of the share capital, repurchase of the shares of the Company and issue of shares of any class, stock warrants or other similar securities of the Company;
- (2) Issuance of corporate bonds;
- (3) Division, spin-off, merger, dissolution and liquidation, voluntary winding-up or change in the form of the Company;
- (4) Amendments to this Articles of Association;
- (5) Any purchase or disposal of substantial assets made or guarantee provided by the Company within one (1) year, the amount of which exceeds 30% of the total assets as presented in the latest audited consolidated financial statements of the Company;
- (6) Share incentive scheme;
- (7) Any other matters as required by the laws, administrative regulations, listing rules of the stock exchange where the Company's shares are listed or this Articles of Association and matters which, if resolved by way of an ordinary resolution at general meeting, will have a material impact on the Company and need be adopted by way of special resolutions.

The resolution on spin-off and listing of its subsidiaries, in addition to being required to be passed by more than two-thirds of voting rights held by shareholders present at the general meeting, requires also the approval of more than two-thirds of voting rights held by other shareholders present at the meeting excluding the Company's directors, supervisors, senior management and shareholders who individually or collectively hold more than 5% of the Company's shares.

**Article 98** Independent directors are entitled to propose to the Board to convene extraordinary general meetings. Concerning the above request, the Board shall, in accordance with the requirements of laws, administrative regulations and this Articles of Association, response in writing as to whether or not it agrees to convene an extraordinary general meeting within 10 days upon receipt of such proposal. If the Board agrees to convene an extraordinary general meeting, a notice of such meeting shall be dispatched within 5 days after the resolution has been adopted by the Board. If the Board refuses to hold an extraordinary meeting, it shall publicly announce the reasons.

**Article 99** The supervisory committee is entitled to propose to the Board to convene an extraordinary general meeting in writing. The Board shall, in accordance with laws, administrative regulations and this Articles of Association, response in writing as to whether or not it agrees to convene an extraordinary general meeting within 10 days upon receipt of such proposal. If the Board agrees to convene an extraordinary general meeting, a notice of such meeting shall be dispatched within 5 days after the resolution has been adopted by the Board. Changes made to the original proposal in the notice shall be approved by the supervisory committee.

Article 71 of the Mandatory Provisions  
Article 78 of the Guidelines to Articles of Association, Rule 21 of Appendix 3 to the Hong Kong Listing Rules

Article 47 of the Guidelines to Articles of Association

Article 48 of the Guidelines to Articles of Association



If the Board refuses to hold an extraordinary general meeting, or gives no response within 10 days upon receipt of such proposal, the Board shall be deemed to be unable or to have failed to perform its duties and responsibilities of convening the general meeting, and the supervisory committee may hold and preside over such meeting by itself.

**Article 100** Shareholders who individually or in aggregate hold more than 10% of the shares carrying the right to vote at the meeting sought to be held requesting the convening of an extraordinary general meeting or a meeting of shareholders of different classes shall proceed in accordance with the procedures set forth below:

Article 72 of  
the Mandatory  
Provisions  
Article 49 of  
the Guidelines  
to Articles of  
Association

- (1) Two or more shareholders holding a total of more than 10% of the shares carrying the right to vote at the meeting sought to be held may sign one or more written requests of identical form and substance requesting the Board to convene an extraordinary general meeting or a class meeting and stating the subject of the meeting. The Board shall make a written response as to whether or not it agrees to hold the extraordinary general meeting or the class meeting within ten (10) days after having received the above-mentioned written request. The shareholding referred to above shall be calculated as of the date on which the written request is made by shareholder(s).
- (2) If the Board agrees to convene the extraordinary general meeting or the class meeting, it shall issue the notice of the extraordinary general meeting or the class meeting in 5 days after making the resolution of the Board. If there is any change to the original proposal in the notice, it shall be approved by the relevant shareholder.
- (3) If the Board disapproves the proposal to convene the extraordinary general meeting or the class meeting, or fails to provide a response in 10 days after receiving the request, shareholders shall be entitled to propose to the supervisory committee in writing for the purpose of convening the extraordinary general meeting or the class meeting.
- (4) If the supervisory committee approves the convening of the extraordinary general meeting or the class meeting, it shall issue a notice thereof within 5 days of receipt of said request, provided that any changes made in such notice to the original proposal shall be subject to prior consent from the relevant shareholder.

- (5) If no notice is issued by the supervisory committee of the extraordinary general meeting or the class meeting within the stipulated period, the supervisory committee shall be deemed to have failed to convene and chair the general meeting, in which case the shareholder(s) individually or jointly holding more than 10% of the Company's shares for consecutive 90 days may convene and chair such meeting on their own. The procedures according to which they convene such meeting shall, to the extent possible, be identical to the procedures according to which general meetings are to be convened by the Board. The shareholding proportion of the convening shareholders before the announcement of the resolutions passed at the shareholders' general meeting shall not be under 10%.

**Article 101** In the event that the supervisory committee or shareholders convenes a general meeting by themselves, they shall notify the Board in writing and lodge a filing with the stock exchange(s).

Article 73 of  
the Mandatory  
Provisions,  
Article 50 of  
the Guidelines  
to Articles of  
Association

The supervisory committee or convening shareholders shall submit the relevant evidentiary materials to the stock exchange(s) when the notice of shareholders' general meeting and the announcement of the resolutions passed at the shareholders' general meeting are issued.

The Board and the secretary to the Board shall cooperate with regard to such meeting and the Board shall provide the register of members as of the record day.

All necessary expenses for the meeting convened by shareholders or the supervisory committee shall be borne by the Company and shall be set off against sums owed by the Company to the directors in default.

**Article 102** A general meeting shall be convened by the Board, and presided over and chaired by the chairman of the Board. If the chairman is unable to attend the meeting for reasons, the Board may designate a director to convene and take the chair of the meeting in his stead. If no chairman of the meeting has been designated, shareholders present shall choose one (1) person to be the chairman of the meeting. Where the shareholders fail to elect a chairman for any reasons, the shareholder (including his proxy) presents in person or by proxy who holds the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.

Article 73 of  
the Mandatory  
Provisions  
Article 102 of  
the Company  
Law, Article  
68 of the  
Guidelines  
to Articles of  
Association

If a general meeting is convened by the supervisory committee, the chairman of the supervisory committee shall preside over the meeting. If the chairman of the supervisory committee is unable to or will not discharge his duties, more than half of the supervisors shall nominate a supervisor to preside over the meeting.

If a general meeting is convened by the shareholders themselves, the convener will nominate a representative to conduct the meeting.

In a general meeting, if the chairman of the meeting contravenes the meeting procedures, making the meeting impossible to proceed, with consent from exceeding half of the attendant shareholders with voting rights, the shareholders may nominate one person to serve as the chairman of the meeting and continue with the meeting.

**Article 103** The list of candidates for directors and supervisors shall be submitted to general meetings for voting by way of a motion.

Article 105 of the Company Law, Articles 82 and 83 of the Guidelines to Articles of Association

When a voting is made on the election of directors or supervisors at a general meeting, the cumulative voting system may be adopted in accordance with the provisions of this Articles of Association or the resolutions of the general meeting.

The “cumulative voting system” as mentioned in the preceding paragraph means that each share shall have the same voting right as the number of directors or supervisors to be elected, and the voting right held by the shareholders may be used collectively when the directors or supervisors are elected at the general meeting. The Board shall simultaneously provide shareholders with the biographical details and basic information about the candidates for directors and supervisors.

Save and except for the cumulative voting system, the general meeting shall vote on all motions item by item, and shall vote on the motions in time sequence when various proposals are put forward for a single matter. Unless the general meeting is adjourned or is prevented from making resolutions due to force majeure or other extraordinary reasons, the general meeting shall not delay in voting on, or fail to vote on any proposal.

**Article 104** Proposals shall not be modified when being reviewed by the general meeting. Otherwise, any modification shall be deemed to be a new proposal and shall not be put to vote at such general meeting.

Article 84 of the Guidelines to Articles of Association

**Article 105** One single vote may be cast only once by using one single method of voting, being on-site voting, or online voting, or another method of voting. If one single vote has been cast multiple times, the vote of the first time shall govern.

Article 85 of the Guidelines to Articles of Association

**Article 106** Before the general meeting votes on a proposal, two shareholders shall be elected as representatives to join in the vote calculation and supervision. Where any matter to be reviewed has shown connected relationship with any shareholder, such shareholder and its proxy shall not join in the vote calculation and supervision.

Article 87 of the Guidelines to Articles of Association

When the general meeting votes on a proposal, the lawyers, shareholders’ representatives and supervisors’ representatives shall jointly take charge of vote calculation and supervision and announce the voting results on site. The voting results of the resolutions shall be recorded in the minutes of the meeting.

Shareholders or their proxies who vote online or by means of another method shall have the right to inspect and verify their own voting results through the relevant voting system.

**Article 107** The conclusion time of the on-site general meeting shall not occur earlier than its counterpart in the online form or in another form; and the chairman of the meeting shall announce the particulars and result of the votes cast on each proposal and declare, on the basis of such voting results, if the relevant proposal(s) have been passed.

Article 88 of the Guidelines to Articles of Association

Until the formal announcement of the voting results, the companies, vote counters, scrutineers, substantial shareholders, internet service providers and other related parties involved in the on-site, online and other voting methods are obligated to maintain in confidence the particulars of the vote.

**Article 108** If the chairman of the meeting has any doubts about the voting result of a resolution, he may count the number of votes cast. If the chairman of the meeting fails to count the votes, a shareholder or proxy attending the meeting who dissent from the result announced by the chairman of the meeting shall be entitled to request counting of votes immediately after such announcement, in which case the chairman of the meeting shall immediately count the votes.

Article 75 of the Mandatory Provisions, Article 90 of the Guidelines to Articles of Association

**Article 109** Minutes of the general meeting shall be taken by the secretary of the Board. The minutes shall state the following contents:

Article 107 of the Company Law, Article 76 of the Mandatory Provisions, Articles 73 and 74 of the Guidelines to Articles of Association

- (1) Time, venue and agenda of the meeting and name or title of the convener;
- (2) The name of the chairman of the meeting and the names of the directors, supervisors, managers and other senior management attending or present at the meeting;
- (3) The numbers of shareholders and proxies attending the meeting, number of voting shares they represent and the percentages of the voting shares held by them to the total number of shares of the Company;
- (4) The process of review and discussion, summary of any speech and voting results of each proposal;
- (5) Shareholders’ questions, opinions or suggestions and corresponding answers or explanations;

- (6) Names of the lawyers, the vote-counter and the scrutineer(s);
- (7) The contents to be included as specified in this Articles of Association.

If counting of votes is held at a general meeting, the result of the counting shall be recorded in the minutes of meeting.

The minutes of meeting and the attendance record of attendants signed by the attending shareholders and proxies together with authorization letters shall be kept at the Company's domicile.

The convener shall warrant that the contents of the minutes are true, accurate and complete. The directors, supervisors, secretary of the Board, convener or their representatives and the presider of the meeting shall sign the minutes. The minutes shall be kept together with the signature register of shareholders attending the meeting in person and proxy forms and valid materials relating to voting through internet or otherwise for a period of not less than 10 years.

**Article 110** The resolution made at the general meeting shall be announced betimes. The number of shareholders and their proxies attending the meeting, the total number of voting shares in their possession, the proportion of their voting shares in the total voting shares of the Company, the voting mode, the voting result of each motion, and the details of each approved resolution shall be specified in the announcement.

Article 91 of the Guidelines to Articles of Association

**Article 111** If the motion is not approved or the resolution made at the previous general meeting is amended at that meeting, the special prompt shall be provided in the announcement of general meeting's resolution.

Article 92 of the Guidelines to Articles of Association

**Article 112** Where a resolution relating to the distribution of cash dividends, the issue of bonus shares or the increase in share capital by way of a conversion of the capital reserve has been passed by the general meeting, the Company shall implement such resolution within 2 months of the conclusion of the general meeting.

Article 94 of the Guidelines to Articles of Association

**Article 113** Shareholders may examine photocopies of the minutes of meetings during the Company's office hours free of charge. If any shareholder requests for a photocopy of the relevant minutes of meetings, the Company shall send such photocopies within seven (7) days upon receipt of payment of reasonable charges.

Article 77 of the Mandatory Provisions

## Chapter 9 Special Procedures for Voting by Class Shareholders

**Article 114** Shareholders who hold different classes of shares are class shareholders.

Article 78 of  
the Mandatory  
Provisions

Class shareholders shall enjoy rights and undertake obligations in accordance with the laws, administrative regulations and this Articles of Association.

**Article 115** The Company shall not proceed to change or abrogate the class shareholders' rights unless such change or abrogation has been approved by way of a special resolution at the general meeting and by a separate class meeting of the affected class shareholders in accordance with Article 117 to 121 of this Articles of Association.

Article 79 of  
the Mandatory  
Provisions, Rule  
15 of Appendix  
3 to the Hong  
Kong Listing  
Rules

Upon approval by the securities regulatory authorities under the State Council, transfer by the Company's shareholders of domestic shares of their shares to overseas investors for listing and trading overseas, or the conversion of domestic shares into foreign shares for listing and trading overseas, shall not be deemed as change or abrogation of the rights of class shareholders.

**Article 116** The rights of shareholders of a certain class shall be deemed to have been changed or abrogated in the following circumstances:

Article 80 of  
the Mandatory  
Provisions

- (1) An increase or decrease in the number of shares of such class or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (2) A conversion of all or part of the shares of such class into shares of another class, a conversion of all or part of the shares of another class into shares of such class or the grant of the right to such change;
- (3) A removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;
- (4) A reduction or removal of a dividend preference or property distribution preference during liquidation of the Company, attached to shares of such class;

- (5) An addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights to rights issues or rights to acquire securities of the Company attached to shares of such class;
- (6) A removal or reduction of rights to receive amounts payable by the Company in a particular currency attached to shares of such class;
- (7) A creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;
- (8) An imposition of restrictions or additional restrictions on the transfer of ownership of shares of such class;
- (9) An issuance of rights to subscribe for, or convert into, shares of such class or another class;
- (10) An increase in the rights and privileges of shares of another class;
- (11) Restructuring of the Company which causes shareholders of different classes to bear liability to different extents during the restructuring;
- (12) Any amendment or cancellation of the provisions of this section.

**Article 117** Shareholders of the affected class, whether or not having the right to vote at general meeting, shall have the right to vote at class meetings in respect of matters referred to in paragraphs (2) to (8) and (11) to (12) in Article 116, except that interested shareholders shall not vote at class meetings.

Article 81 of  
the Mandatory  
Provisions

The term “interested shareholders” in the preceding paragraph shall have the following meanings:

- (1) If the Company has made a tender offer to all shareholders in the same proportion or has bought back its own shares through open market transactions on a stock exchange in accordance with Article 29 hereof, the controlling shareholders as defined in Article 57 in this Articles of Association shall be “interested shareholders”;
- (2) If the Company has bought back its own shares by an agreement outside of a stock exchange in accordance with Article 29 hereof, holders of shares in relation to such agreement shall be “interested shareholders”;

- (3) Under a restructuring proposal of the Company, shareholders who will bear liability in a proportion smaller than that of the liability borne by other shareholders of the same class, or shareholders who have an interest in a restructuring proposal of the Company that is different from the interest in such restructuring proposal of other shareholders of the same class shall be “interested shareholders”.

**Article 118** Resolutions of a class meeting may be passed only by more than two-thirds of the voting rights of that class represented at the meeting in accordance with Article 117.

Article 82 of  
the Mandatory  
Provisions

**Article 119** When the Company is to hold a class meeting, it shall issue a written notice with reference to the requirements of Article 65 of the Articles of Association on the notice period for convening a general meeting, informing all the registered shareholders of that class of the matters to be considered at the meeting as well as the date and place of the meeting.

**Article 120** The notice of class meeting of shareholders shall be delivered only to the shareholders entitled to vote thereat.

Article 84 of  
the Mandatory  
Provisions

The procedure for a class meeting shall, to the extent possible, be identical with the procedure for a general meeting. Provisions of this Articles of Association relevant to the procedure for the holding of a general meeting shall be applicable to a class meeting.

**Article 121** In addition to holders of other classes of shares, holders of domestic shares and overseas-listed foreign shares are deemed to be different classes of shareholders.

Article 85 of  
the Mandatory  
Provisions,  
Paragraph f of  
section 1 of Part  
D of Appendix  
13 to the Hong  
Kong Listing  
Rules

The special procedure for voting by class shareholders shall not apply under the following circumstances:

- (1) Where the Company issues domestic shares and overseas-listed foreign shares, upon approval by a special resolution of its shareholders at a general meeting, either separately or concurrently once every 12 months, not exceeding 20% of each of the existing issued domestic shares and overseas-listed foreign shares of the Company;



- (2) Where the Company's plan to issue domestic shares and overseas-listed foreign shares upon its incorporation is implemented within 15 months from the date of approval by the securities regulatory authorities under the State Council; or
- (3) Where with the approval by the securities regulatory authorities of the State Council the shareholders who hold the unlisted shares of the Company cause these shares held by them to be listed and traded on an overseas stock exchange.

## **Chapter 10 Board of Directors**

**Article 122** The Company shall set up a board of directors. The Board shall consist of 5 to 19 directors with one (1) chairman but no vice chairman. Of which, external directors (hereinafter referred to directors who do not hold any office within the Company) shall represent at least one half of the total number of directors of the Board and independent non-executive directors shall represent at least one-third of the total number of directors and shall have at least three (3) members.

Article 86 of the Mandatory Provisions, Article 106 of the Guidelines to Articles of Association

**Article 123** Directors shall be elected or replaced at the general meeting and may be removed before the expiry of the term at the general meeting. Every term of a director is three (3) years, and upon expiry of the term, a director shall be eligible for re-election and re-appointment.

Article 87 of the Mandatory Provisions, Paragraph 4(3) of Appendix 3 to the Hong Kong Listing Rules, Articles 96, 99, 100 and 104 of the Guidelines to Articles of Association, Article 45 of the Company Law

The term of office of a director commences from the date he takes up the appointment, until the current term of office of board of directors expires. If the term of office of a director expires but re-election is not made forthwith, the resigning director shall continue to carry out his duties in accordance with the laws, administrative regulations, department regulations and this Articles of Association before the elected director takes office.

Managers or other senior management may serve concurrently as directors. However, the total number of directors serving the office of manager or other senior management concurrently and staff representative holding the office of director shall not exceed half of the total number of directors of the Company.

Directors candidates shall be nominated by the Board, the supervisory committee or the shareholders who hold nomination right and elected by the general meeting. The written notice of the intention to propose a candidate for election as a director, and the notice of acceptance by such candidate of his willingness to be nominated shall be served to the Company no less than seven (7) days prior to the date of convening the meeting. Such seven-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which such election shall be conducted and end no later than seven (7) days prior to the convening of the general meeting. The Company will fully disclose the biographical details, reasons for election and views of candidates on nomination in the notice of general meeting.

The chairman shall be elected or dismissed by exceeding half of all directors. Every term of the chairman is three (3) years. Upon expiry of the term, the chairman shall be eligible for re-election and re-appointment.

Subject to the compliance with the relevant laws and administrative regulations, the general meeting may by ordinary resolution remove any director before the expiration of his term of office without prejudice to the director's right as provided in any contracts to claim for damages arising from his removal.

If any director fails to attend in person or entrust other directors as his representative to attend meetings of the Board for two consecutive times, such director shall be deemed to have failed to perform his duties, and the Board or the supervisory committee shall propose to replace such director at the general meeting.

Prior to the expiry of the term of office of a director, a new director shall be elected on a timely basis at a general meeting. If the term of office of a director expires but re-election is not made forthwith, or the number of the directors fall below the minimum requirement as stipulated by this Articles of Association due to a director's resignation, the resigning director shall continue to carry out his duties in accordance with the laws, regulations and this Articles of Association before the elected director takes office.

A director may resign before expiry of his term of service. When a director resigns, he shall submit a written resignation notice to the Board. The Board will disclose the relevant information within two days.

Save for the circumstances in relation to the number of directors is less than the minimum requirement as required by law due to a director's resignation as referred to in this articles, the director's resignation takes effect upon delivery of his resignation report to the Board. If the number of the directors of the Board falls below the quorum as a result of any resignation, such resignation shall not become effective until the vacancy resulting from such resignation is filled up by a succeeding director. The remaining directors shall convene an extraordinary general meeting as soon as possible to elect a director to fill the vacancy caused by the said resignation. Such newly elected director or any person appointed as an additional director to the Board, shall have a term of office commencing from the date on which he is elected until the expiry of the term of the current session of the Board, and shall then be eligible for re-election at the meeting.

Independent directors of the Company shall have the requisite professional knowledge and experience, and shall be able to represent the benefits of all shareholders. At least one independent director shall ordinarily reside in Hong Kong.

Independent directors shall have the sufficient time and requisite knowledge and capabilities to perform their duties. The Company shall be responsible to provide necessary information to the independent directors for performing their duties. Of which, independent directors may directly report to the general meeting, the China Securities Regulatory Commission and other relevant authorities. Save as stipulated otherwise in this section, the requirement of a director’s qualification and duties under Chapter 14 of this Articles of Association is applicable to independent directors. The term of independent directors of the Company shall not exceed 6 years on a consecutive basis, unless otherwise provided by the law, regulations and listing rules of the stock exchange at the location where the Company’s share are listed.

A director is not required to hold any shares in the Company.

**Article 124** Where the resign of a director takes effect or the term of office of a director comes to expiration, the director shall conduct all the handover procedures with the Board. The director is still not free from the duty of loyalty to the Company and shareholders, which will not be certainly lifted upon the expiration of the term and remains effective during the reasonable period specified in this Articles of Association.

Article 101 of the Guidelines to Articles of Association

**Article 125** Any director shall not act in his own name on behalf of the Company or the Board, without the legitimate authorization of this Articles of Association or the Board. Where a director acts in his own name, in case the third party shall reasonably believe he is on behalf of the Company or the Board, the director shall state his position and identity in advance.

Article 102 of the Guidelines to Articles of Association

**Article 126** Where a director violates laws, administrative regulations, department regulations or this Articles of Association in performance of his duties to the Company, and thus causes losses to the Company, he or she shall be liable for compensation.

Article 103 of the Guidelines to Articles of Association, Article 149 of the Company Law

**Article 127** Independent non-executive directors are directors who do not hold any position in the Company other than as director, member or chairman of the special committee of the Board and do not maintain with the Company or its substantial shareholders a connection which may possibly hamper their independent and objective judgments.

Independent non-executive directors must make up at least a third of the Board and must consist of at least three members. The Company shall have at least one independent non-executive director who shall have relevant professional qualifications or have professional specialty in audit or related financial management and shall have at least one independent non-executive director who lives in Hong Kong.

An independent non-executive director shall meet the qualifications and requirements on independence as stipulated in laws, regulations and the Listing Rules.

If at any time the Company's independent non-executive director does not comply with the number, qualifications requirements as stipulated in the Hong Kong Listing Rules, the Company shall notify the Hong Kong Stock Exchange responsively, give relevant details and reasons in the form of public announcements, and appoint enough independent non-executive directors to meet the requirements of the Hong Kong Listing Rules within three months after the said incompliance.

Independent non-executive directors may directly report to the general meeting, the China Securities Regulatory Commission and other relevant authorities.

**Article 128** The Board is accountable to the general meetings, and shall exercise the following functions and powers:

- (1) To be responsible for the convening of general meetings and report its work to the general meetings;
- (2) To implement resolutions of the general meetings;
- (3) To decide on the Company's business plans and investment programs as well as its financing programs other than those to be approved by the general meetings in accordance with this Articles of Association;
- (4) To formulate the annual financial budgets and final accounts of the Company;
- (5) To formulate the Company's profit distribution plans and plans on making up losses;

- (6) To formulate proposals for the Company to increase or decrease its registered capital, issue corporate bonds or other securities and pursue any listing thereof;
- (7) To formulate plans for the Company's substantial acquisitions and repurchase of shares of the Company, or merger, division, dissolution and alteration of corporate form of the Company;
- (8) Within the scope authorized by the general meeting, to decide, among others, the Company's external investment, purchase and sale of assets, provision of security on the Company's assets, wealth management entrustment, connected transactions, donations;
- (9) To decide on establishment of internal management organizations of the Company;
- (10) To decide on appointing or dismissing general manager, secretary to the Board and other senior management as well as their remunerations, rewards and penalties; to decide on appointing or dismissing senior management including vice general manager(s) and the person in charge of finance of the Company in accordance with the nominations by general manager, and to decide on their remunerations and rewards and punishments;
- (11) To formulate the basic management system of the Company;
- (12) To formulate proposals to amend this Articles of Association;
- (13) To manage information disclosure of the Company;
- (14) To propose to the general meeting the appointment or replacement of the accounting firms which provide audit services to the Company;
- (15) To listen to work reports submitted by the general manager of the Company either on regular or ad hoc basis and review his work;
- (16) To review any notifiable or disclosable transactions and connected transactions which are required to be approved by the general meeting under the listing rules of the stock exchange at the location where the Company's shares are listed;
- (17) To approve notifiable or disclosable transactions and connected transactions which are not required to be approved by the general meeting under the listing rules of the stock exchange at the location where the Company's shares are listed;
- (18) To decide on other major affairs of the Company, save and except for matters to be approved by the general meetings as required by the Company Law and this Articles of Association;

(19) Other powers and duties authorized by the laws, administrative regulations, department rules, listing rules of the stock exchange at the location where the Company's shares are listed, the general meeting or this Articles of Association.

Except for the Board resolutions in respect of the matters specified in paragraphs (6), (7) and (12) which shall be passed by more than two-thirds of the directors, the Board resolutions in respect of all other matters set out in the preceding paragraph may be passed by more than half of the directors. External guarantee that should be approved by the Board must be reviewed and decided by more than two-thirds of the directors present at the Board meeting.

**Article 129** The Board of the Company shall explain to the general meeting any non-standard audit opinions issued by the certified public accountants on the Company's financial statements.

Article 108 of the Guidelines to Articles of Association

**Article 130** The Board shall formulate the rules of procedures for the Board to ensure its implementation of the resolutions passed at the general meeting to enhance efficiency and to ensure scientific decision-making.

Article 109 of the Guidelines to Articles of Association

**Article 131** The Board shall establish the limits of authority for external investment, acquisition and disposal of assets, pledge of assets, external guarantee, entrusted wealth management, connected transaction and donations, and put in place stringent examination and decision making procedures; major investment projects shall be assessed and examined by an expert or professional panel and put to the general meeting for approval.

Article 110 of the Guidelines to Articles of Association

**Article 132** In cases where the expected value of fixed assets proposed for disposal by the Board, when aggregated with value of fixed assets already disposed of within four (4) months before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet recently considered at the general meeting, the Board shall not dispose of or consent to dispose of such fixed assets without prior approval at the general meeting.

Article 89 of the Mandatory Provisions

The term "fixed assets disposal" referred to in this articles refers to transferring certain interests in assets, but excludes provision of guarantees by way of fixed assets.

The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a breach of the first paragraph of this articles.

**Article 133** The chairman of the Board shall exercise the following functions and powers:

Article 90 of the Mandatory Provisions, Articles of 112 and 113 of the Guidelines to Articles of Association

- (1) To preside over general meetings and to convene and preside over Board meetings;
- (2) To check the implementation of resolutions of the Board;

- (3) To sign securities issued by the Company;
- (4) Other functions and powers conferred by the Board or required under the listing rules of the stock exchange at the location where the Company's shares are listed.

When the chairman is unable to perform his duties, the director recommended jointly by more than half of the directors of the Company shall be appointed to exercise such functions and powers on his behalf.

**Article 134** Meetings of the Board shall be held at least four (4) times a year. Meetings shall be convened by the chairman of the Board. Notice of the meetings shall be sent to all directors fourteen (14) days before the meeting is held. The chairman shall convene and preside over the extraordinary meeting within 10 days after receiving the proposal under the following circumstances:

Article 91 of the Mandatory Provisions, Articles 114 and 115 of the Guidelines to Articles of Association

- (1) Necessary as deemed by the chairman or proposed by the general manager;
- (2) Proposed by shareholders representing more than one tenth of the voting right;
- (3) Proposed by more than one-third of the directors;
- (4) Proposed by more than half of the independent directors;
- (5) Proposed by the supervisory committee.

**Article 135** The forms of notification of extraordinary meetings of the Board shall be as follows: by telephone, facsimile or other verbal means. The time limit for sending the notice of such extraordinary meetings shall be: such notice shall be delivered to the directors three (3) days prior to the meetings.

Article 92 of the Mandatory Provisions

**Article 136** Notice of a meeting of the Board shall contain at least the following information:

Article 117 of the Guidelines to Articles of Association

- (1) The time and venue of the meeting;
- (2) The method by which the meeting is held;
- (3) The matters to be discussed (the motions);
- (4) The contact person and the contact information;
- (5) The issue date of the notice.

Verbal notice shall at least include the information of the aforesaid item (1) and (2) and the explanations on holding the extraordinary meeting of the Board under urgent circumstance.

**Article 137** The meetings of the Board shall be held only if more than half of the directors are present.

Article 93 of the Mandatory Provisions, Article 118 of the Guidelines to Articles of Association

Each director shall have one vote. Exceeding half of the votes of all directors is required for passing of a Board resolution.

Where the number of votes cast for and against a resolution is equal, the chairman shall have a casting vote.

**Article 138** Meetings of the Board shall be attended by the directors in person. If a director cannot attend a meeting for any reason, he may entrust in writing another director with attending the meeting on his behalf. The instrument of entrustment shall specify the scope of authority.

Article 94 of the Mandatory Provisions, Article 121 of the Guidelines to Articles of Association

A director who attends a meeting on behalf of another director shall exercise the rights of a director within the scope of authority granted. If a director fails to attend a meeting of the Board and has not appointed a representative to attend on his behalf, he shall be deemed to have waived his voting rights in respect of that meeting.

**Article 139** Extraordinary meetings of the Board may be held by means of communication including telephone conference or video conference provided that directors can fully express their views, and directors attending the meetings shall sign on the resolutions.

The Board may accept meetings of the Board in the form of communications over written resolutions to replace meetings on-site. However, such motions must be delivered to each director by hand, mail, telegraph, email or facsimile. After the Board has delivered the motion to all the directors and that the number of directors giving consent and signature to the motion has reached the quorum, such motion, if delivered to the secretary to the Board by means of communication referred above, shall become a Board resolution and no convening of the meeting of the Board shall be required.



**Article 140** If any director of the Company is associated with the enterprises that are involved in the matters to be resolved at the meeting of the Board, he shall not exercise his or her voting rights for such matters, nor shall such director exercise voting rights on behalf of other directors. Such meeting of the Board shall be convened by a majority of the directors present thereat who are not connected. The resolution of the meeting of the Board shall be passed by more than half of the non-connected directors, resolutions concerning matters which shall be approved by more than of all non-connected directors. If the number of non-connected directors present at such meeting is less than three, relevant proposals shall be submitted to the general meeting for consideration two-thirds of the directors, shall be adopted by the affirmative vote of more than two-thirds .

Article 119 of the Guidelines to Articles of Association

**Article 141** The Board shall keep minutes of resolutions on matters discussed at the meeting. The minutes shall be signed by the directors present at the meeting and by the person who recorded the minutes. The directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations or this Articles of Association and results in the Company sustaining serious losses, the directors participating in the resolution shall be liable to compensate the Company. If, however, it can be proven that a director expressly objected to the decision when the resolution is voted on and that such objection is recorded in the minutes of the meeting, such director may be released from such liability.

Article 95 of the Mandatory Provisions, Article 122 of the Guidelines to Articles of Association

Opinions expressed by independent non-executive directors shall be stated in the resolution of the Board.

The minutes of the meeting of the Board shall be kept for no less than 10 years by the secretary of the Company as the Company's files.

**Article 142** The minutes shall consist of the following:

- (1) The session of the meeting, time, venue and form of the meeting;
- (2) The particulars of issuing the notice of the meeting;
- (3) The names of the convener and the chairman of the meeting;
- (4) The directors attending in person or by proxy;
- (5) The proposals reviewed in the meeting, the main points of speeches and major opinions by each director on relevant matters;
- (6) The voting result of each proposal (specifying numbers of affirmative, opposing and abstention votes);

Article 95 of the Mandatory Provisions, Article 123 of the Guidelines to Articles of Association

- (7) Such other matters to be recorded as the directors attending the meeting consider appropriate.

**Article 143** The Company shall set up special committees such as a strategy committee, an audit committee, a nomination committee, and a remuneration and assessment committee, under the Board, and other special committees that the Board deems necessary to establish. All the special committees shall be accountable to the Board, perform their duties in accordance with this Articles of Association and the authorization of the Board, and submit resolutions to the Board for consideration and decision. Under the unified leadership of the Board, each special committee shall provide recommendations and advice for the decisions to be made by the Board. All members of the special committees shall be comprised of directors, of which independent directors shall account for the majority of the members of the audit committee, the nomination committee, and the remuneration and assessment committee under the Board and shall act as the convener. The convener of the audit committee shall be an accounting professional. The Board is responsible for formulating the working procedures of the special committees and regulating the operation.

Article 107 of  
the Guidelines  
to Articles of  
Association

**Article 144** The Company shall formulate working rules of special committees under the Board which shall be approved by the Board. Each special committee under the Board shall exercise its functions and powers according to its working rules and this Articles of Association, and is accountable to the Board and report its work to the Board.

### **Chapter 11 Secretary to the Board of the Company**

**Article 145** The Company shall have one secretary to the Board. The secretary to the Board is a member of senior management of the Company and is accountable to the Board.

Article 96 of  
the Mandatory  
Provisions

**Article 146** The secretary to the Board of the Company shall be a natural person with the requisite professional knowledge and experience and shall be appointed by the Board. The primary responsibilities of the secretary to the Board include:

Article 97 of  
the Mandatory  
Provisions,  
Article 133 of  
the Guidelines  
to Articles of  
Association

- (1) To ensure the organizations documents and records of the Company are complete;
- (2) To ensure the Company to prepare and submit all reports and documents to the regulatory authorities as required by the laws;
- (3) To ensure the proper establishment of the register of members of the Company, and to ensure timely access to the relevant records and documents by the individuals who are entitled to access such information; and

- (4) Perform other functions and powers as required by the laws, administrative regulations, departmental rules, and the listing rules of stock exchanges where stocks are listed, and other powers conferred by the Board.

**Article 147** Directors or other senior management of the Company can also serve as the secretary to the Board of the Company. However, accountants with the accounting firms appointed by the Company shall not serve concurrently, as the secretary to the Board of the Company.

Article 98 of  
the Mandatory  
Provisions

In the event that a director serves concurrently as the secretary to the Board of the Company, and if an act concerned shall be conducted by the director and the secretary to the Board of the Company separately, such person serving concurrently as director and secretary to the Board of the Company shall not conduct such act with double capacities.

### **Chapter 12 General Manager of the Company**

**Article 148** The Company has one (1) general manager and a certain number of vice general managers, who shall be appointed or dismissed by the Board. The vice general manager shall assist the general manager in his work, and shall be accountable to the general manager. In absence or incapability of the general manager in performing his duties for any reasons, such duties shall be performed by the vice general manager(s). The Board of the Company may decide upon whether a member of the Board shall concurrently act as the general manager.

Article 99 of  
the Mandatory  
Provisions,  
Articles 124,  
126 and 127 of  
the Guidelines  
to Articles of  
Association

Each general manager, vice general manager and other senior management shall have an every term of office of three (3) years, and shall be eligible for reappointment.

Persons holding administrative positions at the controlling shareholder of the Company (other than being a director or supervisor) may not concurrently serve as the Company's senior management members.

The senior management of the Company shall only receive remuneration from the Company, not from the controlling shareholders on behalf of the Company.

**Article 149** The general manager shall be accountable to the Board and exercise the following functions and powers:

Article 100 of  
the Mandatory  
Provisions,  
Article 128 of  
the Guidelines  
to Articles of  
Association

- (1) To be in charge of the Company's production, operation and management and to organize the implementation of the resolutions of the Board;
- (2) To organize the implementation of the Company's annual business plans and investment plans;
- (3) To formulate plans for the establishment of the Company's internal management structure;

- (4) To draft the Company's basic management system;
- (5) To formulate basic rules and regulations for the Company;
- (6) To propose the appointment or dismissal of the Company's vice general manager(s) and financial controller;
- (7) To appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board;
- (8) Such other functions and powers conferred by this Articles of Association and the Board.

**Article 150** The general manager may be present at a meeting of the Board. The general manager has no voting rights at the board meetings unless he is also a director.

Article 101 of the Mandatory Provisions

**Article 151** The general manager shall formulate its detailed work plan, to be executed upon approval by the Board of Directors. The detailed work plan of the general manager shall include the following:

Articles 129 and 130 of the Guidelines to Articles of Association

- (1) the condition, procedure and attendees of the general manager meeting;
- (2) the respective job description and division of labor of general manager and other senior management members;
- (3) the application of Company's funds and assets; authority to sign the significant contracts and report to the Board of Directors and Board of supervisors;
- (4) other matters that the Board of Directors deems necessary.

**Article 152** The general manager may resign before the expiry of his terms of office and detailed procedure and methods in relation to resignation shall be referred to the employment (service) contracts between such manager and the Company.

Article 131 of the Guidelines to Articles of Association

**Article 153** The general manager of the Company, in exercising his functions and powers, shall act honestly and diligently in accordance with the laws, administrative regulations and this Articles of Association.

Article 102 of the Mandatory Provisions, Articles 134 and 135 of the Guidelines to Articles of Association

The senior management shall be liable for any losses caused to the Company by their breach of any laws, administrative regulations, departmental rules and regulations or the Articles of Association in performing their duties for the Company.

The senior management of the Company shall fulfill their duties honestly, protect the best interests of the Company and all the shareholders. The senior management of the Company shall be liable for compensation in accordance with law for any damage caused to the interests of the Company and public shareholders as a result of their failure to perform duties with honesty or violation of their fiduciary duties.

For the purposes hereof, the term "senior management" means general manager, vice general manager(s), the secretary to the Board, financial controller and other personnel as determined by the Board of the Company.

## Chapter 13 Supervisory Committee

**Article 154** The Company shall establish a supervisory committee. The supervisory committee is a standing supervisory agency of the Company which is responsible of the supervision of the Board and its members and senior management such as the general manager and vice general manager so as to prevent them from the misuse of authority and infringing upon lawful rights of the shareholder, the Company and the Company's employees.

Article 103 of the Mandatory Provisions

**Article 155** The supervisory committee shall consist of five (5) supervisors, one of which shall be the chairman of the supervisory committee. The term of office of each supervisor shall be a period of three (3) years and shall be eligible for re-election.

Article 104 of the Mandatory Provisions, Articles 138 and 139 of the Guidelines to Articles of Association

The appointment and dismissal of the chairman of the supervisory committee shall be passed by more than two-thirds of its members.

Where no re-election is made in time upon expiry of the term of a supervisor, the original supervisor shall, prior to a new supervisor entering on the office, continue to perform his duties as a supervisor in accordance with the laws, administrative regulations and this Articles of Association.

If the number of the supervisors of the supervisory committee fall below the statutory requirement due to a supervisor's resignation during his term of office, the resignation of such supervisor shall only become effective after a new supervisor fills the vacancy caused by the said resignation.

**Article 156** The supervisory committee shall comprise staff representative supervisors, independent supervisors (supervisors who are independent from the shareholders of the Company and have not held any position in the Company) and shareholders' representative supervisors. Staff representative supervisors shall not be less than one-third of the number of supervisors, external supervisors (supervisors, including shareholders' representative supervisors, who have not held any position in the Company) shall be more than half of the number of supervisors and there shall be more than two (2) independent supervisors .

Article 105 of the Mandatory Provisions, Article 144 of the Guidelines to Articles of Association, Article 117 of the Company Law

Supervisors who are not staff representatives shall be elected and removed by general meetings, while staff representative supervisors shall be elected and removed by the staff of the Company democratically.

**Article 157** The Company's directors, general manager, vice general manager(s) and other senior management shall not act concurrently as supervisors.

Article 106 of the Mandatory Provisions, Article 136 of the Guidelines to Articles of Association

**Article 158** The supervisory committee shall have at least one meeting every six months. The chairman of the supervisory committee shall be responsible for convening the meetings. Supervisors may propose to convene extraordinary Supervisory Committee meeting.

Article 107 of the Mandatory Provisions, Article 146 of the Guidelines to Articles of Association

**Article 159** The supervisory committee shall be accountable to the general meeting and exercise the following functions and powers in accordance with law:

Article 108 of the Mandatory Provisions, Article 54 of the Company Law, Articles 141 and 145 of the Guidelines to Articles of Association

- (1) To examine the Company's financial position;
- (2) To supervise the performance by the Company's directors, general manager, vice general manager(s) and other senior management of their duties to the Company, and propose to remove the directors or other senior management for violation of the laws, administrative regulations, this Articles of Association or resolutions of general meetings;
- (3) To demand rectification from the Company's directors, general manager, vice general manager(s) or other senior management when the acts of such persons are harmful to the Company's interest;
- (4) To verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the general meetings and, should any queries arise, to engage, in the name of the Company, certified public accountants and practicing auditors for a re-examination of the aforesaid information;
- (5) To propose to convene an extraordinary general meeting and to convene and preside over the general meeting when the Board fails to perform the duties of convening and presiding over the general meeting;
- (6) To represent the Company in negotiating with or in bringing legal actions against the directors and senior management;
- (7) To submit proposals to the general meeting;
- (8) To propose the convening of extraordinary meetings of the Board;
- (9) Examine the regular reports of the Company prepared by the Board and issue written opinions thereon;
- (10) Such other functions and powers as prescribed by this Articles of Association.

The supervisors may attend Board meetings and make inquiries or suggestions in relation to the resolutions of Board meetings.

**Article 160** A meeting of the supervisory committee shall not be convened unless it is attended by more than two-thirds of the Supervisors. A supervisor shall attend meetings of the supervisory committee in person, or appoint in writing another supervisor to attend the meeting on his behalf during his absence for any reason. The proxy form shall specify the extent of authorization.

Article 109 of the Mandatory Provisions

Each supervisor shall have one vote. Resolutions at the meeting of the supervisory committee shall be passed by more than two-thirds of the supervisors’ votes.

**Article 161** The notice of the meeting of the supervisory committee shall contain the following content:

Article 149 of the Guidelines to Articles of Association

- (1) the date, venue and duration of the meeting;
- (2) the purpose and the items to be considered;
- (3) the date on which the notice is despatched.

**Article 162** The reasonable expenses incurred by the supervisory committee in the engagement of professionals such as lawyers, certified public accountants and practicing auditors, to perform its functions and powers shall be borne by the Company.

Article 110 of the Mandatory Provisions

**Article 163** The supervisory committee formulates the rules of procedures for the supervisory committee, identify the method of negotiation and way of resolution in order to ensure working efficiency and scientific decision-making.

Article 147 of the Guidelines to Articles of Association

**Article 164** The supervisory committee shall record in the minute book decision on matters discussed, supervisors who attended the meeting shall sign on the attendance book.

Article 148 of the Guidelines to Articles of Association

A supervisor is entitled to request for some descriptive record to be made with regard to his speech in the meeting. The minutes of the meeting of the supervisory Committee shall be kept as the Company’s files for a period of not less than 10 years.

**Article 165** A supervisor shall faithfully perform his supervisory duties in accordance with the laws, administrative regulations and this Articles of Association.

Article 111 of the Mandatory Provisions, Articles 137, 140, 142 and 143 of the Guidelines to Articles of Association

A Supervisor shall comply with the laws, administrative regulations and this Articles of Association and have obligations of loyalty and diligence towards the Company and shall not abuse their rights to accept bribes or other illegal income and shall not misappropriate the properties of the Company.

A supervisor shall ensure that the information disclosed by the Company is true, accurate and complete, and sign a written confirmation for regular reports.



A supervisor may not make use of his or her connected relationship to harm the Company's interests. For any losses caused to the Company arising therefrom, he shall be liable to make indemnification.

If a supervisor violates the provisions of laws, administrative regulations, departmental rules and regulations or this Articles of Association while performing the duties for the Company and causing losses to the Company, he shall be liable to make indemnification.

**Chapter 14 Qualifications and Obligations of the Company's Directors, Supervisors, General Manager and Other Senior Management**

**Article 166** A person may not serve as a director, supervisor, general manager, vice general manager or any other senior management of the Company if any of the following circumstances applies:

Article 112 of the Mandatory Provisions, Articles 95 and 136 of the Guidelines to Articles of Association

- (1) A person without or with restricted capacity of civil conduct;
- (2) A person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than 5 years has elapsed since the date of the completion of implementation of such punishment or deprivation;
- (3) A person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation because of mismanagement and who is personally liable for the insolvency of such company or enterprise, where no more than 3 years has elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;
- (4) A person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of the law and who incurred personal liability, where no more than 3 years has elapsed since the date of the revocation of the business license of such company or enterprise;
- (5) A person who has a relatively large amount of debts due and outstanding;
- (6) A person who is under criminal investigation or prosecution by the judicial authority for violation of the criminal law where the said investigation or prosecution is not yet concluded;
- (7) A person who may not serve as a head of the enterprise pursuant to the provisions of the laws and administrative regulations;



- (8) A non-natural person;
- (9) A person who has been convicted by the relevant competent authority for violation of relevant securities regulations, and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than 5 years has elapsed since the date of such conviction;
- (10) A person under a penalty of prohibited access to the securities market imposed by the CSRC, which penalty is still effective;
- (11) Circumstances prescribed by the relevant laws and regulations in the place where the shares of the Company are listed.

**Article 167** The validity of the acts of the directors, general manager, vice general manager(s) or other senior management of the Company on behalf of the Company to bona fide third parties shall not be affected by any irregularities in their appointment, election or qualifications.

Article 113 of  
the Mandatory  
Provisions

**Article 168** In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchanges on which the shares of the Company are listed, the Company's directors, supervisors, general manager, vice general manager(s) and other senior management owe a duty to each shareholder, in the exercise of the following functions and powers conferred by the Company on them:

Article 114 of  
the Mandatory  
Provisions

- (1) Not to cause the Company to exceed the scope of the business as stipulated in its business license;
- (2) To act honestly in the best interest of the Company;
- (3) Not to expropriate the Company's property in any way, including (but not limited to) usurpation of opportunities advantageous to the Company;
- (4) Not to expropriate the individual rights of shareholders, including (but not limited to) rights to distribution and voting rights, save pursuant to a restructuring of the Company approved by the general meeting in accordance with this Articles of Association.

**Article 169** The Company's directors, supervisors, general manager, vice general manager(s) and other senior management owe a duty, in the exercise of their rights and discharge of their duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 115 of  
the Mandatory  
Provisions

**Article 170** The Company's directors, supervisors, general manager, vice general manager(s) and other senior management must perform their duties in accordance with the principle of good faith and shall not put them in a position where their benefits and obligations may conflict. This principle includes (but not limited to) discharging the following obligations:

- (1) To act honestly in the best interests of the Company;
- (2) To exercise powers within the scope of their powers and not to exceed those powers;
- (3) To exercise the discretion vested in them personally and not to allow themselves to act under the control of others and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of the general meeting, not to delegate the exercise of their discretion to others;
- (4) To treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) Except otherwise required by this Articles of Association or with the informed consent of the general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) Without the informed consent of the general meeting, not to use the Company's property for their own benefit in any way;
- (7) Not to exploit their position and powers to accept bribes or other illegal income or expropriate the Company's property by any means, including (but not limited to) opportunities advantageous to the Company;
- (8) Without the informed consent of the general meeting, not to accept commissions in connection with the Company's transactions;
- (9) To abide by this Articles of Association, faithfully execute their official duties and protect the Company's interests, and not to exploit their position and power in the Company to advance their own private interests;
- (10) Not to compete with the Company in any form without the informed consent of the general meeting;

- (11) Not to misappropriate the Company's funds or lend such funds to others, not to open accounts in their own name or other names for the deposit of the Company's assets and not to provide a security for debts of a shareholder of the Company or other individual(s) with the Company's assets;
- (12) Unless otherwise permitted by informed consent of the general meeting, not to disclose any confidential information involving the Company acquired by them in the course of and during their tenure of office and not to use the information other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:
  - (i) As prescribed by law;
  - (ii) As required for the interests of the public;
  - (iii) The interests of such directors, supervisors, general manager, vice general manager(s) or other senior management require disclosure.

**Article 171** The Company's directors, supervisors, general manager, vice general manager(s) and other senior management shall not cause the following persons or institutions ("Related Parties") to do what they are prohibited from doing:

Article 117 of  
the Mandatory  
Provisions

- (1) The spouse or minor children of the directors, supervisors, general manager, vice general manager(s) and other senior management of the Company;
- (2) A trustee of the directors, supervisors, general manager, vice general manager(s) and other senior management of the Company or any person referred to in sub-paragraph (1) of this Article;
- (3) A partner of the directors, supervisors, general manager, vice general manager(s) and other senior management of the Company or any person referred to in sub-paragraphs (1) and (2) of this Article;
- (4) A company in which the directors, supervisors, general manager, vice general manager(s) and other senior management of the Company, alone or jointly with the persons referred to in sub-paragraphs (1), (2) and (3) of this Article and other directors, supervisors, general manager, vice general manager(s) and other senior management of the Company have a de facto controlling interest;
- (5) The directors, supervisors, general manager and other senior management of the controlled company referred to in sub-paragraph (4) of this Article.

**Article 172** The fiduciary obligations of the Company’s directors, supervisors, general manager, vice general manager(s) and other senior management do not necessarily cease upon the termination of their tenure. The obligation of confidentiality in relation to trade secrets of the Company survives the termination of their tenure. Other obligations may continue for such period on a fair basis depending on the time lapse between the occurrence of the relevant event and the termination and the circumstances and conditions under which the relationships between them and the Company are terminated.

Article 118 of the Mandatory Provisions, Article 101 of the Guidelines to Articles of Association

**Article 173** Except for circumstances prescribed in Article 56 of this Articles of Association, the Company’s directors, supervisors, general manager, vice general manager(s) and other senior management may be relieved from liability for specific breaches of his obligation by the informed consent of shareholders given at a general meeting.

Article 119 of the Mandatory Provisions

**Article 174** Where the Company’s directors, supervisors, general manager, vice general manager(s) and other senior management are, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company (other than their contracts of service with the Company), they shall declare the nature and extent of their interests to the Board at the earliest opportunity, regardless whether or not the contract, transaction or arrangement or proposal is otherwise subject to the approval of the Board under normal circumstances.

Article 120 of the Mandatory Provisions

Unless the interested directors, supervisors, general manager, vice general manager(s) or other senior management of the Company have disclosed such interest to the Board as required under the preceding paragraph of this Article and the matter has been approved by the Board at a meeting where he was not counted in the quorum and had refrained from voting, the Company shall have the right to void the contract, transaction or arrangement, except where the other party is a bona fide party acting without knowledge of the breach of obligation by the directors, supervisors, general manager, vice general manager(s) or other senior management concerned.

The Related Party of a director, supervisor, general manager, vice general manager(s) and other senior management of the Company shall be deemed to have an interest in any contract, transaction or arrangement in which that director, supervisor, general manager, vice general manager or other senior management have an interest.

A director may not vote for any resolution of the Board approving any contract, transaction or arrangement or any other relevant proposal in which he or any of his close associate (as defined in the applicable Hong Kong Listing Rules in force from time to time) has material interests and he shall not be counted in the quorum of the meeting, except for the following:

- (1) Any security or indemnity to the director or his close associate(s) in respect of the loans provided to the Company or any of its subsidiaries by such director or his close associate or obligations incurred or undertaken by such director or any of his close associate at the request of or for the benefit of the Company or any of its subsidiaries; or

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 close associate has assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or security;

- (2) Any proposal concerning an offer, by other persons or the Company, of shares or debentures or other securities of the Company or any other companies which the Company may promote or be interested in for subscription or purchase, where the director or his close associate is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (3) Any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
  - (i) The adoption, modification or implementation of any employees' share scheme or any share incentive or share option scheme from which the director or his close associate may benefit;
  - (ii) The adoption, modification or implementation of a pension fund scheme, retirement scheme or death or disability benefits scheme which relates to the directors, their close associates or employees of the Company or any of its subsidiaries without providing any special benefits to any director or his close associate which is not generally accorded to the persons relating to such scheme or fund; and

- (4) Any contract or arrangement in which the director or his close associate is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his interests in shares or debentures or other securities of the Company.

**Article 175** Where the Company's directors, supervisors, general manager, vice general manager(s) and other senior management give a written notice to the Board before the conclusion of the contract, transaction or arrangement is first considered by the Company, stating that due to the contents of the notice, he has an interest in the contract, transaction or arrangement that may subsequently be made by the Company, such directors, supervisors, general manager and other senior management shall be deemed to have made such disclosure as stipulated in the preceding Article to the extent as specified in the notice.

Article 121 of  
the Mandatory  
Provisions

**Article 176** The Company shall not pay tax for or on behalf of its directors, supervisors, general manager, vice general manager(s) and other senior management in any manner.

Article 122 of  
the Mandatory  
Provisions

The Company may insure against the various possible legal risks faced by the directors, supervisors, general manager and other senior management in the ordinary course of performing their duties.

**Article 177** The Company shall not directly or indirectly provide a loan or loan security for a director, supervisor, general manager, vice general manager or other senior management of the Company or of the Company's parent company, or Related Parties of the above-mentioned persons.

Article 123 of  
the Mandatory  
Provisions

The provisions of the preceding paragraph shall not apply to the following circumstances:

- (1) The provision of a loan or loan security by the Company for a subsidiary of the Company;
- (2) The provision of a loan or loan security or other funds by the Company to a director, supervisor, general manager, vice general manager or other senior management of the Company under a service contract approved by the general meeting, so as to enable him to pay the expenses incurred for the sake of the Company or for the performance of his duties to the Company;

- (3) The provision of a loan or loan security by the Company to the relevant director, supervisor, general manager, vice general manager or other senior management or to his Related Parties based on normal commercial terms, if the ordinary business scope of the Company includes the lending of money or the provision of loan security.

**Article 178** A loan provided by the Company in violation of the preceding Article shall be immediately repayable by the recipient of the loan, regardless of the terms of the loan.

Article 124 of  
the Mandatory  
Provisions

**Article 179** A loan security provided by the Company in breach of paragraph 1 of Article 177 shall be unenforceable against the Company, except for the following:

Article 125 of  
the Mandatory  
Provisions

- (1) When the loan is provided to a Related Party of a director, supervisor, general manager or other senior management of the Company or its parent company, the loan provider is not aware of the circumstance;
- (2) The collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.

**Article 180** For the purposes of the preceding article of this chapter, the term “security” shall include an act whereby a guarantor assumes liability or provides property to guarantee or secure the performance of obligations by an obligator.

Article 126 of  
the Mandatory  
Provisions

**Article 181** In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, general manager, vice general manager or other senior management of the Company is in breach of his duties to the Company, the Company has the right to:

Article 127 of  
the Mandatory  
Provisions

- (1) Demand the relevant director, supervisor, general manager, vice general manager or other senior management to compensate for the losses sustained by the Company as a consequence of his dereliction of duty;
- (2) Rescind any contract or transaction entered into by the Company with the relevant director, supervisor, general manager, vice general manager or other senior management or contracts or transactions entered into with a third party (where such third party is aware or is taken to be aware that the director, supervisor, general manager, vice general manager or other senior management representing the Company is in breach of his obligations to the Company);

- (3) Demand the relevant director, supervisor, general manager, vice general manager or other senior management to surrender the gains derived from the breach of his obligations;
- (4) Recover any funds received by the relevant director, supervisor, general manager, vice general manager or other senior management that shall have been received by the Company, including (but not limited to) commissions;
- (5) Demand the relevant director, supervisor, general manager, vice general manager or other senior management to return the interest earned or possibly earned on the funds that shall have been given to the Company.

**Article 182** The Company shall enter into written contracts with the directors, supervisors and senior management containing at least the following provisions:

- (1) An undertaking by the directors, supervisors and senior management to the Company that he shall observe and comply with the Company Law, the Special Provisions, this Articles of Association, the Codes on Takeovers and Mergers and Share Buy-backs and other regulations of stock exchanges where the securities are listed, and a clarification that the Company shall have the remedies provided in this Articles of Association and that neither the contract nor his office is assignable;
- (2) An undertaking by the directors, supervisors and senior management to the Company that they shall observe and comply with their obligations to shareholders stipulated in this Articles of Association;
- (3) The arbitration clause as set out in the Hong Kong Listing Rules.

The written contracts entered into by the Company with the Company's directors and supervisors concerning emoluments shall be subject to prior approval at the general meeting. The above-mentioned emoluments shall include:

- (1) Emoluments in respect of his service as a director, supervisor or senior management of the Company;
- (2) Emoluments in respect of his service as a director, supervisor or senior management of a subsidiary of the Company;
- (3) Emoluments in respect of other services in connection with the management of the Company and its subsidiaries;

Rule 19A.54  
and 19A.55 of  
the Hong Kong  
Listing Rules,  
Article 128 of  
the Mandatory  
Provisions



- (4) Funds as compensation for the loss of office or retirement to such directors and supervisors.

A director or supervisor may not sue the Company for benefits due to him on the basis of the above-mentioned matters, except under a contract as mentioned above.

**Article 183** The contract for emoluments entered into between the Company and its directors or supervisors should provide that in the event of a takeover of the Company, the Company's directors and supervisors shall, subject to the prior approval of the general meeting, have the right to receive compensation or other payments for loss of office or retirement.

Article 129 of  
the Mandatory  
Provisions

For the purposes of the preceding paragraph, the term "a takeover of the Company" shall refer to any of the following circumstances:

- (1) Anyone makes a general offer to all shareholders;
- (2) Anyone makes a general offer so that the offeror becomes a controlling shareholder (as defined in Article 57 hereof).

If a director or supervisor fails to comply with this Article, any fund received by him shall belong to those persons that have sold their shares as a result of their acceptance of the above-mentioned offer, and the expenses incurred in distribution of such fund on a pro rata basis shall be borne by the relevant director or supervisor and may not be paid out of such fund.

## **Chapter 15 Financial and Accounting Systems and Distribution of Profits**

**Article 184** The Company shall formulate its own financial and accounting systems in accordance with provisions of the laws, administrative regulations and the PRC accounting standards formulated by the competent department in charge of finance under the State Council.

Article 130 of  
the Mandatory  
Provisions,  
Article 150 of  
the Guidelines  
to Articles of  
Association

**Article 185** The Company shall prepare financial reports at the end of each financial year, and cause such reports to be examined and verified according to the laws.

Article 131 of  
the Mandatory  
Provisions

The Company adopts the calendar year as its financial year, which shall begin in each year on 1 January and end on 31 December of the Gregorian calendar.

**Article 186** The Board of the Company shall place before the shareholders at each annual general meeting such financial reports as relevant laws, administrative regulations and normative documents promulgated by the local governments and the competent authorities require the Company to prepare.

Article 132 of  
the Mandatory  
Provisions

**Article 187** Unless otherwise required by the relevant laws, regulations, listing rules of the stock exchanges on which shares of the Company are listed and this Articles of Association, the financial reports of the Company shall be made available for inspection by shareholders 20 days prior to the convening of an annual general meeting. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this Chapter.

Article 133 of the Mandatory Provisions

At least 21 days before the annual general meeting, the Company shall deliver the aforesaid reports or the report of the Board together with the balance sheet and the profit or loss statement to each holder of overseas-listed foreign shares with the postage-paid mail or by other means permitted by the stock exchange of the place in which the shares of the Company are listed at the address registered in the register of members, unless otherwise required by the relevant laws, regulations, listing rules of the stock exchanges on which shares of the Company are listed and this Articles of Association.

**Article 188** The financial statements of the Company shall be prepared not only in accordance with PRC accounting standards and regulations, but also in accordance with international accounting standards or the accounting standards of the place outside the PRC where shares of the Company are listed. If there are major differences in the financial statements prepared in accordance with these two sets of accounting standards, such differences shall be stated in notes appended to such financial statements. For the purpose of the Company's distribution of after-tax profits in a given financial year, the smaller amount of after-tax profits shown in the two financial statements prepared as mentioned above shall be used.

Article 134 of the Mandatory Provisions

**Article 189** Interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards and regulations as well as international standards or the accounting standards of the place outside the PRC where shares of the Company are listed.

Article 135 of the Mandatory Provisions

**Article 190** After the end of the first six (6) months of each financial year, the Company shall publish its results within a period of 2 months and issue its interim report within a period of three (3) months. After the end of each financial year, the Company shall publish its results within a period of three (3) months and issue its annual report within a period of 4 months.

Article 136 of the Mandatory Provisions, Rules 13.46, 13.48, 13.49(1)(ii) and (6)(b) of the Hong Kong Listing Rules, Article 151 of the Guidelines to Articles of Association

The Company shall disclose and deliver its annual report to the CSRC and the stock exchanges within 4 months from the ending date of each financial year, shall disclose and deliver its interim report to the CSRC branches and stock exchanges within 2 months from the ending date of the first half of each financial year, the above annual report and interim report shall be prepared according to the laws, regulations and requirements of the CSRC and stock exchanges. The Company shall disclose its first quarterly financial report and third quarterly financial report within 1 month from the ending dates of the first 3 months and first 9 months respectively of each financial year.

**Article 191** The Company shall not maintain any account books other than statutory account books.

Assets of the Company shall not be held in any accounts opened in the name of any individuals.

**Article 192** Where the Company distributes its after-tax profits of the current year, it shall draw 10 percent of the profits as the Company's statutory common reserve. The Company may stop drawing if the accumulative balance of the common reserve has already accounted for over 50 percent of the Company's registered capital.

If the accumulative balance of the Company's statutory common reserve is not enough to make up for the losses of the Company of the previous year, the current year's profits shall be used first for making up the losses before the statutory common reserve is drawn therefrom according to the provisions of the preceding paragraph.

After the Company draws the statutory common reserve from the after-tax profits, it may, upon a resolution made by the general meeting, draw a discretionary common reserve from the after-tax profits.

After the losses have been made up and common reserves have been drawn, the remaining profits shall be distributed to shareholders in light of their proportions of shares held.

If the general meeting distributes the profits by violating the provisions of the preceding paragraph before the losses are made up and the statutory common reserves are drawn, the profits distributed must be refunded to the Company.

No profit shall be distributed in respect of the shares of the Company which are held by the Company.

Article 137 of the Mandatory Provisions, Article 171 of the Company Law, Article 152 of the Guidelines to Articles of Association

Article 166 of the Company Law, Article 153 of the Guidelines to Articles of Association

**Article 193** The capital common reserve shall include the following funds:

- (1) The premiums obtained from the issue of shares in excess of the par value;
- (2) Other revenue required by the State Council's department in charge of finance to be included in the capital common reserve.

Article 138 of  
the Mandatory  
Provisions

**Article 194** The common reserves of the Company is used to make up the Company's losses, increase the production operation of the Company or increase the Company's capital. However, capital common reserve shall not be used to make up the Company's losses.

Article 168 of  
the Company  
Law, Article  
154 of the  
Guidelines  
to Articles of  
Association

When the statutory common reserve is converted into capital, the remaining balance of that reserve shall not be less than 25% of the registered capital of the Company before the conversion.

**Article 195** The Company may distribute dividends in the following forms:

- (1) Cash;
- (2) Shares.

Article 139 of  
the Mandatory  
Provisions

Dividends and other amounts payable by the Company to holders of domestic shares shall be denominated and declared in RMB. Dividends and other amounts payable by the Company to holders of foreign shares shall be denominated and declared in RMB. The exchange rate shall be the average central parity rate for the relevant foreign currency against the RMB announced by the People's Bank of China five (5) working days prior to the date of the declaration of the dividend or other distributions. Payment in foreign currency to holders of foreign shares shall be made in accordance with the relevant foreign exchange control regulations of the PRC. The dividend distribution of the Company shall be implemented by the Board according to the authorization delegated by the general meeting through an ordinary resolution.

**Article 196** Decision-making Procedures and Mechanism relating to Profit Distribution

- (I) The annual profit distribution proposal of the Company shall be proposed and prepared by the Board of Directors in accordance with the requirements of the Articles of Association and in view of the profitability and capital supply and needs. Independent Directors shall issue their independent opinions on the profit distribution proposal, which is subject to the consideration and approval by the Board of Directors before submission to the general meeting for consideration and approval by the Shareholders. Independent Directors may seek opinions from minority Shareholders, prepare a distribution proposal and submit it directly to the Board of Directors for consideration.

Article 153 of  
the Guidelines  
to Articles of  
Association

- (II) In considering the profit distribution proposal at the general meeting, the Shareholders shall be provided with the method of online voting. A number of channels shall be adopted to actively communicate and exchange information with the Shareholders, especially minority Shareholders, take into full account the opinions and requests of them and answer their questions in a timely manner. Once a resolution on the profit distribution proposal has been approved at the general meeting, the Board of Directors shall complete the distribution of dividends (or shares) within 2 months of the general meeting.
- (III) If the Company is profitable for any year and the conditions for cash dividends have been met, but the Board of Directors fails to submit a profit distribution proposal at the general meeting in accordance with the existing profit distribution policy, the Board of Directors shall give a special explanation on the reason for no cash dividend distribution, the use of the fund that has not been utilised for distribution but retained by the Company and the utilisation plan, and shall disclose the same in regular reports, on which independent Shareholders shall express their independent opinions.

**Article 197 Profit Distribution Policy:**

Article 156 of  
the Guidelines  
to Articles of  
Association

- (I) Profit distribution principles: The Company adopts consistent and stable profit distribution policies, which should emphasize on investors' reasonable investment return while maintaining sustainable development of the Company, but the profit distribution shall not exceed the range of the accumulated distributable profits or damage the Company's ability to continue operations.
- (II) Form of the profit distribution: The Company may distribute profit in the form of cash, shares, or by the combination of cash and shares, and shall adopt cash distribution as the prioritised mean to distribute profit provided that the conditions for cash distribution are satisfied.
- (III) Cash distribution interval
1. The Company must make profit distribution at least once a year, provided that the Company records profit for the year with positive accumulative profit undistributed.
  2. The Company may make interim profit distribution. The Board may propose to declare interim dividend according to the current profit scale, cash flows, development stage and capital needs.

(IV) The Board shall propose differentiated cash dividend policies according to the procedures as set out in the Articles of the Association by considering the following different circumstances after taking into full consideration the characteristics of the industry in which the Company operates, its stage of development, its business model, profitability and whether there are any arrangements for significant capital expenses:

- (1) If the Company is at mature stage and there are no arrangements for significant capital expenses, in making profit distribution, cash dividends shall account for at least 80% of the total profit to be distributed;
- (2) If the Company is at mature stage and there are arrangements for significant capital expenses, in making profit distribution, cash dividends shall account for at least 40% of the total profit to be distributed;
- (3) If the Company is at growth stage and there are arrangements for significant capital expenses, in making profit distribution, cash dividends shall account for at least 20% of the total profit to be distributed;

If the stage of development of the Company is difficult to identify and there are arrangements for significant capital expenses, the preceding provision shall apply.

The specific conditions for the cash dividend distribution are as follows:

- (1) Positive figures are recorded for the distributable profits of the Company (i.e. the remaining after-tax profits after the Company has covered loss and has extracted statutory reserve fund) during the preceding financial year;
- (2) A standard unqualified audit report is issued by an auditor for the financial report of the Company during the preceding financial year.

If the Company recorded negative distributable profits for the preceding financial year or the auditor issued non-standard qualified audit report, the Company shall not distribute cash dividends during that year.

- (3) The Company has no such events as major investment plans or significant cash expenditures (excluding fund-raising projects).

Significant investment plans or significant cash expenditures refer to: the accumulated expenses for proposed external investment, acquisition of assets or purchase of equipment by the Company in the coming twelve months amount to or exceed 50% of the latest audited net assets of the Company and are more than RMB50 million.

(V) Conditions for distributing scrip dividends : When the Company has a good business operation and the Board believes that the distribution of scrip dividends will be in the interests of the Shareholders of the Company as a whole, the Company may propose a plan for distribution of scrip dividends, provided that there are sufficient cash for dividend distribution. In distributing profit by way of scrip dividend, true and reasonable factors such as the growth of the Company and the dilution to net assets per share shall be taken into account.

(VI) If there is any misappropriation of the Company's capital by any shareholder of the Company, the Company shall deduct the cash dividends allocated to such shareholder in order to repay the amount of misappropriated capital.

**Article 198** Conditions, Decision-making Procedure and Mechanism for Adjusting the Profit Distribution Policy:

Article 153 of  
the Guidelines  
to Articles of  
Association

(I) Conditions for adjusting the profit distribution policy

1. The profit distribution policy shall be adjusted when the state or the competent authorities promulgate new laws, regulations or regulatory rules in relation to the profit distribution policy of the listed companies.
2. The Company may make any adjustment to the profit distribution policy based on the actual circumstance when there are material changes in the external operating environment or the operation of the Company. The above material changes in the external operating environment or the operation of the Company refer to the significant adverse effect on the operation of the Company as a result of the changes in the market, policy or macroeconomy environment where the Company operates.

(II) Decision-making Procedure for Adjusting the Profit Distribution Policy

The Board shall take full consideration of the opinions of the independent directors and the minority shareholders during the process of studying and demonstrating the adjustment of the profit distribution policy. When considering and passing the adjustment of profit distribution policy, the Board shall obtain approval from the majority of all directors and more than half of the independent directors. If there are adjustments or amendments to the profit distribution policy as set out in the Articles of Association, the Board should consider and passed the same before submitting to the general meeting for consideration and approval, and the Company can provide the voting platform in the form of network for the convenience of the shareholders

to attend the general meeting. The Company shall take the right protection of the shareholders as the starting point, and give detailed demonstration and explain reasons in the proposal of the general meeting. The passing of the adjustment or amendments to the profit distribution policy at the general meeting shall be subject to the approval from two thirds of the voting rights held by the shareholders (including their proxies) present at the general meeting.

If the Company adjusts the profit distribution policy according to the production and operation conditions, investment plans and the long-term needs, the adjusted profit distribution policy shall not be in breach of the relevant requirements of the stock exchanges where the shares are listed.



**Article 199** The Board may, for the interests of the Company, invest the dividend which is unclaimed for one year after the date on which the dividend is declared by the Company or apply such dividend for other purposes. Subject to relevant laws and regulations of the PRC, the Company may exercise power to confiscate the dividends which nobody has claimed only after the expiry of the relevant applicable limitation period.

**Article 200** The Company shall appoint receiving agents in Hong Kong on behalf of the holders of overseas-listed foreign shares to receive and keep on behalf of the relevant shareholders the dividends distributed by the Company in respect of overseas-listed foreign shares and other payables, and make payment to such shareholders.

Article 140 of the Mandatory Provisions, Rule 19A.51 of the Hong Kong Listing Rules

The receiving agents appointed by the Company shall meet the requirements of the laws of the place where the Company's shares are listed or the relevant regulations of the stock exchange.

The receiving agents appointed by the Company for holders of foreign shares listed in Hong Kong shall be a trust company registered under the Trustee Ordinance of Hong Kong.

**Article 201** The Company shall implement its internal audit system with professional auditors to carry out internal audit supervision to the financial and economic activities of the Company. The system of the internal audit and the duties of such auditors shall be implemented after the approval of the Board. The responsible auditor shall be responsible for and report to the Board.

Articles 157 and 158 of the Guidelines to Articles of Association

## **Chapter 16 Engagement of Accounting Firms**

**Article 202** The Company shall engage an independent accounting firm that complies with relevant PRC regulations to audit the annual and other financial reports of the Company.

Article 141 of the Mandatory Provisions, Article 159 of the Guidelines to Articles of Association

The first accounting firm of the Company may be appointed by the inaugural meeting prior to the first annual general meeting. Such accounting firm shall hold office until the conclusion of the first annual general meeting.

If the Company's inaugural meeting does not exercise its power under the preceding paragraph, the Board shall exercise such power.

**Article 203** The term of engagement of an accounting firm shall start from the conclusion of the annual general meeting and end upon the conclusion of the next annual general meeting.

Article 142 of the Mandatory Provisions

**Article 204** An accounting firm engaged by the Company shall have the following rights:

Article 143 of the Mandatory Provisions, Article 161 of the Guidelines to Articles of Association

- (1) The right of access at any time to the account books, records or vouchers of the Company and the right to require the directors, general manager, vice general manager(s) or other senior management of the Company to provide the relevant information and explanations;
- (2) The right to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform its duties;
- (3) The right to attend general meetings, receive a notice or other information concerning any meetings which shareholders have a right to receive, and to be heard at any general meetings on any matter which relates to it as the accounting firm of the Company.

The Company shall ensure the provision of true and complete accounting evidence, books of account, financial and accounting reports and other accounting data to the accounting firm engaged by it, and no refusal, withholding and false information are allowed.

**Article 205** If the position of accounting firm becomes vacant, the Board may appoint an accounting firm to fill such vacancy before a general meeting is held. However, if there are other accounting firms holding the position of accounting firm of the Company while such vacancy still exists, such accounting firms shall continue to act.

Article 144 of the Mandatory Provisions

**Article 206** The general meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of appointment, notwithstanding anything in the contract between the accounting firm and the Company, but without prejudice to such accounting firm's right, if any, to claim damages from the Company in respect of such dismissal.

Article 145 of the Mandatory Provisions

**Article 207** The amount of remuneration of an accounting firm and the manner in which the remuneration is determined shall be decided upon by the general meeting. The amount of remuneration of the accounting firm appointed by the Board shall be decided upon by the Board.

Article 146 of the Mandatory Provisions, Article 162 of the Guidelines to Articles of Association

**Article 208** The appointment, dismissal or non-reappointment of an accounting firm by the Company shall be decided upon by the general meeting and reported to the competent securities authorities under the State Council for filing.

Where it is proposed that any resolution be passed at a general meeting to appoint a non-incumbent accounting firm to fill any vacancy of the position of the accounting firm, or to reappoint an accounting firm that is appointed by the Board for filling the vacancy or to dismiss an accounting firm before the expiry of its term of office, the following provisions shall apply:

- (1) Before dispatch of the general meeting notice, a copy of the proposal on the appointment or dismissal shall be delivered to the accounting firm proposed to be appointed or proposing to leave its post or the firm which has left its post in the relevant financial year.

Leaving includes leaving by removal, resignation and retirement.

- (2) If the accounting firm leaving its post makes representations in writing and requests the Company to notify the shareholders of such representations, the Company shall (unless the representations are received too late):
  - (i) In any notice of the resolution given to shareholders, state the fact of the representations having been made by the accounting firm leaving its post;
  - (ii) Attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in this Articles of Association.
- (3) If the Company fails to deliver the accounting firm's representations in accordance with the provisions in paragraph (2) of this article, the accounting firm may require that the representations be read out at the general meeting and take further legal actions.
- (4) An accounting firm which is leaving its post shall be entitled to attend:
  - (i) The general meeting at which its term of office would otherwise have expired;
  - (ii) Any general meeting at which it is proposed to fill the vacancy caused by its dismissal;
  - (iii) Any general meeting convened on its resignation;

and to receive all notices of, and other communications relating to, any such meeting, and to be heard at any such meeting which it attends on any part of the business of the meeting which concerns it as former accounting firm of the Company.

Article 147 of the Mandatory Provisions, Article 9 of the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong, Paragraph (e) (i) of Section 1 of Part D of Appendix 13 to the Hong Kong Listing Rules

**Article 209** Where the Company dismisses or does not reappoint an accounting firm, it shall notify the accounting firm in advance. The accounting firm is entitled to present its views to the general meeting. Where an accounting firm proposes its resignation, it shall explain to the general meeting whether there are any irregularities in the Company.

An accounting firm may resign by depositing its written notice of resignation to the legal address of the Company. The notice shall come into effect as of the date when the notice is deposited in the legal address of the Company or any later date stated in the notice. The notice shall include following:

- (i) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or
- (ii) a statement of any circumstance that needs to be explained.

Where a written notice is deposited under the preceding paragraph, the Company shall within 14 days send a copy of the notice to the competent authority. If the notice contains a statement under sub-paragraph (ii) of the preceding paragraph, a copy of such statement shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of the aforesaid statement by prepaid mail to every holder of overseas-listed foreign shares at the address shown in the register of members.

Where the accounting firm's notice of resignation contains a statement of any circumstances that needs to be explained, the accounting firm may require the Board to convene an extraordinary general meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.

## **Chapter 17 Merger and Division of the Company**

**Article 210** The merger or division of the Company shall require the preparation of a proposal by the Board of the Company. After such proposal has been adopted in accordance with the procedures specified in this Articles of Association, relevant examination and approval procedures shall be carried out according to laws. Shareholders that oppose such proposal on the merger or division of the Company shall have the right to require the Company or shareholders that agree to such proposal to purchase their shares at a fair price. The contents of the Company's resolutions on merger or division shall be compiled in a special document for inspection by shareholders.

For holders of H shares, the aforesaid documents shall also be served by post at the address shown in the register of members.

Article 148 of the Mandatory Provisions, Article 10 of the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong, Paragraphs (e) (ii) to (iv) of Section I of Part D of Appendix 13 to the Hong Kong Listing Rules, Article 163 of the Guidelines to Articles of Association

Article 149 of the Mandatory Provisions

**Article 211** The merger of the Company may be effected by way of absorption or new establishment.

Article 150 of the Mandatory Provisions, Articles 172, 173 and 174 of the Guidelines to Articles of Association

A company that absorbs other company is known as merger by absorption whereby the company being absorbed shall be dissolved. The merger of two or more companies by the establishment of a new company is known as merger by the establishment of a new company whereby the merged companies shall be dissolved.

As for a merger, the parties to the merger shall conclude an agreement and prepare balance sheets and checklists of properties. The Company shall inform creditors of the merger within 10 days from the date when the merger resolution is passed, and make at least three (3) announcements of the merger on newspapers within 30 days from the date when the merger resolution is passed. Within 30 days after receipt of the notices or (for those who have not received the notices) within 45 days after publication of the announcement, the creditors are entitled to require the Company to settle the debts or to provide corresponding guarantees.

After the merger of the Company, the credits and debts of all the parties thereto will be inherited by the continuing company or the newly formed company after the merger.

**Article 212** In case of a division, the Company’s properties shall be divided accordingly.

Article 151 of the Mandatory Provisions, Articles 175 and 176 of the Guidelines to Articles of Association

In case of a division of the Company, all the parties involved therein shall sign an agreement on the division, and prepare balance sheets and checklists of properties. The Company shall inform the creditors within 10 days after the date of making the resolution for such division, and make at least three (3) announcements on newspapers within 30 days as required by the applicable laws, administrative regulations or the regulatory provisions of the place where the Company’s shares are listed.

Debts incurred by the Company before its division shall be borne by the company which exists after the division according to the agreement reached, except otherwise prescribed when the Company has reached a written agreement on debt settlement with the creditors before the division.

**Article 213** Where any of the registered items is changed during the process of merger or division, the Company shall go through modification registration with the company registration authority according to the law. If the Company is dissolved, it shall be deregistered according to the law. If a new company is established, it shall go through the procedures for company establishment according to the law.

Article 152 of the Mandatory Provisions, Article 178 of the Guidelines to Articles of Association

## Chapter 18 Dissolution and Liquidation of the Company

**Article 214** The Company shall be dissolved and liquidated according to the law under any of the following circumstances:

- (1) The business term of the Company set out in the Articles of Association expires, or other events which triggers the dissolution of the Company occurs;
- (2) The general meeting decides to dissolve it;
- (3) It needs to be dissolved due to merger or division of the Company;
- (4) The Company is declared bankrupt according to the law for being unable to pay its due debts;
- (5) The Company's business licence is revoked or it is ordered to close down or it is deregistered according to laws;
- (6) If the Company gets into serious trouble in operations and management and continual operation may incur material losses of the interests of the shareholders, and no solution can be found through any other channel, the shareholders holding more than 10% of the total voting rights of the Company may request the people's court to dissolve the Company.

Article 153 of the Mandatory Provisions, Article 180 of the Company Law, Article 179 of the Guidelines to Articles of Association

**Article 215** Upon the occurrence of the situation mentioned in sub-paragraph (1) of the preceding Article, the Company may continue to exist by amending the Articles of Association.

Article 154 of the Mandatory Provisions, Articles 181 and 188 of the Guidelines to Articles of Association

The amendment to the Articles of Association pursuant to the preceding Article shall be subject to the approval of more than two-thirds of the voting rights held by the shareholders present at the shareholders' general meetings.

Where the Company is dissolved according to the provisions of sub-paragraphs (1), (2), (5) and (6) of the preceding Article, a liquidation committee shall be formed within 15 days and the members of which shall be appointed by way of ordinary resolution at a general meeting. If a liquidation committee is not established within the stipulated period, the creditors can apply to the people's court, requesting the court to appoint relevant personnel to form the liquidation committee to carry out liquidation work. If the Company is dissolved according to the provisions of sub-paragraph (4) of the preceding Article, the bankruptcy liquidation shall be carried out in accordance with the laws relating to the enterprise bankruptcy.

**Article 216** If the Board decides that the Company shall be liquidated (except for the liquidation as a result of the Company's declaration of bankruptcy), the notice of the general meeting convened for such purpose shall include a statement to the effect that the Board has made full inquiry into the position of the Company and that the Board is of the opinion that the Company can pay its debts in full within 12 months after the commencement of the liquidation.

The functions and powers of the Board of the Company shall terminate immediately after the general meeting has passed the resolution to carry out liquidation.

The liquidation committee shall take instructions from the general meeting and shall make a report to the general meeting on the committee's income and expenditure as well as the business of the Company and the progress of the liquidation at least annually. It shall make a final report to the general meeting when the liquidation is completed.

**Article 217** The liquidation committee shall notify creditors within 10 days of its establishment, and make at least three (3) announcements on newspapers within 60 days of its establishment. Creditors shall, within 30 days from the date of receipt of notice or (for creditors who have not personally received such notice) within 45 days from the date of the notice, claim for their creditors' rights to the liquidation committee. When filing their claims, creditors shall explain those creditor-related issues and provide supporting documentation thereon. The liquidation committee shall register such claims.

During the period of claiming of creditors' rights, the liquidation group shall not make repayment to the creditors.

**Article 218** The liquidation committee exercises the following functions during the process of liquidation:

- (1) Liquidating the properties of the Company, and preparing balance sheets and asset checklists;
- (2) Informing creditors by notice or public announcement;
- (3) Disposing and liquidating the businesses of the Company that have not been completed;
- (4) Clearing off the outstanding taxes and taxes incurred during the liquidation process;
- (5) Clearing off credits and debts;
- (6) Disposing the residual properties after such debt clearing;
- (7) Participating in the civil litigation on behalf of the Company.

**Article 219** After liquidating the properties of the Company and preparing balance sheets and checklists of properties, the liquidation committee shall make a plan of liquidation, and report it to the general meeting or the competent authority for confirmation.

Article 158 of the Mandatory Provisions, Article 186 of the Company Law, Article 184 of the Guidelines to Articles of Association

The properties of the Company shall be liquidated in the following order of priority:

- (1) Liquidation costs;
- (2) Salaries, social insurance premiums and statutory compensation owed to the employees of the Company;
- (3) Outstanding taxes;
- (4) Debts of the Company.

The remaining properties of the Company upon repayment as specified in the preceding paragraph shall be distributed to the shareholders of the Company as per the classes of their shares and their shareholding percentages.

During the period of liquidation, the Company shall not carry out any new business operations.

Before the settlement of repayments as prescribed in the preceding Article, the Company's properties shall not be distributed to shareholders.

**Article 220** In case of liquidation upon dissolution, if the liquidation committee notices that the properties of the Company are insufficient for clearing off the debts after liquidating the properties of the Company and preparing balance sheets and checklists of properties, it shall immediately apply to the people's court to declare bankruptcy.

Article 159 of the Mandatory Provisions, Article 185 of the Guidelines to Articles of Association

Once the people's court declares the bankruptcy of the Company, the liquidation committee shall hand over the liquidation matters to the people's court.

**Article 221** Following the completion of liquidation of the Company, the liquidation committee shall formulate a liquidation report, a revenue and expenditure statement and financial accounts in respect of the liquidation period and, after verification thereof by a certified public accountant in China, submit the same to the general meeting or the competent authority for confirmation. Within 30 days from the date of the general meeting's or the competent authority's confirmation, the liquidation committee shall submit the aforementioned documents to the company registration authority to apply for company de-registration, and announce the Company's termination.

Article 160 of the Mandatory Provisions, Article 186 of the Guidelines to Articles of Association



**Article 222** Members of the liquidation committee shall perform their duty honestly and discharge the obligation of liquidation in accordance with laws.

Article 187 of the Guidelines to Articles of Association

Members of the liquidation committee shall not take personal advantage of their posts to take bribes, receive other illegal incomes, or misappropriate assets of the Company.

Members of the liquidation committee shall compensate the losses brought to the Company or the creditors due to their intentional or gross negligence.

**Article 223** Where the Company is declared bankrupt according to law, it shall carry out bankruptcy liquidation in accordance with laws relating to the enterprise bankruptcy.

Article 188 of the Guidelines to Articles of Association

### **Chapter 19 Notice and Public Announcement**

**Article 224** Subject to compliance with the laws and regulations of the places where the Company is incorporated and listed and the Hong Kong Listing Rules, a notice of the Company may be sent as follows:

Article 164 of the Guidelines to Articles of Association

- (1) Delivery by hand in an envelope addressed to such shareholder at the registered address shown in the register of members or at any other address supplied by him to the Company for such purpose. The Company does not prohibit the service of notice to any shareholder whose registered address is outside Hong Kong;
- (2) By post in an envelope addressed to such shareholder at the registered address shown in the register of members or at any other address supplied by such shareholder to the Company for such purpose. The Company does not prohibit the service of notice to any shareholder whose registered address is outside Hong Kong;
- (3) By fax or email;
- (4) Subject to compliance with the laws, regulations, regulatory documents and relevant rules of the securities regulatory authority of the place where the Company's shares are listed, by posting on the website designated by the Company and stock exchange;
- (5) By public announcement;
- (6) Such ways as the Company and the notified party agreed in advance or any other way which is recognized by the notified party upon receipt of the notice;

- (7) Other ways which are recognized by the securities regulatory authority of the place where the shares of the Company are listed or stipulated in this Articles of Association.

Whilst this Articles of Association may have otherwise provided for the delivery methods of any notice, communication or any other written material, the Company may publish its communications by the means specified in sub-paragraph (4) of paragraph 1 of this Article to replace the means of sending written documents to each holder of the overseas-listed foreign shares by hand or by prepaid mail provided that doing so will be in compliance with the relevant regulations of securities regulatory authority of the place where the shares of the Company are listed. The said communications refer to any documents sent or to be sent by the Company to the shareholders for reference or taking action, including, but not limited to, report of the Board (together with balance sheet and profit and loss statement), annual report (including annual financial reports), interim report (including interim financial reports), listing documents, meeting notice, circulars, proxy forms and reply slips, etc.

**Article 225** Where a notice from the Company is served by hand and is signed (or stamped) by the recipient on the return receipt of delivery, the date of the recipient's signature shall be deemed to be the delivery date. Where the notice is served by post, the delivery date shall be 48 hours after such notice is delivered to the post office. Where the notice is served by fax or email or published on website, the delivery date shall be the date when the notice is sent out. The delivery date shall be the date indicated on the report slip of the facsimile. Where the notice is served by public announcement, the delivery date shall be the first date of publication of such announcement provided that such announcement is published in newspapers or websites that meet relevant requirements. The requirements of the regulatory authority of the place in which the Company's shares are listed shall apply, if such requirements specify otherwise.

Rules 2.07C, 2.07B and 2.07A of the Hong Kong Listing Rules, Articles 165 and 169 of the Guidelines to Articles of Association

For notices issued by the Company to the holders of overseas-listed foreign shares by way of announcement, the Company shall on the same day submit an electronic version to the Hong Kong Stock Exchange through the Hong Kong Stock Exchange EPS for immediate release on the website of the Hong Kong Stock Exchange in accordance with the listing rules of the listing place. The announcement shall also be published on the Company's website at the same time. In addition, the notice shall be delivered to each of the registered addresses as set forth in the register of members of overseas-listed foreign shares by personal delivery or postage-paid mail subject to the listing rules of the listing place so as to give the shareholders sufficient notice and time to exercise their rights or act in accordance with the terms of the notice.

Holders of the Company's overseas-listed foreign shares may elect in writing to receive the corporate communication that the Company is required to send to shareholders either by electronic means or by post, and may also elect to receive either the English or Chinese version only, or both the English and Chinese versions. They shall have the right to change their choices as to the manner of receiving the same and the language at any time by reasonable prior written notice to the Company in accordance with applicable procedures. Where relevant corporate documents must be in the English language and be accompanied by a Chinese version and be served through delivery, post, distribution, sending out, announcement or other means according to the relevant requirements of the securities regulatory authority of the place where the shares of the Company are listed, in respect of shareholders who under proper arrangements by the Company confirm to receive such information only in English or Chinese version as well as to the extent permitted by the applicable laws and regulations, the Company may send such documents in the English or Chinese version to relevant shareholders according to their prescribed wills.

In order to prove that such notices, documents, information or written statements have already been delivered to the Company, shareholders or directors shall provide evidence to prove that such notice, document, information or written statement have been delivered within the prescribed time by ordinary post or prepaid mail to the correct address.

**Article 226** The Company shall issue notice and disclose information to shareholders of A shares through media and websites in line with the requirements of the CSRC. Unless otherwise provided, any notice or announcement issued by the Company on the Hong Kong Stock Exchange under this Articles of Association in accordance with the Hong Kong Listing Rules shall be disclosed in the domestic market at the same time. The Company shall issue notices and announcements to the shareholders of overseas-listed foreign-invested Shares in the manner and on the websites provided by this Articles of Association and the Hong Kong Listing Rules.

Article 171 of  
the Guidelines  
to Articles of  
Association

## **Chapter 20 Procedures for Amendment to the Articles of Association**

**Article 227** The Company shall amend this Articles of Association on the occurrence of any of the following events:

- (1) After the amendment of the Company Law or the relevant laws or administrative regulations, the provisions of this Articles of Association are in conflict with the amended Company Law or the relevant laws or administrative regulations;
- (2) There is change in the Company which makes it inconsistent with this Articles of Association;

Article 161 of  
the Mandatory  
Provisions,  
Article 189 of  
the Guidelines  
to Articles of  
Association

- (3) The amendments to this Articles of Association have been decided by the general meeting.

**Article 228** The amendments to the Articles of Association involving the Mandatory Provisions shall become effective upon approval by the company approval department authorized by the State Council and the securities regulatory authority under the State Council. Amendments to the Articles of Association passed by resolutions at the shareholders' general meeting shall be required to be examined and approved by the competent authorities, and shall be submitted to the competent authorities for approval. If there is any change relating to the registered particulars of the Company, the changes shall be registered in accordance with law.

Article 162 of the Mandatory Provisions, Articles 190, 191 and 192 of the Guidelines to Articles of Association

The Board shall revise the Articles of Association in accordance with the resolution of the shareholders' general meeting regarding the revision of the Articles of Association and the approval opinion from the competent authorities. Where the amendment to the Articles of Association is related to the information required to be disclosed by laws and regulations, such changes, in accordance with laws or regulations, shall be announced.

## Chapter 21 Settlement of Disputes

**Article 229** The Company shall comply with the following rules in settling disputes:

- (1) Whenever any disputes or claims arise from this Articles of Association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company between a holder of overseas-listed foreign shares and the Company, between a holder of overseas-listed foreign shares and a director or supervisor or the general manager, vice general manager or other senior management of the Company, and between a holder of overseas-listed foreign shares and a holder of domestic shares, the parties concerned shall resolve such disputes or claims through arbitration.

Article 163 of the Mandatory Provisions, Rule 19A.52(2) of the Hong Kong Listing Rules

Where a dispute or claim described above is submitted for arbitration, the entire dispute or claim shall be resolved through arbitration; all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, if they are companies or shareholders, directors, supervisors, general manager, vice general manager(s) or other senior management of the Company, shall abide by arbitration.

Disputes over who is a shareholder and over the share register do not have to be resolved through arbitration.

- (2) The party seeking arbitration may elect to have the dispute or claim arbitrated either by the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or by the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once the party seeking arbitration submits a dispute or claim to arbitration, the other party must submit to the arbitral body selected by the party seeking the arbitration.

If the party seeking arbitration elects to arbitrate the dispute or claim at the Hong Kong International Arbitration Centre, then either party may apply to have such arbitration conducted in Shenzhen according to the securities arbitration rules of the Hong Kong International Arbitration Centre.

- (3) The laws of PRC shall govern the arbitration of disputes or claims described in clause (1) above, unless otherwise provided by the law or administrative regulations.
- (4) The award of the arbitral body is final and shall be binding on the parties thereto.

## Chapter 22 Supplementary Provisions

**Article 230** This Articles of Association are written in Chinese. Where there is any inconsistency between any other languages or different versions and the Chinese version of the same, the Chinese version which has been approved and registered at the company registration authority at the latest time shall prevail.

**Article 231** In this Articles of Association, the terms “more than”, “within” and “less than” shall include the given figure, and the terms “under”, “beyond”, “below” and “exceeding” shall not include the given figure.

Article 196 of the Guidelines to Articles of Association

**Article 232** Reference to the term “Accounting Firm”, “Connected” and “Related Parties” herein shall have the same meaning as ascribed to the terms “Auditors”, “Connected” and “Connected Persons” in the Hong Kong Listing Rules.

Article 165 of the Mandatory Provisions

**Article 233** Annex to this Articles of Association shall include the procedural rules for the general meeting, the procedural rules for the Board meeting and the procedural rules for the meeting of the Supervisory Committee.

**Article 234** The Board shall be responsible for the interpretation of this Articles of Association. Where there are matters not contained in this Articles of Association, such matters shall be proposed by the Board and be passed by way of resolutions at the general meeting.

\* *For reference only*