

## APPENDIX VI

## SUMMARY OF THE ARTICLES OF ASSOCIATION

*This appendix contains a summary of the main provisions of the Articles of Association of the Company adopted on June 9, 2021, which will take effect from the date of the [REDACTED] of H shares on the Hong Kong Stock Exchange. The main purpose of this appendix is to provide potential investors with an overview of the Articles of Association of the Company, so it may not contain all the information that is important to potential investors.*

### SHARES AND REGISTERED CAPITAL

The Company shall issue ordinary shares at all times. With the approval from authorities authorized by the State Council, the Company may issue other classes of shares when needed.

All the shares issued by the Company shall have a nominal value, denominated in RMB which shall be RMB1 for each share. The RMB referred to in the preceding paragraph is the legal currency of the PRC.

The Company shall issue shares in an open, fair and just manner, and each share of the same class shall enjoy equal rights.

All shares of the same class issued at the same time shall be issued under the same conditions and at the same price; the same price shall be paid for each share subscribed by any entities or individuals.

The domestic shares issued by the Company and the foreign shares listed overseas shall have the same right with respect of any part dividend or any other form.

### INCREASE AND REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

#### (1) Increase of Capital

The Company may, based on its business and development needs and in accordance with the laws, regulations, and requirements of the relevant listing rules of the places where the shares of the Company are listed, increase its capital upon resolutions being adopted by the shareholders' general meetings.

The Company may increase its capital in the following manners:

- (1) by offering new shares for subscription by unspecified investors;
- (2) by placing new shares to its existing shareholders;
- (3) by allotting bonus shares to its existing shareholders;
- (4) by issuing new shares to particular investors;
- (5) by capitalizing its capital common reserve;
- (6) by other means permitted by the laws, administrative regulations or authorized by relevant regulatory authorities.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated in the relevant laws, administrative regulations of the PRC.

---

## APPENDIX VI

## SUMMARY OF THE ARTICLES OF ASSOCIATION

---

### (2) Reduction of Capital

The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the procedures stipulated in the Company Law, other relevant regulations and the Articles of Association.

In the event of reduction of registered capital, the Company shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within ten days from the date of adopting the resolution to reduce its registered capital and shall publish an announcement in a newspaper within thirty days. A creditor shall have the right within thirty days from the receipt of a written notice or, for those who have not received a written notice, within forty-five days from the date of the public announcement, to require the Company to repay its debts or to provide corresponding guarantees for such debts.

### (3) Repurchase of Shares

The Company may, through passing the procedures required by the Articles of Association and obtaining subject to the approval by reporting to the relevant competent authorities of the PRC, repurchase its issued shares through legal procedures under the following circumstances:

- (1) to reduce the registered capital of the Company by canceling shares;
- (2) to merge with other companies which hold shares in the Company;
- (3) to utilize its shares in employee stock ownership plans or share incentive;
- (4) where the shareholders, who disagree with the resolution in relation to merger or division of the Company made at the general meeting, require the Company to repurchase the shares held by such shareholders;
- (5) to utilize its shares to satisfy the conversion of convertible bonds issued by the Company;
- (6) to safeguard the value of the Company and the interests of the shareholders when necessary;
- (7) other circumstances permitted by the laws, administrative regulations, the listing rules of the places where the shares of the Company are listed and regulatory authorities.

Any acquisition by the Company of its shares under the circumstances as required in the Article 1(1) and (2) shall be resolved at a shareholders' general meeting; while any acquisition by the Company of its shares under the circumstances as required in Article 1(3), (5) and (6) shall be approved by the Board meeting attended by at least two third of the directors.

After the Company has acquired its shares in accordance with Article 1(1), such shares shall be canceled within 10 days from the date of acquisition. After the Company has acquired its shares in accordance with Article 1(2) and (4), such shares shall be transferred or cancelled within 6 months. After the Company has acquired its shares in accordance with Article 1(3), (5) and (6), the total shares of the Company held by the Company itself shall not exceed 10% of its total issued shares and such shares shall be transferred or cancelled within 3 years.

Any repurchase by the Company of its shares under the circumstances as required in Article 1(3), (5) and (6) shall be conducted through open centralized trading.

---

## APPENDIX VI

## SUMMARY OF THE ARTICLES OF ASSOCIATION

---

The Company shall not accept its own shares as the collateral of any pledge or charge.

Where the laws, administrative regulations, normative documents and relevant requirements of the Securities Regulatory Authorities in the place where the Company's shares are listed contain any other provisions in respect of the aforementioned share buy-back, such provisions shall prevail.

With the approval from relevant state authorities to repurchase its own shares, the Company may proceed in any one of the following manners:

- (1) make an offer to all shareholders to repurchase the Company's shares in equal proportions;
- (2) repurchase through open transactions on a stock exchange;
- (3) repurchase by agreement outside of a stock exchange;
- (4) other means as permitted by the law, regulations, normative documents and relevant regulatory authorities.

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 stipulated in the Company's 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.

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 shall not assign contracts for the repurchase of its own shares or any of its rights thereunder.

With regard to the redeemable shares that the Company has the right to redeem, if they are not bought back on the market or by way of tender, the purchase prices of these shares shall not exceed certain maximum price; if they are bought back by way of tender, the tenders shall be available and proposed to all shareholders in the same manner.

After the shares are bought back by the Company pursuant to the laws, the Company shall cancel such shares bought back within the period prescribed by laws, administrative regulations and the listing rules of the stock exchange on which Company's shares are listed, and shall apply to the original company registration authority for registration of the change in the registered capital.

The amount of the Company's registered capital shall be reduced by the aggregate nominal value of those canceled shares.

Unless the Company is in the process of liquidation, the repurchase of issued shares by the Company shall be subject to the following provisions:

- (I) If the shares are repurchased at their nominal value, payment shall be deducted from the balance of the distributable profits in the books of the Company and from the proceeds of fresh issue of new shares for the purpose of repurchase of issued shares;

---

**APPENDIX VI****SUMMARY OF THE ARTICLES OF ASSOCIATION**

---

- (II) If the shares are repurchased at a premium, payment up to the nominal value shall be deducted from the balance of the distributable profits in the books of the Company and from the proceeds of fresh issue of new shares for the purpose of such repurchase. Payment of the portion in excess of the nominal value shall be effected in the following manner:
- (1) if the repurchased shares were issued at nominal value, payment shall be deducted from the balance of distributable profits in the books of the Company;
  - (2) if the repurchased shares were issued at a premium, payment shall be deducted from the balance of distributable profits in the books of the Company and from the proceeds of fresh issue of new shares for the purpose of share repurchase provided that, the amount paid out of the proceeds of fresh issue of new shares shall not exceed the aggregate of premium received on the issue of the shares repurchased, nor the amount of capital surplus reserve fund account of the Company at the time of such repurchase (including the amount of the premium received on the fresh issue of new shares);
- (III) The payment for the following shall be made out of the distributable profits of the Company:
- (1) acquisition of the rights to repurchase its shares;
  - (2) modification of any contract of the repurchase of its shares;
  - (3) release from any of its obligations under the repurchase contract.
- (IV) After the registered capital of the Company has been reduced by the total nominal amount of the shares so canceled pursuant to relevant provisions, the amount which has been deducted from the distributable profits and used for repurchasing the nominal value of the shares shall be credited to the premium account (or capital common reserve account) of the Company.

Where the laws, regulations, departmental rules, normative documents and relevant provisions of the securities regulatory authority at the places where the shares of the Company are listed have any other provisions in respect of the financial arrangement relating to the aforesaid share repurchase, such provisions shall prevail.

**FINANCIAL ASSISTANCE FOR THE PURCHASE OF THE SHARES OF THE COMPANY**

The Company or its subsidiaries, including its affiliates, shall not, by any means and at any time, provide any financial assistance to purchasers or potential purchasers of the Company's shares. The aforesaid purchasers include persons directly or indirectly undertaking obligations due to purchase of the Company's shares.

The Company or its subsidiaries, including its affiliates, shall not, by any means and at any time, provide any financial assistance to the aforesaid obligors for the purpose of reducing or discharging their obligations.

"Financial assistance" shall include but not limited to the assistance in the following means:

- (1) gift;
- (2) guarantee (including the undertaking of liability or provisions of property by the guarantor in order to guarantee the performance of the obligation by the obligor), indemnity (excluding, however, indemnity arising from the Company's own fault), and termination or waiver of rights;

---

## APPENDIX VI

## SUMMARY OF THE ARTICLES OF ASSOCIATION

---

- (3) provision of a loan or signing of a contract under which the obligations of the Company are to be fulfilled prior to the fulfillment of the obligations of the other party to the contract, and a change in the party to such loan or contract as well as the assignment of rights under such loan or contract;
- (4) financial assistance in any other form provided by the Company when the Company is insolvent or has no net assets or when such assistance would lead to a significant reduction in the Company’s net assets.

The “undertaking of obligations” shall include the undertaking of an obligation by the obligor by entering into a contract or making an arrangement (irrespective of whether or not such contract or arrangement is enforceable and irrespective of whether or not such obligation is assumed by the obligor individually or jointly with any other person), or by changing the obligor’s financial position in any other way.

The acts listed below shall not be regarded as the prohibited acts:

- (1) the Company provides the relevant financial assistance in the interests of the Company in good faith, and the primary purpose of such financial assistance is not to purchase the Company’s shares, or such financial assistance is an incidental part of master plan of the Company;
- (2) the Company distributes its assets as dividends in accordance with the law;
- (3) the Company distributes dividends in the form of shares;
- (4) the Company reduces its registered capital, repurchases its shares or adjusts the equity structure in accordance with the Articles of Association;
- (5) the Company provides a loan for its normal business operations within its business scope (provided that such financial assistance shall not result in a reduction in the net assets of the Company, or in the event of such reduction, such financial assistance is provided out of the distributable profit of the Company);
- (6) the Company provides the funding for employee stock ownership plans (provided that such financial assistance shall not result in a reduction in the net assets of the Company, or in the event of such reduction, such financial assistance is provided out of the distributable profit of the Company).

### TRANSFER OF SHARES

The shares of the Company held by the promoters shall not be transferred within one year after the incorporation of the Company. The shares issued before the Company’s [REDACTED] of shares shall not be transferred within one year from the date when the Company’s shares are listed and traded on the stock exchange.

The Directors, Supervisors and senior management of the Company shall report to the Company their shareholdings and changes thereof and shall not transfer more than 25 percent of the total number of their shares in the Company per annum during their terms of office. The shares of the Company held shall not be transferred within one year from the date when the Company’s shares are listed and traded. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company.

---

**APPENDIX VI****SUMMARY OF THE ARTICLES OF ASSOCIATION**

---

**SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS****(1) Shares Certificates**

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

In addition to the particulars provided for in the laws and regulations, such as the Company Law, the share certificates of the Company shall clearly state such other particulars as required by the stock exchange(s) on which the Company’s shares are listed.

The share certificates shall be signed by the Chairman of the Board. Where the signatures of the senior management of the Company are required by the stock exchange(s) where the Company’s shares are listed, the share certificates shall also be signed by such senior management. The share certificates shall become valid after the Company seal is affixed thereto or imprinted thereon. The affixing of the Company seal to the share certificates shall be authorized by the Board. The signature of the chairman of the Board or such senior management of the Company on the share certificates may also be in printed form.

In case of paperless issuance and trading of the shares of the Company, provisions otherwise provided by the securities regulatory authorities where the Company’s shares are listed shall apply.

**(2) Register of Shareholders**

The Company shall establish a register of shareholders, which shall register therein the following particulars:

- (1) the name, address (domicile), and occupation or nature of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the amount paid or payable for the shares held by each shareholder;
- (4) the serial number of the share certificate held by each shareholder;
- (5) the date on which each shareholder is registered as a shareholder;
- (6) the date on which each shareholder ceases to be a shareholder.

The shareholders’ register is a sufficient evidence of the shareholders’ shareholdings in the Company unless there is evidence to the contrary.

The Company may keep overseas the register of shareholders of overseas-listed foreign shares and entrust the administration thereof to an overseas agent in accordance with the understandings and agreements reached between the securities regulatory authority under the State Council and the overseas securities regulatory authorities. The original register of shareholders of overseas-listed foreign shares listed in the Hong Kong shall be kept in Hong Kong and available for inspection by shareholders.

The Company shall keep at its domicile a copy of the register of shareholders of overseas-listed foreign shares. The entrusted overseas agent shall always ensure that the original and copies of the register of shareholders of overseas listed foreign shares are consistent.

Where the original and copies of the register of shareholders of overseas-listed foreign shares are inconsistent, the original shall prevail.



---

**APPENDIX VI****SUMMARY OF THE ARTICLES OF ASSOCIATION**

---

The Company shall maintain a complete register of shareholders.

The register of shareholders shall include the following parts:

- (1) a register kept at the Company’s domicile other than those specified in items (2) and (3) of this Article;
- (2) the register(s) of shareholders of overseas-listed foreign shares kept in the place(s) of the overseas stock exchange(s) where the shares are listed;
- (3) registers of shareholders kept in other places as the Board may decide and consider necessary for listing purposes.

The various parts of the register of shareholders shall not overlap with each another. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register.

Changes and corrections to each part of the register of shareholders shall be carried out in accordance with the law of the places where that part of the register of shareholders is kept.

If the laws, administrative regulations, departmental rules, normative documents of the PRC and rules of relevant stock exchanges or regulatory authorities at the places where the shares of the Company are listed require a period of closure of the register of shareholders prior to the date of a shareholders’ general meeting or before the record date for the Company’s determination of the distribution of dividends, such provisions shall prevail.

The aforesaid period of suspension of change registration of register of shareholders shall not exceed 30 days in total within a year, but can be extended for a maximum of 30 days upon approval by a shareholders’ meeting. When the Company receives an application for consultation of register of shareholders during the period of suspension of change registration of register of shareholders, it shall issue to the applicant a proof document signed by the company secretary to state the approval authorities for suspension of change registration of register of shareholders and the period of suspension.

When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities requiring the identification of shareholders, the convener of the Board or general meeting shall decide the record date. The shareholders whose names appear on the register of shareholders at the close of trading on the record date shall be entitled to the relevant rights.

If any person objects to the register of shareholders and requests to have his/her name recorded in or deleted from the register of shareholders, such person may apply to the court with jurisdiction for correcting the register of shareholders.

If any shareholder in the register of shareholders or any person requesting to have his/her name recorded in the register of shareholders loses his/her share certificates (i.e. “the Original Share Certificates”), such shareholder or person may apply to the Company for issuing replacement certificates in respect of the shares (i.e. “the Relevant Shares”) held by them.

After the Company reissues new shares in accordance with the provisions of the Articles of Association, the name (title) of a bona fide purchaser gaining possession of such new share certificate or the person who is subsequently entered in the register of shareholders as holder of such shares (if he/she is a bona fide purchaser) shall not be removed from the register of shareholders.

---

## APPENDIX VI

## SUMMARY OF THE ARTICLES OF ASSOCIATION

---

The Company shall not be liable for any damages suffered by any person arising from the cancelation of the Original Share Certificates or the issuance of a new replacement share certificate, unless the claimant can prove that the Company has committed a fraudulent act.

The Company shall have the right to issue share warrants to bearers. No new share warrant shall be issued to replace one that has been lost, unless the Company is reasonably satisfied that the original has been destroyed.

### RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

#### (1) Shareholders

A shareholder of the Company is a person who lawfully holds shares of the Company and has his/her name recorded in the register of shareholders.

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

#### (2) Rights and Obligations of Shareholders

The ordinary shareholders of the Company shall enjoy the following rights:

- (I) the right to receive dividends and other distributions in proportion to their shareholdings;
- (II) the right to request, convene, preside, attend or appoint a proxy to attend shareholders' general meetings in accordance with laws and to exercise the corresponding voting rights;
- (III) the right to supervise the Company's business operations, to present proposals and to raise enquires;
- (IV) the right to transfer shares in accordance with laws, administrative regulations, the listing rules of the stock exchange where the shares of the Company are listed as well as the Articles of Association;
- (V) the right to obtain relevant information in accordance with the Articles of Association:
  - 1. the right to obtain the Articles of Association, subject to payment of a reasonable cost;
  - 2. the right to inspect and copy, subject to payment of a reasonable charge:
    - (1) the register of all the shareholders;
    - (2) personal particulars of each of the Company's Directors, Supervisors and senior management members, including:
      - a present and former name and alias;
      - b principal address (domicile);
      - c nationality;
      - d primary and all other part-time occupations and duties;
      - e identification documents and the numbers thereof.



---

**APPENDIX VI****SUMMARY OF THE ARTICLES OF ASSOCIATION**

---

- (3) reports on the status of the issued share capital of the Company;
- (4) reports showing the aggregate nominal value, quantity, 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 incurred by the Company for this purpose, refined according to domestic shares and foreign shares;
- (5) counterfoils of corporate bonds, resolutions of the Board of Directors, resolutions of the Board of Supervisors and financial accounting reports;
- (6) the annual report of last year that has been filed with the PRC Administration for market regulation or other competent authorities;
- (7) minutes of general meeting of shareholders (for shareholders’ reference only), special resolutions of general meeting of shareholders of the company.

The Company shall keep the above documents other than items (2) and (5) at the Company’s address in Hong Kong, according to the requirements of the Hong Kong Listing Rules, for the public and H-share shareholders to inspect free of charge.

The Company may refuse to provide the contents consulted and copied that involve the Company’s business secrets and inside information as well as the personal privacy of relevant personnel.

- (VI) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the shareholdings;
- (VII) with respect to shareholders who vote against any resolution adopted at the shareholders’ general meeting on the merger or division of the Company, the right to demand the Company to buy back their shares;
- (VIII) the shareholders separately or in aggregate holding more than three percent of the shares of the Company shall have the right to submit provisional proposals in writing to the Board of Directors ten days prior to the shareholders’ general meeting;
- (IX) other rights under laws, administrative regulations, departmental rules, listing rules of the places where the shares of the Company are listed and the Articles of Association.

The Company shall not exercise any power to freeze or otherwise prejudice any rights attached to the shares held by any person who directly or indirectly has interest in the Company solely for the reason that such person fails to disclose to the Company any such interests.

The ordinary Shareholders of the Company shall have the following obligations:

- (1) to abide by laws, administrative regulations, the listing rules of the stock exchange where the Company’s shares are listed and the Articles of Association;
- (2) to pay capital contribution for the shares subscribed for in the prescribed method of subscription;
- (3) not to abuse their shareholders’ rights to jeopardize the interests of the Company or other shareholders; and not to abuse the status of the Company as an independent legal person

## **APPENDIX VI**

## **SUMMARY OF THE ARTICLES OF ASSOCIATION**

and the limited liability of shareholders to jeopardize the interests of any creditors of the Company;

Where shareholders of the Company abuse their shareholders’ rights and thereby causing loss to the Company or other shareholders, such shareholders shall be liable for indemnity in accordance with the law;

Where shareholders of the Company abuse the Company’s status as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company;

- (4) to fulfill other obligations as stipulated by laws, administrative regulations, the listing rules of the stock exchange where the Company’s shares are listed and the Articles of Association.

Shareholders shall not be liable for further contribution to share capital other than the conditions agreed to as a subscriber of the shares at the time of subscription.

### **RESTRICTIONS ON RIGHTS OF THE CONTROLLING SHAREHOLDERS**

Save for the obligations imposed by laws, administrative regulations or required by the listing rules of the places where the shares of the Company are listed, the controlling shareholders shall not, in the exercise of their shareholders’ rights, make decisions prejudicial to the interests of all or part of the shareholders in the exercise of their voting rights on the issues set forth below:

- (1) releasing the responsibility of a Director or Supervisor to act in good faith in the best interests of the Company;
- (2) approving the expropriation by a Director or Supervisor (for his/her own or others’ benefits), in any means, of the Company’s assets, including but not limited to opportunities beneficial to the Company;
- (3) approving the expropriation by a Director or Supervisor (for his/her own or others’ benefits) of the personal interests of other shareholders, including but not limited to any rights to distributions and voting rights, but excluding restructuring of the Company submitted to general meeting for approval in accordance with the Articles of Association.

### **SHAREHOLDERS’ GENERAL MEETING**

#### **General rules for the Shareholders’ General Meeting**

The general meeting shall be the supreme authority of the Company and shall exercise the functions and powers in accordance with laws.

The general meeting shall exercise the following functions and powers:

- (1) to decide the Company’s operational policies and investment plans;
- (2) to elect and change the Directors and decide on the remunerations of Directors;
- (3) to elect and change the Supervisors who are not employees’ representatives and decide on the remunerations of Supervisors;
- (4) to consider and approve reports of the Board;

---

**APPENDIX VI****SUMMARY OF THE ARTICLES OF ASSOCIATION**

---

- (5) to consider and approve reports of the Supervisory Committee;
- (6) to consider and approve the annual financial budgets and final accounting proposals of the Company;
- (7) to consider and approve the Company’s profit distribution plans and loss recovery plans;
- (8) to resolve on the increase or reduction of the registered capital of the Company;
- (9) to resolve on the issuance of bonds or other securities of the Company and listing proposals;
- (10) to resolve on the merger, division, dissolution, liquidation or change in the form of the Company;
- (11) to determine the Company’s engagement, removal or discontinuance of engagement of accounting firms;
- (12) to amend the Articles of Association;
- (13) to consider and approve matters relating to the purchases, disposals of material assets (including but not limited to land, building, equipment, production line, equity), or provisions of guarantees, which are more than 30% of the latest audited total assets, within one year;
- (14) to examine the transactions of which the percentage is not lower than 25% (including one-off transactions as well as series of transactions of which the percentage shall be calculated jointly) and all the related transactions of which the percentage is not lower than 5% (including one-off transactions as well as series of transactions of which the percentage shall be calculated jointly) with percentage rates of not less than 25% and 5% respectively in accordance with Rule 14.07 of the Hong Kong Listing Rules;
- (15) to review the equity incentive plan;
- (16) to consider proposals submitted by shareholders holding three per cent or more of the shares with voting rights of the Company;
- (17) to consider and approve the provision of guarantees specified in Article 57 of the Articles of Association;
- (18) to consider other matters required to be resolved by the shareholders’ general meeting pursuant to laws, regulations, the rules of securities regulatory authorities in the place where the Company’s shares are listed and the Articles of Association.

“Within one year” abovementioned refers to “within one financial year”.

Where the Company provides guarantee for the shareholders, actual controllers of the company and their connected persons, the resolution shall be made by the shareholders’ meeting. When the general meeting of shareholders is deliberating the proposal to provide guarantee for the shareholder, the actual controller and their connected persons, the shareholder or the shareholder controlled by the actual controller shall not participate in the voting of the matters specified in the preceding paragraph. The vote shall be adopted by more than half of the voting rights held by other shareholders present at the meeting.

Apart from special circumstances such as where the Company is in crisis, the Company shall not enter into contracts with a party (other than a Director, Supervisor and senior management

---

## APPENDIX VI

## SUMMARY OF THE ARTICLES OF ASSOCIATION

---

members) in relation to handover of the administration of all business or the important business of the Company to that party without the approval of the shareholders’ general meeting by special resolution.

General meetings consist of annual general meetings and extraordinary general meetings. The general meetings shall be convened by the Board of Directors. The annual general meeting shall be held once every year within six months after the end of the previous financial year.

The Company shall convene an extraordinary general meeting within two months upon occurrence of the following events:

- (1) when the number of Directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;
- (2) the unrecovered losses of the Company amount to one third of the total amount of its paid-up share capital;
- (3) when shareholder(s) severally or jointly holding ten per cent or more of the Company’s shares request(s) to convene such meeting in writing;
- (4) when deemed necessary by the Board;
- (5) when proposed by the Supervisory Committee;
- (6) when proposed by two or more of independent non-executive Directors;
- (7) other circumstances stipulated by laws, administrative regulations, departmental rules, the listing rules of the places where the shares of the Company are listed or the Articles of Association.

### **Notices of the Shareholders’ General Meeting**

The convener will notify all shareholders of the time, place and deliberation matters of the annual general meeting twenty-one days before the meeting is held, and the interim general meeting will notify all shareholders fifteen days before the meeting is held.

A general meeting shall not make decision on matters not specified in the notice or the supplemental notice.

Notice of a general meeting shall satisfy the following requirements:

- (1) be in writing;
- (2) specific venue, date and time of the meeting;
- (3) matters to be considered at the meeting;
- (4) any information and explanations necessary to be made available to the Shareholders for such Shareholders to make sound decisions about the matters to be discussed. This principle includes (but not limited to) the provision of the specific terms and contract(s), if any, of the proposed transaction(s) and serious explanations about the reasons and effects when the Company proposes mergers, repurchase of shares, equity restructuring or other restructuring;
- (5) in the event that any of the Directors, Supervisors and other senior management has material interests in matters to be discussed, the nature and extent of the interests shall be

---

## APPENDIX VI

## SUMMARY OF THE ARTICLES OF ASSOCIATION

---

disclosed. If the matters to be discussed affect any Director, Supervisor and other senior management as a Shareholder in a manner different from the manner they affect other Shareholders of the same class, the difference shall be explained;

- (6) the full text of any special resolution to be proposed for approval at the meeting;
- (7) a prominent statement that all Shareholders are eligible for attending the general meeting and are entitled to appoint one or more proxies to attend and vote at such meeting on his/her behalf, and that such proxy does not need to be a Shareholders of the Company;
- (8) name and telephone number of the contact person;
- (9) the time and venue for lodging a proxy form for the meeting;

Except as otherwise stipulated in the Articles of Association, the notice of the general meeting shall be served on the Shareholders (whether or not such Shareholder is entitled to vote at the general meeting) by hand or postage prepaid mail. The address of the recipient shall be the registered address as shown in the register of shareholders. For holders of Domestic Shares, the notice of the general meeting may also be given by way of announcement.

The announcement referred above shall be published in one or more newspapers designated by the Securities Regulatory Authorities of the State Council fifteen days prior to the convening of extraordinary Shareholders' general meetings, twenty-one days prior to the convening of Shareholders' annual general meetings. Once such an announcement is made, all holders of the Domestic Shares shall be deemed to have received the relevant notice of the general meeting.

### **The Convening of the General Meeting**

Any shareholder who has the right to attend and vote at the general meeting (including Hong Kong Securities Clearing Company Ltd. (HKSCC)) has the right to appoint one or more person(s) (the person may not be a shareholder) as his/her proxy to attend and vote on his/her behalf. If the shareholder is a corporation, it may appoint a proxy to attend and vote at the general meeting, while the presence of such proxy shall be deemed presence in person by such shareholder. Such shareholder may execute a form of proxy under the hand of a duly authorized officer.

The shareholder's proxy may exercise the same rights as other shareholders, including but not limited to the following rights in accordance with the shareholder's authorization:

- (1) the shareholders' right to speak at the general meeting;
- (2) the right to demand a poll by himself/herself or jointly with others;
- (3) the right to exercise voting rights by a show of hands or by a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights by a poll.

If the Company convenes a creditors' meeting, Hong Kong Securities Clearing Company Ltd (HKSCC) shall have the right to appoint a proxy or representative in writing to attend such creditors' meeting and have the same rights, including the right to speak and the right to vote, as other shareholders.

The appointment of a proxy shall be in writing and signed by the appointing shareholder or his/her attorney duly authorized in writing; where the appointing shareholder is a legal person, such appointment shall be affixed with its seal or signed by its Director or attorney duly authorized.

---

## APPENDIX VI

## SUMMARY OF THE ARTICLES OF ASSOCIATION

---

The instrument of proxy shall be deposited at the domicile of the Company or such other place as the notice of the general meeting may specify not less than twenty-four hours prior to convening of the general meeting at which the relevant matters will be voted on, or twenty-four hours before the designated voting time. Where the instrument of proxy is signed by a person authorized by the appointing shareholder, the power of attorney or other documents authorizing such person to sign the instrument of proxy shall be notarized. The notarized power of attorney or other authorization documents, together with the instrument of proxy, shall be lodged at the address of the Company or at other places specified in the notice of meeting.

Where the appointing shareholder is a legal person, its legal representative or the person authorized by the resolution of its board of directors or other governing bodies may attend the shareholders' general meetings of the Company as a representative of such appointing shareholder.

Any blank instrument of proxy or proxy form issued to a shareholder by the board of directors for the shareholder to appoint a proxy shall allow the shareholder to freely instruct the proxy to cast vote for or against and enable the shareholder to give separate instructions on each matter to be voted at the meeting.

Such instrument of proxy shall contain a statement that in the absence of instructions from the shareholders, his proxy may vote at his discretion.

Where the appointing shareholder has deceased, lost capacity, revoked the appointment or the signed instrument of authorization prior to the voting, or the relevant shares have been transferred prior to the voting, a vote given in accordance with the terms of instrument of proxy shall remain valid as long as the Company did not receive a written notice of such event prior to the commencement of the relevant meeting.

### **Resolutions at the General Meeting**

Resolutions of the general meeting include ordinary resolutions and special resolutions.

Ordinary resolution at a general meeting shall be adopted by more than one half of the voting rights held by shareholders (including their proxies) attending the general meeting.

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

Shareholders (including proxies) who vote at a general meeting shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share. However, shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.

When any shareholders' general meeting considers matters related to related-party transactions, if the applicable laws and regulations or the listing rules of the stock exchange where the Company's shares are listed require, the related shareholder shall not vote and the number of voting shares that he represents shall not be counted as part of the total number of valid votes.

Voting on all resolutions by Shareholders at the general meeting will be decided by way of a poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.



---

## APPENDIX VI

## SUMMARY OF THE ARTICLES OF ASSOCIATION

---

If the chairman of the meeting decides to vote on a show of hands, the general meeting shall vote on a show of hands unless a vote is demanded by the following persons before or after the show of hands:

- (1) chairman of the meeting;
- (2) at least two voting shareholders or proxies of voting shareholders;
- (3) one or more shareholders (including shareholders' proxies) holding more than 10% (including 10%) of the voting shares at the meeting shall be calculated separately or jointly.

If the chairman of the meeting decides to vote on a show of hands, unless a poll is proposed, the chairman of the meeting shall, on the basis of the result of the show of hands, announce the adoption of the proposal and record it in the minutes of the meeting as the final basis, without proving the number or proportion of votes for or against the resolution passed at the meeting.

The demand for a poll can be withdrawn by the proposer.

If the matter required to be voted by way of a poll relates to election of chairman or adjournment of meeting, a poll shall be conducted immediately; in respect of other matters required to be voted by way of a poll, the chairman may decide the time of a poll, and the meeting may proceed to consider other matters. The voting results shall still be deemed as resolutions passed at the said meeting.

When voting by a poll, Shareholders (including their proxies) entitled to two or more votes need not cast all their votes for or against in the same way.

When the number of votes against and in favor are equal, the chairman of the meeting shall be entitled to an additional vote.

Where relevant laws and regulations and the Listing Rules requires any shareholder to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

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

- (1) work reports of the Board and the Supervisory Committee;
- (2) profit distribution plan and loss recovery plan formulated by the Board;
- (3) elect and replace of Directors and supervisors who are not employee-supervisors, and remuneration and payment methods thereof;
- (4) except as otherwise required by law, administrative regulations or regulatory provisions, remove any Director (including the managing director) of the Company whose term of office has not expired; but such removal shall not affect any contractual claim by such Director;
- (5) annual financial budgets and final accounting proposals, balance sheet, income statement and other financial statements of the Company;
- (6) annual report of the Company;
- (7) to determine the Company's engagement, removal or discontinuance of engagement and remuneration of accounting firms;

---

**APPENDIX VI****SUMMARY OF THE ARTICLES OF ASSOCIATION**

---

- (8) matters on external guarantees as specified in Article 57 of Articles of Association (except Item (2) of Article 1);
- (9) matters other than those requiring approval by special resolutions in accordance with laws, administrative regulations, the listing rules of the stock exchange where the Company’s shares are listed or the Articles of Association;

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

- (1) increase or reduction of the registered capital of the Company and issue of shares of any class, warrants or other similar securities of the Company; the repurchase of the Company’s shares by the Company which is required to be considered by the shareholders’ general meeting in accordance with the provisions of the Articles of Association;
- (2) issuance of corporate bonds;
- (3) division, merger, dissolution, liquidation and voluntary liquidation or change in the form of the Company;
- (4) amendments to the Articles of Association;
- (5) purchase or disposal of material assets (including but not limited to land, building, equipment, production line, equity) or guarantee of the Company within one year with the amount exceeding 30% of the latest audited total assets of the Company;
- (6) equity incentive plan;
- (7) any other matters as required by laws, administrative regulations, listing rules of the places where the shares of the Company are listed or the Articles of Association or matters which, as resolved by way of an ordinary resolution at a general meeting, will have a material impact on the Company and need be approved by way of special resolutions.

“Within one year” refers to “within one financial year”.

**SPECIAL PROCEDURES FOR VOTING OF CLASS SHAREHOLDERS**

Shareholders holding different classes of shares shall be class shareholders.

Class shareholders shall enjoy the rights and assume the obligations in accordance with laws, administrative regulations, the listing rules of the stock exchange where the Company’s shares are listed and the Articles of Association.

The Company shall not proceed to change or abrogate the rights of class shareholders unless such proposed change or abrogation has been approved by way of a special resolution at a general meeting and by a separate shareholder meeting convened by the class shareholders so affected in accordance with the Articles of Association.

The following circumstances shall be deemed as change or abrogation of the rights of a certain class shareholder:

- (1) to increase or decrease the number of shares of such class, or to increase or decrease 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;

---

**APPENDIX VI**

---

**SUMMARY OF THE ARTICLES OF ASSOCIATION**

---

- (2) to change all or part of the shares of such class into shares of another class or to change all or part of the shares of another class into shares of that class or to grant relevant conversion rights;
- (3) to cancel or reduce rights to accrued dividends or cumulative dividends attached to shares of such class;
- (4) to reduce or cancel rights attached to the shares of such class to preferentially receive dividends or distributions of assets in a liquidation of the Company;
- (5) to add, cancel or reduce share conversion rights, options, voting rights, transfer rights, pre-emptive placing rights, or rights to acquire securities of the Company attached to the shares of such class;
- (6) to cancel or reduce rights to receive payments made by the Company in a particular currency attached to the shares of such class;
- (7) to create a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (8) to restrict the transfer or ownership of the shares of such class or to impose additional restrictions;
- (9) to issue rights to subscribe for, or to convert into, shares of such class or another class;
- (10) to increase the rights and privileges of the shares of another class;
- (11) to restructure the Company in such a way as to cause shareholders of different classes to undertake liabilities disproportionately during the restructuring; and
- (12) to amend or cancel provisions in this section.

Shareholders of the affected class, whether or not with the rights to vote at general meetings originally, shall have the right to vote at shareholders’ class meetings in respect of matters referred to in items (2) to (8) and (11) to (12) above, except that interested shareholders shall not vote at such shareholders’ class meetings.

The term “interested shareholders” in the preceding paragraph shall mean:

- (1) in case of a buy-back of shares by the Company by way of a general offer to all shareholders in equal proportion or by way of open market transactions on a stock exchange in accordance with the Articles of Association, the controlling shareholders as defined in the Articles of Association shall be the “interested shareholders”;
- (2) in case of a buy-back of shares by the Company by an off-market agreement in accordance with the Articles of Association, holders of shares in relation to such agreement shall be the “interested shareholders”;
- (3) in case of a proposed restructuring of the Company, shareholders who assume a relatively lower proportion of obligation than the obligations imposed on the other shareholders of that class or who have an interest in the proposed restructuring that is different from the general interests in such proposed restructuring of the other shareholders of that class shall be the “interested shareholders”.

Resolution of a shareholders’ class meeting shall be passed only by two thirds or more of the total voting rights being held by the shareholders of that class who are present and entitled to vote at the shareholders’ class meeting in accordance with the Articles of Association.

## APPENDIX VI

## SUMMARY OF THE ARTICLES OF ASSOCIATION

When the Company is to convene a shareholders’ class meeting, it shall issue a written notice fifteen days or ten working days (whichever is longer) prior to the date of such meeting informing all the shareholders who are registered as holders of that class in the register of shareholders of the matters to be considered at the meeting as well as the date and place of the meeting.

In the event that the number of the voting shares represented by the shareholders intending to attend the meeting is more than one half of the total number of voting shares of that class, the Company may convene a shareholders’ class meeting. Otherwise, the Company shall within five days notify the shareholders once again, by way of public announcement, of the matters to be considered at the meeting and the date and place of the meeting. Upon notification by public announcement, the Company may then proceed to convene the shareholders’ class meeting.

If provisions otherwise provided by the listing rules of the stock exchange in the place where the Company’s shares are listed, these provisions shall apply.

The notice of a shareholders’ class meeting shall be sent to the Shareholders entitled to vote at such meeting only.

The procedure of a shareholders’ class meeting shall, to the extent possible, be identical with the procedure of a general meeting. Provisions of the Articles of Association relevant to procedure for the holding of a general meeting shall be applicable to a shareholders’ class meeting, unless otherwise stipulated in the Articles of Association.

Except for other classes of Shareholders, domestic shareholders and foreign shareholders of listed shares are treated as different classes of shareholders.

In the following circumstances, the special procedures for voting by class shareholders shall not apply:

- (1) with the approval by a special resolution at the general meeting, the Company issues Domestic Shares or overseas listed foreign shares alone or at the same time at each interval of 12 months and the number of the proposed Domestic Shares and overseas listed foreign shares does not exceed 20% of the respective outstanding shares of such class.
- (2) the Company has made the plans to issue Domestic Shares or overseas listed foreign shares at the time of incorporation and the implementation of such plan has been completed within 15 months from the date of approval by the securities regulatory authority of the State Council.
- (3) listing and trading of the unlisted shares held by shareholders of the Company on overseas stock exchanges under the approval by the securities regulatory authority of the State Council and Hong Kong Stock Exchange.

## DIRECTORS AND THE BOARD OF DIRECTORS

### (1) Directors

The Company shall set aside a period of time before the relevant meeting is held on the nomination of candidates by shareholders to be Directors. Within such period, shareholders may give written notice to the Company on the nomination of candidates to be Directors, and the candidates may give written notice to the Company on their willingness to accept the nomination. The said period shall

---

## APPENDIX VI

## SUMMARY OF THE ARTICLES OF ASSOCIATION

---

be at least seven days, and the starting date shall not be earlier than the first date of the notice of the relevant meeting and the deadline for such period shall be no later than seven days before the date of the relevant meeting.

Directors shall be elected and replaced at the general meeting and serve a term of three years for each session. A director may serve consecutive terms if re-elected upon the expiry of his/her term.

The term of office of the Directors shall be counted from the date of appointment until the expiration of the term of the current Board of Directors. When the Directors' term expires and re-election not be held in time, or where the resignation of a director during his term of office causes the number of board members to be less than the quorum, the original Directors shall still perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed and the Company's Articles of Association before the re-elected Directors take office.

Any person appointed by the Board of Directors as a Director to fill a temporary vacancy or to increase the number of the Board of Directors shall hold office only until the first general meeting of the Company following his or her appointment and shall then be eligible for re-election.

Before the expiration of any Director's term of office, subject to the relevant laws, administrative regulations and the listing rules of the stock exchanges, the general meeting of shareholders may remove such Director before expiry of his/her term of office (but without prejudice to any claim for compensation pursuant to any contract) by ordinary resolution.

The Directors need not hold any of our shares.

### **(2) Board of Directors**

The Company shall have a board of directors which shall be accountable and report to the general meeting. The board of directors shall consist of seven directors, including three independent non-executive directors. The board of directors shall have a chairman. The chairman of the board shall be elected and removed by more than half of all directors, with a term of office of three years and may be re-elected.

The Board of Directors shall be accountable to the general meeting and shall exercise the following powers and duties:

- (1) to convene a general meeting and report its work to such meeting;
- (2) to implement the resolutions of a general meeting;
- (3) to decide on the operation plans and investment schemes of the Company;
- (4) to prepare the draft annual budget and final accounts of the Company;
- (5) to prepare the profit distribution plan and the loss recovery plan of the Company;
- (6) to prepare the plan for the Company to increase or reduce its registered capital, issuance of bonds and other securities and listing plans;
- (7) to prepare plans of the Company with respect to mergers, divisions, dissolution or changes of the form of the Company;

---

**APPENDIX VI****SUMMARY OF THE ARTICLES OF ASSOCIATION**

---

- (8) to decide on the establishment of the internal management organizations of the Company;
- (9) to appoint or dismiss the general manager, the secretary to the Board and the company secretary, and to decide on their remunerations; to appoint or dismiss the senior management including the deputy general managers and the chief financial officer of the Company in accordance with the nominations made by general manager, and to decide on their remunerations;
- (10) to establish a basic management system of the Company;
- (11) to prepare plans to amend the Articles of Association;
- (12) to authorize the chairman of the Board of Directors or general manager to exercise part of the functions and powers of the Board of Directors;
- (13) to consider and approve, calculated in accordance with the provisions of Rule 14.07 of the Listing Rules, (1) all share transactions with a percentage rate of less than 5% and the consideration includes shares to be issued and listed (including one-off transactions and series of transactions that need to be combined to calculate the percentage rate), and (2) disclosed transactions with a percentage rate of more than 5% but less than 25% (including one-off transactions and series of transactions that need to be combined to calculate the percentage rate), and (3) partial-exempt related transactions and non-exempt related transactions with a percentage rate (excluding profit ratio) higher than 0.1% and lower than 5% calculated in accordance with the provisions of Rule 14.07 of the Listing Rules (including one-off transactions and series of transactions that need to be combined to calculate the percentage rate);
- (14) to decide, among others, the Company’s external investment, purchase and sale of assets, provision of security on the Company’s assets, entrusted wealth management, financing and others that are subject to the decision making by the Board as required in the listing rules of the securities exchange where the shares of the Company are listed;
- (15) to formulate the Company’s equity incentive plan;
- (16) to propose the amount of Directors’ remuneration and the scheme of payment method, and report to the general meeting for decision;
- (17) to manage the information disclosure of the Company;
- (18) to make the proposal of engaging or replacing an accounting firm to the general meeting;
- (19) to decide on such major matters and administrative affairs other than those ought to be decided by the general meeting as specified in the laws, administrative regulations, departmental rules and these Articles of Association;
- (20) to consider, review and approve the matters on the Company’s external guarantee which shall not fall into the scope required to be considered by the general meeting as provided in Article 57 of the Articles of Association;
- (21) to exercise other powers and duties conferred by relevant laws, administrative regulations, departmental regulations, the listing rules of the stock exchange where our shares are listed or the Articles of Association.

The Board meeting shall not be held unless more than one half of the Directors are present.



---

**APPENDIX VI****SUMMARY OF THE ARTICLES OF ASSOCIATION**

---

Except for the Board resolutions in respect of the matters specified in clauses (6), (7) and (11) above which shall be passed by not less than two-thirds of the Directors, the Board resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of the Directors.

Should the foregoing exercise of such functions and powers by the Board, or any transaction or arrangement of the Company be considered and reviewed by a general meeting according to the listing rules of the stock exchange(s) of the place(s) where the Company’s shares are listed, such shall be submitted to the general meeting for consideration and review.

When the Board of Directors disposes assets, if the sum of the expected value of the fixed assets to be disposed of, and the amount or value of the cost received from the fixed assets of the Company disposed of within the four months immediately preceding this suggestion for disposal exceeds 33% of the value of fixed assets of the Company indicated on the latest audited balance sheet submitted at the general meeting.

A disposition of fixed assets includes certain acts of transfer of interests in assets but does not include the provision of fixed assets as security.

The validity of the transactions with respect to the disposal of fixed assets of the Company shall not be affected by the violation of the above restrictions contained in the Articles of Association.

**SECRETARY TO THE BOARD**

The Company shall have one secretary to the Board, which is engaged or dismissed by the Board of Directors. The secretary to the Board shall be one of the senior management members.

Any Directors or other senior management members of the Company may serve concurrently as the secretary to the Board of the Company. The accountants of the accounting firm engaged by the Company shall not serve concurrently as the secretary to the Board of the Company.

Where the secretary to the Board concurrently acts as a director, for an act which is required to be made by a director and the secretary to the Board separately, the person who concurrently acts as a director and the secretary to the Board may not perform the act in dual capacity.

**GENERAL MANAGER**

The Company has one general manager, which is appointed or removed by the Board of Directors.

The Company has a number of deputy general managers, who are appointed or dismissed by the Board of Directors.

The general manager shall be accountable to the Board of Directors and exercise the following powers and duties:

- (1) to take charge of the operation and management of the Company, organize the implementation of resolutions of the Board of Directors and report to the Board of Directors;
- (2) to organize the implementation of the annual business plan and investment scheme of the Company;

---

## APPENDIX VI

## SUMMARY OF THE ARTICLES OF ASSOCIATION

---

- (3) to draft the plan for the establishment of an internal management organization of the Company;
- (4) to formulate the Company's basic management system;
- (5) to make specific rules and regulations of the Company;
- (6) to propose for the appointment or dismissal of senior management such as the deputy general managers and chief financial officer;
- (7) to decide the appointment or dismissal of the management personnel other than those who should be appointed or dismissed by the Board of Directors;
- (8) to perform other powers and duties authorized by the Articles of Association or the Board of Directors.

### SUPERVISORY COMMITTEE

The Company shall have a Supervisory Committee.

The Supervisory Committee consists of three members. The Supervisory Committee shall have a chairman. The term of office of a Supervisor is three years. Upon expiration of the term of office, the Supervisors can be re-elected and re-appointed.

The chairman of the Supervisory Committee shall be appointed or dismissed by the votes of two thirds or more of the members of the Supervisory Committee.

Supervisors shall be representatives of shareholders and employees of the Company. Supervisors assumed by the Company's employee representatives shall not be less than one-third of the total number of supervisors. The employee representatives of the Supervisory Committee shall be elected at the employee representatives' meeting, employee meeting or otherwise democratically. Supervisors who are shareholder representatives shall be elected, replaced and dismissed by the general meetings.

Directors and senior management personnel shall not concurrently serve as supervisors.

The Supervisory Committee shall be accountable to the general meeting, and exercise the following duties and powers:

- (1) to review the financial position of the Company;
- (2) to supervise the performance of Directors and senior management members of their duties to the Company, and propose dismissal of Directors and senior management members that have violated the laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed, the Articles of Association or the resolutions of the general meetings;
- (3) to demand rectification by Directors and senior management members of the Company when the acts of such persons are prejudicial to the Company's interest;
- (4) to review financial information such as financial reports, business reports, and profit distribution plans as proposed by the Board to the general meetings, and to engage certified public accountants and practicing auditors to assist with further examination in the name of the Company if there are any queries;

---

## APPENDIX VI

## SUMMARY OF THE ARTICLES OF ASSOCIATION

---

- (5) to propose the convening of an extraordinary general meeting, and to convene and preside over the general meeting when the Board fails to perform such duties; to put forward proposals to general meetings;
- (6) to negotiate with Directors on behalf of the Company or initiate litigations against Directors;
- (7) to conduct investigation in case of any abnormality found in the operation of the Company; and if necessary, to retain at the expense of the Company such agencies as certified accounting firm and law firm to assist its work;
- (8) other duties and powers conferred by laws, administrative regulations and the Articles of Association.

Supervisors may present at meetings of the Board of Directors.

Resolution of the Board of Supervisors shall require approval from two-thirds of the Supervisors.

### BORROWING POWER

The Company shall not, directly or indirectly, provide loans or loan guarantees to directors, supervisors and senior managers of the Company or its controlling shareholders, or to the related parties thereof.

The preceding paragraph does not apply to the following circumstances:

- (1) where the Company provides loans to its subsidiaries or provides loan guarantees for its subsidiaries;
- (2) where the Company, in accordance with the contracts of appointment as proved by the general meeting of shareholders, provides loans, loan guarantees or other funds for directors, supervisors and senior managers for payments made on behalf of the Company or for payments or expenses incurred in the performance of their duties; and
- (3) where the scope of the Company’s normal business operations includes provision of loans and loan guarantees, the Company may provide loans and loan guarantees for its directors, supervisors and senior managers and to their related parties; however, such provision of loans or loan guarantees shall be under normal business conditions.

### FINANCIAL AND ACCOUNTING SYSTEM

The Company shall establish its financial and accounting system in accordance with laws, administrative regulations, the listing rules of the stock exchange where the Company’s shares are listed and PRC accounting standards formulated by relevant authorities in the PRC.

The accounting year of the Company shall be consistent with the Gregorian calendar year, i.e. from January 1 to December 31 on the Gregorian calendar. The Company shall prepare its financial reports at the end of each accounting year and conduct review and verification as required by law.

The financial reports of the Company shall be kept at the Company and shall be made available to the shareholders at least twenty days before the annual general meeting is held. Each shareholder of the Company shall have the right to obtain the copy of the financial report mentioned in this chapter.

## **APPENDIX VI**

## **SUMMARY OF THE ARTICLES OF ASSOCIATION**

The Company shall deliver or send directors’ report with the balance sheet (including each document required to be attached thereto in accordance with the laws and administrative regulations of the PRC or others), profit and loss statement or statement of income and expenditure, or summary of financial statements by prepaid post to the address of each holder of overseas-listed foreign shares as registered in the register of members at least twenty one days before the annual general meeting. The Company can proceed by way of announcements (including announcement via the Company’s website and/or newspapers), on condition that such announcements are in compliance with the laws, administrative regulations, departmental rules, normative documents and the relevant requirements of the securities regulatory authorities of the places where the shares of the Company are listed.

The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting principles and regulations, be prepared in accordance with either international accounting principles, or those of the place outside the PRC where the Company’s shares are listed. If there is any material difference between the financial statements prepared in accordance with the two accounting principles, such difference shall be stated in the notes to the financial statements. In distributing the Company’s after-tax profits of the relevant fiscal year, the lower of the two amounts shown in the financial statements shall be adopted.

The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations at the same time as well as international accounting standards or the accounting standards of the overseas area in which the shares are listed.

The Company shall publish two financial reports in each fiscal year; the interim financial report shall be published within sixty days after the end of the first six months of the fiscal year; the annual financial report shall be published within one hundred and twenty days after the end of the fiscal year.

### **PROFIT DISTRIBUTION**

The Company may distribute dividends in one of the following forms (or in more than two forms simultaneously):

- (1) Cash;
- (2) Shares;
- (3) Other methods permitted by laws, administrative regulations, departmental rules and the regulatory rules of the place(s) of listing.

The Company shall pay cash dividends and other payments in RMB to domestic shareholders. Such payments made by the Company to holders of foreign shares shall be denominated and declared in Renminbi and paid in foreign currency or in RMB. Such currencies required for the Company’s payment of cash dividends and other payments to the holders of foreign shares shall be handled pursuant to the relevant provisions of the State administration of foreign exchange.

### **DISSOLUTION AND LIQUIDATION OF THE COMPANY**

The Company shall be dissolved and liquidated according to laws in any of the following circumstances:

- (1) the business term stipulated in the Articles of Association has expired or other circumstances for dissolution specified in the Articles of Association arise;

---

**APPENDIX VI**

---

**SUMMARY OF THE ARTICLES OF ASSOCIATION**

---

- (2) the general meeting has resolved to dissolve the Company by way of resolution;
- (3) the merger or division of the Company requires a dissolution;
- (4) the business license is revoked in accordance with the law, or the Company is ordered to close down or is canceled due to violation of laws and administrative regulations;
- (5) if the Company gets into serious trouble in operations and management and continuation may incur material losses of the interests of the shareholders, and no solution can be found through any other means, the shareholders holding ten per cent or more of the total voting rights of the Company may request the People's Court to dissolve the Company;
- (6) the Company is declared bankrupt in accordance with the law because it is unable to pay its debts as they fall due;

The Company may survive by amending the Articles of Association in the case of the circumstance mentioned in Item (1) of Article 1.

Where the Company is dissolved under the circumstances set out in items (1), (2), (4) and (5) above, the Company shall establish a liquidation committee to commence liquidation within fifteen days upon the occurrence of the circumstances for dissolution. The composition of the liquidation committee shall be determined by Directors or shareholders' general meeting. If the Company fails to establish a liquidation committee on time, creditors may request the People's Court to designate certain persons to form a liquidation committee to perform liquidation.

In the event that the Company is dissolved in accordance with the provisions set forth in (6) above, the people's court shall organize the shareholders, related agencies and professional to form the liquidation team pursuant to relevant provisions of the law.

Where the Board resolves to liquidate the Company for any reason other than bankruptcy, the Board shall include a statement in its notice convening a shareholders' general meeting to the effect that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company shall be able to pay its debts in full within twelve months from the commencement of the liquidation.

The functions and powers of the Board shall terminate immediately after the resolution for liquidation is passed at the shareholders' general meeting.

The liquidation committee shall act in accordance with instructions of the general meeting and make a report at least once every year to the general meeting on the committee's income and expenses, the business of the Company and the progress of the liquidation; the liquidation committee shall present a final report to the general meeting upon completion of the liquidation.

The liquidation committee shall notify all creditors within ten days after its establishment and shall publish announcements in newspapers within sixty days.

Upon liquidation for the purpose of company dissolution, after the liquidation committee has examined the assets of the Company and prepared a balance sheet and a property inventory, if it discovers that the Company's assets are insufficient to repay its debts in full, it shall immediately apply to the People's Court in accordance with law to declare the Company's bankruptcy.

## **APPENDIX VI**

## **SUMMARY OF THE ARTICLES OF ASSOCIATION**

---

Following a ruling by the People’s Court that the Company is declared bankrupt, the liquidation committee shall hand over all matters relating to the liquidation to the People’s Court.

Following the completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, a revenue and expenditure statement and financial account books in respect of the liquidation period and, after verification thereof by an accountant registered in China, submit the same to the general meeting or the relevant competent authorities for confirmation. Within thirty days from the date of confirmation of the aforementioned documents by the general meeting or the relevant competent authorities, the liquidation committee shall deliver the same to the company registration authority, apply for cancelation of the Company’s registration and publicly announce the Company’s dissolution.

### **AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The Company may amend the Articles of Association pursuant to the provisions of the laws, administrative regulations, the listing rules of the stock exchange where the Company’s shares are listed and the Articles of Association.

The amendment of the Articles of Association shall be subject to relevant decision-making procedures and go through necessary formalities in accordance with the provisions of relevant laws, administrative regulations and the Articles of Association. If an amendment to these Articles of Association involves a registered particular of the Company, registration of the change shall be carried out in accordance with the law.