

# **JiaXing Gas Group Co., Ltd.**

## **Articles of Association**

**June 2022**

**Approved at the 2021 Annual General Meeting of the Company on 10 June 2022**

(The Articles of Association were prepared in Chinese. The English translation is not an official version and is for your reference only. In case of any inconsistencies and discrepancies between the Chinese and the English versions, the Chinese version shall prevail.)

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# Articles of Association of JiaXing Gas Group Co., Ltd.

## Chapter 1 General Provisions

**Article 1** JiaXing Gas Group Co., Ltd. (the “Company”) is a joint stock company incorporated according 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”) and Special Provisions of the State Council on Issuing and Listing of Shares Abroad by Companies Limited by Shares (the “Special Provisions”) and other relevant laws and administrative regulations.

Approved by the Reply of Zhejiang SASAC on the State-owned Equity Management Plan of JiaXing Gas Co., Ltd. (Preparation) issued by the State-owned Assets Supervision and Administration Commission of Zhejiang Provincial People’s Government on January 9, 2017 (Zhe Guo Zi Chan Quan [2017] No. 2), the Company was jointly promoted and established by its promoters and shareholders in accordance with the Company Law and other relevant provisions. It was registered at Jiaying Market Supervision Administration, and obtained the business license on January 18, 2017. The unified social credit code in the business license of the Company is 91330401146465935J.

The promoters of the Company include: Jiaying City Investment & Development Group Co., Ltd. (“City Development”), Zhejiang Taiding Investment Company Limited. (“Taiding”), Qianyu Group Company Limited (“Qianyu”), Xin’ao Gas Development Company Limited (“Xin’ao”), Fengye Holdings Group Company Limited (“Fengye”), Xu Songqiang, Liu Zhenxiong, Shen Gensheng, Wang Jingren, Shen Guiqi, Yin Peirong, Xu Yanrui, Wang Haibin, Dong Xiaohong, Lv Liushun, Gu Jianli, Xu Jianliang, Zhang Xiafen, Zhou Juxiang, Guo Li, Wang Wenqin, Chen Lianguan, Jiang Longgen, Zhu Xiaofang, Xu Hua, Tan Chengrui, Wang Yueming, Lv Jia, Ma Ping, Lu Jun, Yang Kaiyuan, Zhang Xueying, Yin Haiming, Zhang Juxian and Chen Lingling.

**Article 2** Registered name of the Company:

Chinese full name: 嘉興市燃氣集團股份有限公司

Chinese abbreviation: 嘉興燃氣

English full name: JiaXing Gas Group Co., Ltd.

English abbreviation: JIAXING GAS

**Article 3** Domicile: 5th Floor, Building 3, Hualong Plaza, Economic and Technological Development Zone, Jiaying, Zhejiang Province

Postal code: 314000

Tel: (+86) 0573-82216881

Fax: (+86) 0573-82227685

**Article 4** The legal representative of the Company shall be the chairman of the board of directors.

**Article 5** The Company is a company limited by shares existing in perpetuity and has independent legal person properties. The Company shall assume the liability for its debts with all its assets, while the shareholder shall assume its liability to the Company with its subscribed capital shares.

**Article 6** These Articles of Association shall be the code of conduct of the Company, adopted by the general meeting of the Company, and come into force on the day when the foreign capital shares of the Company are listed on The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”). These Articles of Association replace the articles of association of the Company originally filed with the administrative department for industry and commerce, and the original articles of association shall automatically become invalid. These Articles of Association shall be a legally binding document that regulates the organization and acts of the Company as well as the rights and obligations between the Company and the shareholders and among the shareholders from the date on which they become effective. The Company shall comply with the provisions of the Company Law, Securities Law, Special Provisions and these Articles of Association.

**Article 7** These Articles of Association shall be binding upon the Company and

its shareholders, directors, supervisors, and other senior officers. All the above persons may make claims about the rights and obligations related to Company matters in accordance with these Articles of Association.

Shareholders may bring litigation against the Company in accordance with these Articles of Association. The Company may bring litigation against the shareholders in accordance with these Articles of Association. Any shareholder may bring litigation against any other shareholder in accordance with these Articles of Association. Shareholders may bring litigation against the directors, supervisors and senior managers of the Company in accordance with these Articles of Association.

The term “litigation” mentioned in the preceding paragraph includes bringing a lawsuit to a court or applying to an arbitration institution for arbitration.

**Article 8** The Company may invest in other limited liability companies and joint stock limited companies, and shall be liable to the invested company within the limit of the amount of its capital contribution subscribed for or the shares subscribed for.

Unless otherwise provided by law, the Company shall not be the investor who is jointly and severally liable for the debts of the invested company.

**Article 9** The term “senior officers” as used in these Articles of Association means the general manager, CFO, deputy general manager, secretary of the board of directors and assistant general manager of the Company.

## **Chapter 2 Purpose and Scope of Business**

**Article 10** The Purpose of the Company is: to meet the energy needs of users, create value for users and create environmental benefits for the society based on market-oriented continuous development of clean energy, to promote the continuous improvement of services by means of scientific management, deepen the refinement of operation and management, and strive to create higher economic benefits, in order to protect the legitimate rights and interests of shareholders.

**Article 11** Business scope of the Company includes:

Import and export of goods and technology; sales, storage, transportation and filling of natural gas and liquefied petroleum gas; development, design, construction and installation of pipeline natural gas and pipeline liquefied petroleum gas; sales of natural gas and LPG related parts (Those prohibited by laws and regulations shall not be carried out, and those subject to examination and approval shall not be carried out until such examination and approval is obtained) (approvals from competent authorities shall be obtained for the operation of the activities requiring approval in accordance with the laws).

The business scope mentioned above shall be subject to the record of the company registration authority.

The Company may adjust its business scope in accordance with the changes of domestic and foreign markets, business development and its own ability, amend these Articles of Association in accordance with the relevant procedures, and go through the formalities for the change of industrial and commercial records in accordance with the relevant provisions.

### **Chapter 3 Shares and Registered Capital**

**Article 12** The Company shall have ordinary shares at all times. The Company may create other classes of shares if necessary, upon approval by the examining and approving departments authorised by the State Council.

**Article 13** Shareholding in the Company shall be by way of shares.

The total number of shares of the Company is 137,844,500 shares.

All shares issued by the Company shall have a par value, which shall be RMB1 for each share.

For the purposes of the above paragraph, the term “RMB” shall refer to the

lawful currency of the People's Republic of China.

**Article 14** The issue of the shares of the Company shall be based on the principle of openness, fairness and justice. Each share of the same class shall have equal rights.

Shares of the same class issued at the same time shall be issued under the same condition and at the same price. Shares subscribed by any entity or individual shall be paid for at the same consideration.

The domestic shares and overseas listed foreign shares issued by the Company shall have the same rights to any distribution in the form of dividend or otherwise.

**Article 15** The Company may issue shares to investors inside the People's Republic of China and to investors outside the People's Republic of China following approval from the securities regulatory authority under the State Council.

For the purposes of the preceding paragraph, the term "investors outside the People's Republic of China" shall refer to investors from foreign countries or from Hong Kong, Macao or Taiwan that subscribe for shares issued by the Company, and the term "investors inside the People's Republic of China" shall refer to investors inside the People's Republic of China, excluding the above-mentioned regions, that subscribe for shares issued by the Company.

**Article 16** The shares issued by the Company to investors inside the People's Republic of China and to be subscribed for in Renminbi shall be referred to as "domestic shares". Shares issued by the Company to investors outside the People's Republic of China and to be subscribed in a foreign currency shall be referred to as "foreign shares". Foreign shares listed outside the PRC shall be referred to as "overseas listed foreign shares".

For the purposes of the preceding paragraph, the term of "foreign currency" shall refer to the lawful currency of a country or area outside the People's Republic of China, which is recognised by the State Administration of Foreign Exchange and can



be used to pay for the shares to the Company.

Both the holders of domestic shares and holders of foreign shares shall be holders of ordinary shares, and shall enjoy and bear the same rights and obligations.

**Article 17** The foreign capital shares listed in Hong Kong issued by the Company are referred to as H shares. The H shares are the shares approved by the Hong Kong Stock Exchange to be listed in Renminbi, subscribed for and traded in Hong Kong dollars.

**Article 18** Upon approval by the examination and approval department authorised by the State Council, the total number of ordinary shares issued to the promoters at the time of establishment of the Company is 100 million, which are subscribed for and held by the promoters. The shareholding of the promoters at the time of establishment of the Company is as follows:

| SN  | Promoter         | Shareholding amount (10,000 shares) | Shareholding proportion (%) |
|-----|------------------|-------------------------------------|-----------------------------|
| 1.  | City Development | 3275.7502                           | 32.7575                     |
| 2.  | Taiding          | 2642.4222                           | 26.4242                     |
| 3.  | Qianyu           | 1609.4374                           | 16.0944                     |
| 4.  | Xin'ao           | 715.5049                            | 7.1550                      |
| 5.  | Fengye           | 536.4791                            | 5.3648                      |
| 6.  | Xu Songqiang     | 306.9891                            | 3.0699                      |
| 7.  | Liu Zhenxiong    | 165.4195                            | 1.6542                      |
| 8.  | Dai Qinjun       | 141.5696                            | 1.4157                      |
| 9.  | Shen Gensheng    | 64.2298                             | 0.6423                      |
| 10. | Wang Jingren     | 64.2298                             | 0.6423                      |
| 11. | Shen Guiqi       | 44.7499                             | 0.4475                      |
| 12. | Yin Peirong      | 39.2099                             | 0.3921                      |

|       |               |         |        |
|-------|---------------|---------|--------|
| 13.   | Xu Yanrui     | 38.6299 | 0.3863 |
| 14.   | Wang Haibin   | 30.1499 | 0.3015 |
| 15.   | Dong Xiaohong | 30.1499 | 0.3015 |
| 16.   | Lv Liushun    | 28.3199 | 0.2832 |
| 17.   | Gu Jianli     | 18.6199 | 0.1862 |
| 18.   | Xu Jianliang  | 18.6199 | 0.1862 |
| 19.   | Zhang Xiafen  | 18.6199 | 0.1862 |
| 20.   | Zhou Juxiang  | 18.6199 | 0.1862 |
| 21.   | Guo Li        | 18.6199 | 0.1862 |
| 22.   | Wang Wenqin   | 18.6199 | 0.1862 |
| 23.   | Chen Lianguan | 18.6199 | 0.1862 |
| 24.   | Jiang Longgen | 18.6199 | 0.1862 |
| 25.   | Zhu Xiaofang  | 18.6199 | 0.1862 |
| 26.   | Xu Hua        | 18.6199 | 0.1862 |
| 27.   | Tan Chengrui  | 14.1600 | 0.1416 |
| 28.   | Wang Yueming  | 9.7600  | 0.0976 |
| 29.   | Lv Jia        | 7.0800  | 0.0708 |
| 30.   | Ma Ping       | 7.0800  | 0.0708 |
| 31.   | Lu Jun        | 7.0800  | 0.0708 |
| 32.   | Yang Kaiyuan  | 7.0800  | 0.0708 |
| 33.   | Zhang Xueying | 7.0800  | 0.0708 |
| 34.   | Yin Haiming   | 7.0800  | 0.0708 |
| 35.   | Zhang Juxian  | 7.0800  | 0.0708 |
| 36.   | Chen Lingling | 7.0800  | 0.0708 |
| Total | ————          | 10000   | 100    |

**Article 19** With the approval of the securities regulatory authority of the State Council, the Company issued 37,844,500 H shares and listed on the Hong Kong Stock Exchange on July 16, 2020.

**Article 20** Upon the approval of the plan for issuing overseas listed foreign shares and domestic shares by the securities regulatory authority under the State Council, the board of directors of the Company may arrange for the implementation of such plan by means of separate issues.

The Company's plan for separate issues of overseas listed foreign shares and domestic shares in accordance with the preceding paragraph may be implemented separately within 15 months from the date of approval by the securities regulatory body under the State Council.

**Article 21** If the Company issues overseas listed foreign shares and domestic shares separately within the total amount of shares specified in the issue plan, such issues shall be fully subscribed for at their respective offerings. If the shares cannot be fully subscribed for once due to special circumstances, the shares may, subject to the approval of the CSRC, be issued in several stages.

**Article 22** The Company's registered capital is RMB137.8445 million.

**Article 23** Unless otherwise provided by laws and administrative regulations, shares of the Company are transferable in accordance with the law and are not subject to any lien. The transfer of overseas listed foreign shares listed in Hong Kong shall be registered with the local stock registration institution entrusted by the Company in Hong Kong.

## **Chapter 4 Share Increase and Reduction of Capital and Buyback of Shares**

**Article 24** In accordance with the laws, regulations and these Articles of Association, the Company may, based on its operating and development needs and

the resolution of the extraordinary general meeting, increase its capital by the following methods:

(I) By offering new shares to non-specified persons;

(II) By placing new shares to existing shareholders;

(III) By allotting bonus issue to existing shareholders;

(IV) By offering new shares to specified persons;

(V) By capitalising its capital reserve;

(VI) By any other methods which is permitted by laws and administrative regulations and regulatory authorities.

The Company's increase in capital by issuing new shares shall be handled in accordance with the procedures provided for in relevant laws, administrative regulations and relevant regulatory rules of in place where the Company's shares are listed and after having been approved in accordance with these Articles of Association.

**Article 25** The Company may sell shares of untraceable shareholder and retain the proceeds if:

(I) At least three dividends have been paid on the shares within 12 years and no dividends have been claimed by the shareholder during that period; and

(II) Upon the expiration of 12 years, the Company shall, with the approval of the securities regulatory body under the State Council, announce in a newspaper its intention to sell its shares, and notify the institution, the foreign exchange and the relevant securities regulatory body in the place where the Company's shares are listed.

**Article 26** The Company may reduce its registered capital in accordance with the provisions of these Articles of Association. The Company shall reduce its

registered capital in accordance with the Company Law and other relevant provisions and the procedures stipulated in these Articles of Association.

**Article 27** When the Company is to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days from the date of adoption of a resolution to reduce its registered share capital and shall make a public announcement about the resolution in newspapers recognized by the stock exchange where the Company's shares are listed within 30 days of the said date. The creditors shall, within 30 days since the date of receiving a written notice or within 45 days since the date of the first public announcement for those who have not received a written notice, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee for repayment.

The registered capital of the Company following the reduction of capital shall not fall below the minimum statutory requirement.

**Article 28** In the following situations, the Company may repurchase its shares after obtaining the approval of the relevant authorities in accordance with the provisions of the relevant laws, administrative regulations, Listing Rules of the Hong Kong Stock Exchange and these Articles of Association:

(I) To reduce the registered capital of the Company and cancel the relevant shares;

(II) To merge with other companies that hold the shares of the Company;

(III) To use the shares for Employee Stock Ownership Plan or as equity incentive;

(IV) The shareholders disagreeing with the merger or separation resolution made by the general meeting ask the Company to acquire their shares;

(V) To use the shares in the conversion of the convertible corporate bonds issued

by the Company;

(VI) Necessary for the Company to protect the company value and the shareholders' equity;

(VII) Other circumstances permitted by laws or administrative statutes and regulatory authorities.

**Article 29** The Company may, with the approval of the relevant governing authority of the State, proceed to buy back its shares in one of the following manners:

(I) To make an offer of buy back to all shareholders at the same proportion;

(II) To buy back shares through public trading on a stock exchange;

(III) To buy back through an off-market agreement; or

(IV) Other circumstances permitted by laws or administrative statutes and regulatory authorities.

If the Company intends to repurchase its shares for the reasons set out in Item (III), Item (V) or Item (VI) of Article 28, the repurchase shall be conducted through public and centralized trading.

**Article 30** If the Company intends to repurchase its shares for the reasons set out in Items (I) and (II) of Article 28, it shall be approved by the general meeting in advance in accordance with the provisions of these Articles of Association. If the Company intends to repurchase its shares for the reasons set out in Items (III), (V) and (VI) of Article 28 or buy back shares through an off-market agreement, a resolution of the board meeting attended by more than two-thirds of the directors may be made in accordance with the provisions of these Articles of Association or authorised by the general meeting. With prior approval by shareholders at general meeting obtained in the same manner, the Company may rescind or amend contracts concluded in the manner set forth above or waive any of its rights under such contracts.

The contracts to buy back shares as referred to in the preceding paragraph includes, but not limited to, an agreement to become obliged to buy back or to acquire of the right to buy back.

The Company shall not assign a contract for the buy-back of its own shares or any of its rights thereunder.

**Article 31** Where the Company has the right to purchase redeemable share, the purchase price shall be limited to a maximum price if the purchases are not made through the market or by tender. If purchases are by tender, tenders shall be made available to all shareholders on the same terms. The Company shall not assign a contract for the buy-back of its own shares or any of its rights thereunder.

**Article 32** The shares repurchased by the Company shall be processed in the following ways: for the situation set out in Item (I) of Article 28, the relevant shares shall be canceled in 10 days after the date of repurchase; for the situation set out in Item (II) or (IV) of Article 28, the relevant shares shall be transferred or canceled in 6 months; for the situation set out in Item (III), Item (V) and Item (VI) of Article 28, the total shares of the Company held by the Company shall not exceed 10% of the total shares issued, and the relevant shares shall be transferred to the employees in 3 years.

When the Company has canceled the repurchased shares according to law, it shall apply for registered capital change registration with the original company registration authority and make the relevant announcement.

The total par value of the canceled shares shall be deducted from the registered capital of the Company.

**Article 33** The Company shall not accept its shares as collateral.

**Article 34** Unless the Company is in the course of liquidation, it shall comply with the following provisions in buying back its issued and outstanding shares:

(I) Where the Company buys back its shares at par value, payment shall be made

out of the book balance of distributable profits of the Company or out of proceeds of a fresh share issue for that purpose;

(II) Where the Company buys back its shares at a premium to their par value, payment up to the par value shall be made out of the book balance of distributable profits of the Company or out of a fresh share issue made for that purpose. Payment of the portion in excess of the par value shall be effected as follows:

1. if the shares bought back were issued at their par value, payment shall be made out of the book balance of distributable profits;
2. if the shares bought back were issued at a premium to their par value, payment shall be made out of the book balance of distributable profit or out of a fresh share issue made for that purpose; provided that the amount paid out of the proceeds of the fresh share issue shall not exceed the total premium obtained at the time of issuance of the old shares nor the current amount of the Company's premium account (or capital common reserve account) (including the premiums from the fresh share issue) at the time of buy-back;

(III) The sums paid by the Company for the purposes set forth below shall be paid out of the Company's distributable profits:

1. acquisition of the right to buy back its own shares;
2. modification of any contract for buying back its own shares;
3. release from any of its obligations under any buy-back contract.

(IV) After the par value of the annulled shares has been deducted from the registered capital of the Company in accordance with relevant provisions, that portion of the amount deducted from the distributable profit for payment of the par value portion of the shares bought back shall be transferred to the Company's premium account (or capital common reserve account).



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

**Article 35** The Company or its subsidiaries shall not at any time in any manner provide financial assistance to anyone purchasing or proposing to purchase the Company's shares. The persons purchasing the shares of the Company include the persons becoming directly or indirectly liable as a result of the purchase of the shares.

The Company and its subsidiaries shall not at any time in any manner provide financial assistance for the purpose of reducing or relieving the aforementioned persons of their liability.

This Article shall not be applicable to circumstances as stated in Article 37.

**Article 36** The "financial assistance" referred to in this chapter shall include (but not be limited to) financial assistance in the forms set out below:

(I) gift;

(II) guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligation by the obliger), compensation (other than compensation in respect of the Company's own fault), relief or waiver of rights;

(III) provision of a loan or the making of any other agreement under which the obligations of the Company are to be fulfilled before the obligations of another party, or the change in parties to, or the assignment of rights under such loan or contract; and

(IV) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

The "assumption of obligations" referred to in this chapter shall include the assumption of obligation 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 obligation is to be borne solely by the obliger or jointly with any other persons) or by any other means which results in a change in his/her financial position.

**Article 37** The following activities should not be regarded as restricted activities under Article 35:

(I) the provision of financial assistance by the Company in good faith for the benefit of the Company and the main purpose of the financial assistance is not to purchase shares in the Company, or the financial assistance is an incidental part of a master plan of the Company;

(II) the lawful distribution of the Company's assets as dividends;

(III) the distribution of dividends in the form of shares;

(IV) a reduction of registered capital, a buy-back of shares, capital restructuring, etc. in accordance with these Articles of Association;

(V) the provision of loans by the Company within its scope of business 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 assets are thereby reduced, the financial assistance was paid out of the Company's distributable profits); and

(VI) contributions made by the Company to the employee shareholding scheme (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance was paid out of the Company's distributable profits).

## **Chapter 6 Share Certificates and Register and Shareholders**

**Article 38** The share certificates of the Company shall be in registered form.

In addition to the items set out in the Company Law, the items that should be specified in the share certificates of the Company shall include other items required

by the stock exchange where the Company's shares are listed.

At all times during the listing of H shares on the Hong Kong Stock Exchange, the Company shall ensure that all ownership documents of all its securities listed on the Hong Kong Stock Exchange (including H shares) contain the following statement:

(I) The share purchasers and the Company and each shareholder, as well as the Company and each shareholder, agree to abide by and comply with the Company Law, Special Provisions, these Articles of Association and other relevant laws and administrative regulations;

(II) The share purchasers agree with the Company, and each of its shareholders, directors, supervisors and general manager and other senior officers, the Company (for itself and on behalf of each of its directors, supervisors and general manager and other senior officers) agrees with each of the shareholders that, disputes or claims in connection with the affairs of the Company arising out of these Articles of Association or rights or obligations under the Company Law or other relevant laws or administrative regulations shall be submitted for arbitration in accordance with these Articles of Association, that any arbitration submitted shall be deemed to have authorised the tribunal to hear in public and publish its award, and that the award shall be final;

(III) The share purchasers agree with the Company and each of its shareholders that the shares of the Company may be freely transferred by its holders;

(IV) The share purchaser authorises the Company to enter into, on its behalf, a contract with each of the directors, general manager and other senior officers who undertake to abide by and perform their duties to the shareholders as prescribed in these Articles of Association.

The Company shall direct and cause its Share Transfer Registry to refuse to register the subscription, purchase or transfer of its shares in the name of any individual holder unless and until such individual holder has submitted to the Share

Transfer Registry a duly signed form relating to the shares containing the above statements.

**Article 39** The shares of the Company may be transferred, donated, inherited and pledged in accordance with relevant laws, administrative regulations and these Articles of Association. The transfer and assignment of shares shall be registered with the share registration institution entrusted by the Company.

**Article 40** Share certificates shall be signed by the chairman of the board of directors. Where the stock exchange on which the Company's shares are listed requires that the share certificates shall be signed by other senior officers, the share certificates shall also be signed by the relevant senior officers. Share certificates shall take effect upon affixing of the Company's seal or a seal imprinted thereon. The affixing of the Company's seal on share certificates shall be authorised by the board of directors. The signature of the chairman of the board of directors or other relevant senior officers on the share certificates may also adopt the printed form.

Under the conditions of the paperless issuance and trading of the Company's shares, the provisions of the securities regulatory body and the stock exchange where the Company's shares are listed shall apply.

**Article 41** The Company shall keep a register of shareholders which shall contain the following particulars:

- (I) the name (title), address (domicile), occupation or nature of each shareholder;
- (II) the class and number of shares held by each shareholder;
- (III) the amount paid-up or agreed to be paid-up on the shares held by each shareholder;
- (IV) the serial numbers of the shares held by each shareholder;
- (V) the date on which each shareholder was registered as a shareholder; and

(VI) the date on which each shareholder ceased to be a shareholder.

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

**Article 42** Subject to these Articles of Association and other applicable provisions, upon transfer of the Company's shares, the name of the transferee of the shares will be registered in the register of shareholders as holder of such shares.

All the issuance and transfer of overseas listed foreign shares shall be registered in the register of shareholders maintained outside the PRC pursuant to Article 43.

When two or more persons are registered as joint shareholders of any share, they shall be deemed to be joint holders of the share, subject to the following conditions:

(I) The Company is not required to register more than four persons as joint shareholders of any share;

(II) All joint shareholders of any share shall be jointly and severally liable for the payment of all amounts due in respect thereof;

(III) In the event of the death of one of the joint shareholders, only the other surviving members of the joint shareholders shall be deemed by the Company to have title to the shares, provided that the board of directors shall have the right to demand such death certificates of the relevant shareholders as it thinks fit for any change in the register of the relevant shareholders; and

(IV) In respect of any share, only the joint shareholders who are first on the register shall be entitled to receive from the Company the share certificates in question and to receive notice of the Company, and any notice given to such person shall be deemed to have been given to all joint shareholders in respect of the shares. Any joint shareholder may sign the form of proxy, but if more than one joint shareholder is present in person or by proxy, a vote by the joint shareholder in priority, whether in person or by proxy, shall be accepted as the sole vote on behalf of the remaining joint shareholders. For this purpose, the order of precedence of the joint

shareholders shall be determined by the rank of such joint shareholders in the register of shareholders of the Company in relation to the shares concerned.

**Article 43** The Company may, in accordance with the understanding and agreement reached between the securities regulatory agency under the State Council and the overseas securities regulatory agency, store the original register of holders of overseas listed foreign shares and entrust an overseas agency to manage the register. The original register of holders of overseas listed foreign shares listed in Hong Kong shall be maintained at Hong Kong. The company shall keep copies of the register of holders of overseas listed foreign shares at its domicile. The entrusted overseas agency shall, at any time, ensure the consistency of the original and copies of the register of holders of overseas listed foreign shares.

In case of any inconsistency between the original and copies of the register of holders of overseas listed foreign shares, the original shall prevail.

**Article 44** The Company shall keep a complete register of shareholders. The register of shareholders shall include the following parts:

(I) a register kept at the Company's domicile other than those provided for under items (II) and (III) of this paragraph;

(II) the register(s) of holders of overseas listed foreign shares kept in the place(s) of the securities exchange(s) outside the People's Republic of China on which the shares are listed;

(III) registers of shareholders kept in such other places as the board of directors may decide necessary for listing purposes.

**Article 45** Different parts of the register of shareholders shall not overlap. 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 on that part of the register, be registered in any other part of the register.

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

**Article 46** All transfers of overseas listed foreign shares shall be in a general or ordinary format acceptable to the exchange or in any other written form acceptable to the Board of Directors. Written transfer documents can be signed by hand and no seal is required. If the transferor or transferee of the Company's shares is a recognised clearing house as defined in the laws of Hong Kong (the "Recognised Clearing House") or its agent, the written transfer document may be signed in machine-printed form.

All overseas listed foreign shares listed in Hong Kong whose share capital has been paid in may be transferred freely in accordance with these Articles of Association (except where the Hong Kong Stock Exchange imposes other restrictions). However, the Board of Directors may refuse to recognise any instrument of transfer without providing any reason thereof, unless the following conditions are satisfied:

(I) a sum of HK\$2.5 (per transfer document) or a higher sum as the board of directors may require from time to time (provided that such sum shall not exceed the maximum amount as stated in the Listing Rules of Hong Kong Stock Exchange from time to time), has been paid to the Company for registration of the share transfer documents or such other documents in relation to or affecting the ownership of the shares;

(II) the instrument of transfer only involves the overseas listed foreign shares listed in Hong Kong;

(III) the stamp duty payable in respect of the instrument of transfer has been paid;

(IV) relevant share certificates and such other evidence which the board of directors may reasonably require to show that the transferor has the right to transfer

the shares have been produced;

(V) if the shares are transferred to joint holders, the number of joint holders shall not exceed four; and

(VI) the shares concerned are free of any lien in favor of the Company.

If the Company refuses to register the transfer of shares, the Company shall give the transferor and transferee a notice of refusal to register the transfer of shares within two months from the date of the formal application for transfer.

**Article 47** The promoters' shares of the Company shall not be transferred within one year from the date of the establishment of the Company.

The directors, supervisors, and senior officers of the Company shall regularly declare the number of shares held by them and the relevant changes. The number of shares transferred each year during their term of office shall not exceed 25% of the total number of shares of the Company held by them. The shares of the Company held by them shall not be transferred within six months after their resignation.

**Article 48** With the approval of the securities regulatory body under the State Council, the holders of domestic shares of the Company may transfer all or part of the shares held by them to foreign investors and list them overseas. All or part of the domestic shares can be converted into foreign shares, and the converted foreign shares can be listed and traded on overseas stock exchanges. The listing and trading of the transferred or converted shares on overseas stock exchanges shall be subject to the regulatory procedures, regulations and requirements of overseas stock markets. For the listing and trading of transferred shares on overseas stock exchanges or the conversion of domestic shares into foreign shares and the listing and trading of such shares on overseas stock exchanges, there is no need to hold general meeting of shareholders and general meeting of class shareholders for voting. After the conversion of domestic shares into overseas listed foreign shares, it shall be in the same class of shares as the original overseas listed foreign shares.



**Article 49** If Chinese laws and regulations as well as the Listing Rules have provisions on the period during which the share transfer registration is suspended before the general meeting or before the base date on which the Company decides to distribute dividends, such provisions shall prevail.

**Article 50** When the Company convenes a general meeting, distributes dividends, is liquidated or engages in other acts requiring the recognition of equity, the board of directors shall decide whether a certain date shall be the equity determination date (i.e., the “Record Date”). The registered shareholders at the end of the equity determination date shall be the shareholders of the Company.

**Article 51** Any person that challenges the register of shareholders and requests for his name to be entered into or removed from the register may apply to a competent court for correction of the register.

**Article 52** Any shareholder who is registered on the register of shareholders or requests for his name to be entered into the register of shareholders may apply to the Company for issuance of a replacement certificate in respect of such shares (“Relevant Shares”) if his share certificate (“Original Share Certificate”) is lost.

Applications for the replacement of share certificates from holders of domestic shares who have lost their certificates shall be dealt with in accordance with Article 143 of the Company Law.

Applications for the replacement of share certificates from holders of overseas listed foreign shares who have lost their certificates may be dealt with in accordance with the laws, securities exchange regulations and other relevant regulations of the place where the original register of holders of the overseas listed foreign shares is kept.

Applications for the replacement of share certificates from holders of H shares who have lost their certificates shall comply with the following requirements:

- (I) The applicant shall submit the application in the form prescribed by the

Company, accompanied by a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the applicant's reason for the application, the circumstances and proof of the loss of the share certificate and a declaration that no other person may require registration as a shareholder in respect of the Relevant Shares.

(II) The Company shall not have received any declaration requesting for registration as a shareholder in respect of such shares from any person other than the applicant before it decides to issue a replacement share certificate.

(III) If the Company decides to issue a replacement share certificate to the applicant, it shall publish a public announcement of its intention to do so in the newspapers or periodicals designated by the board of directors. The period of the public announcement shall be 90 days, during which such announcement shall be published repeatedly at least once every 30 days. The newspapers designated by the Board shall be Chinese and English newspapers recognised by Hong Kong Stock Exchange (at least one for each).

(IV) Before publishing the public announcement in relation to its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement to be published to Hong Kong Stock Exchange, and may proceed with its publication after having received a reply from the securities exchange confirming that the announcement has been displayed in Hong Kong Stock Exchange. The Company shall display the public announcement in Hong Kong Stock Exchange for a period of 90 days. If the application for issuance of a replacement share certificate was made without the consent of the registered holder of the Relevant Shares, the Company shall mail to such shareholder a photocopy of the public announcement that it intends to publish.

(V) At the expiration of the 90-day period provided for in items (III) and (IV) hereof, if the Company did not receive any objection to the issuance of a replacement share certificate from any person, it may issue a replacement share

certificate according to the application of the applicant.

(VI) When the Company issues a replacement share certificate in accordance with this Article, it shall immediately cancel the Original Share Certificate and record such cancellation and the issuance of the replacement share certificate in the register of shareholders.

(VII) All expenses relating to the cancellation of the Original Share Certificate and the issuance of a replacement share certificate shall be borne by the applicant. The Company shall be entitled to refuse to take any action until the applicant has provided a reasonable guarantee.

**Article 53** After the Company has issued a replacement share certificate in accordance with these Articles of Association, it shall not delete from the register of shareholders the name of a bona fide purchaser of the replacement share certificate mentioned above or a shareholder that is subsequently registered as the owner of the shares (provided that he is bona fide purchaser).

**Article 54** The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the Original Share Certificate or the issuance of the replacement share certificate, unless the claimant is able to prove that the Company has acted in a deceitful manner.

In the case of a warrant held by a bearer holder, the Company shall not issue any new warrant to replace the lost warrant unless the Company is satisfied beyond reasonable doubt that the original warrant has been destroyed.

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

**Article 55** A shareholder of the Company shall be a person who holds shares of the Company in accordance with the law and whose name is registered in the register of shareholders.

The shareholders shall enjoy the rights and assume the obligations according to

the class and amount of the shares they hold. The shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

Various classes of shareholders of the Company shall have equal rights in any distribution made in the form of dividends or otherwise.

When a legal person is a shareholder of the Company, it shall have its rights exercised by its legal representative or agent on its behalf.

The Company shall not exercise any power to freeze or otherwise impair the rights attached to any of its shares held by any person having a direct or indirect interest merely because he has not disclosed his interest to the Company.

**Article 56** Holders of ordinary shares of the Company shall enjoy the following rights:

(I) to receive dividend and other forms of profit distribution according to the proportion of shares they hold;

(II) to request, convene, hold, participate or authorise proxies to attend general meeting, and to exercise voting rights according to the proportion of shares they hold in accordance with law;

(III) to supervise and control the Company's business activities, and make suggestions or inquiries;

(IV) to transfer, bestow or pledge the shares they hold according to the laws, administrative regulations and these Articles of Association;

(V) to obtain relevant information in accordance with these Articles of Association, which shall include:

1. to obtain the Articles of Association after paying the cost;
2. to inspect (free) and make copies, upon payment of reasonable charges, of:

- (1) all parts of the register of shareholders;
- (2) personal information of the directors, supervisors, general manager and other senior management members of the Company, including:
  - a. Current and previous name and alias;
  - b. Main address (domicile);
  - c. Nationality;
  - d. Full-time and all other part-time jobs and titles;
  - e. Identity documents and numbers.
- (3) The status of the Company's issued share capital;
- (4) Reports showing the aggregate par value, number of shares, and maximum and minimum prices paid in respect of each class of shares bought back by the Company since the last fiscal year as well as all the expenses paid by the Company therefore;
- (5) Minutes of general meetings, special resolutions of general meetings, board resolutions and supervisors' resolutions;
- (6) Bond stubs of the Company;
- (7) The latest audited financial and accounting reports and reports of the Board of Directors, auditors and Board of Supervisors;
- (8) Copies of the annual return for the latest period that has been filed with State Administration for Industry and Commerce or other authorities.

The Company shall keep the documents other than Item (2) above in the place of domicile of the Company and the place of business of the Company in Hong Kong for the inspection of shareholders.

(VI) To participate in the distribution of the remaining property of the Company according to the proportion of shares they hold when the Company is terminated or liquidated;

(VII) The shareholders disagreeing with the merger or separation resolution made by the general meeting are entitled to ask the Company to acquire their shares;

(VIII) The shareholders holding more than 3% of the shares of the Company separately or jointly have the right to raise temporary proposal and submit it to the board of directors in writing 10 days before the general meeting is held;

(IX) Other rights conferred by the relevant laws, administrative regulations, department rules or these Articles of Association.

Shareholders shall keep confidential the Company's trade secrets and make reasonable use of the Company's information in exercise of the above right to know. Shareholders shall be liable for compensation if they violate their confidentiality obligations and cause damages to the Company.

**Article 57** Holders of ordinary shares of the Company shall assume the following obligations:

(I) To comply with the laws, administrative regulations and these Articles of Association;

(II) To make capital contribution according to the shares they subscribe for and the capital participation method;

(III) To bear responsibility for the Company in proportion to the shares they hold;

(IV) Not to withdraw their fund contribution after the Company has been approved for registration, except for the circumstances set out in the relevant laws and administrative regulations;

(V) Other obligations to be assumed according to the laws, administrative regulations and these Articles of Association.

Except for the conditions they agree to upon subscription as subscribers of the shares, the shareholders shall not be liable for any subsequent capital increase, unless otherwise specified.

**Article 58** Except for the obligations required by laws, administrative regulations or the listing rules of the stock exchange where the Company's shares are listed, the controlling shareholder, when exercising his rights as a shareholder, shall not, in exercising his right to vote, make a decision detrimental to the interests of all or any of the shareholders on the following issues:

(I) To exempt the directors and supervisors from the obligation to act in good faith in the best interests of the Company;

(II) To authorise the directors and supervisors (for their own or others' benefit) to deprive the property of the Company in any form, including (but not limited to) any opportunity favorable to the Company;

(III) To authorise the directors and supervisors (for their own or others' interests) to deprive the individual rights and interests of other shareholders, including (but not limited to) any distribution rights and voting rights, but excluding any plan of reorganisation of the Company submitted to the general meeting for approval in accordance with these Articles of Association.

**Article 59** "Controlling Shareholder" as mentioned in these Articles of Association means a shareholder who meets any of the following conditions:

(I) When acting alone or in concert with others, he may elect more than half of the directors;

(II) When acting alone or in concert with others, he may exercise more than 30% (including 30%) of the voting rights of the Company or may control the exercise of

more than 30% (including 30%) of the voting rights of the Company;

(III) When acting alone or in concert with others, he holds more than 30% (including 30%) of the shares issued by the Company;

(IV) When acting alone or in concert with others, he can otherwise effectively control the Company.

For the purposes of this article, “acting in concert” means the act by which two or more persons agree by agreement (whether oral or written) to acquire voting rights over the Company through either of them for the purpose of achieving or consolidating control over the Company.

## **Chapter 8 General Meeting**

**Article 60** The shareholders’ general meeting shall be the organ of authority of the Company and shall exercise its functions and powers according to laws.

**Article 61** The general meeting shall exercise the following functions and powers:

(I) to decide on the business operating guidelines and investment plans of the Company;

(II) to elect and replace directors and supervisors who are not staff representatives, and to decide on matters relating to their remuneration;

(III) to examine and approve reports of the Board of Directors;

(IV) to examine and approve reports of the Board of Supervisors;

(V) to examine and approve annual financial budgets and final accounts of the Company;

(VI) to examine and approve profit distribution plans and loss recovery plans of the Company;



(VII) to pass resolutions concerning the increase or reduction of the Company's registered capital;

(VIII) to pass resolutions relating to the issuance of bonds, any type of securities, warrants and other similar securities by the Company;

(IX) to pass resolutions relating to matters such as the merger, division, dissolution or liquidation, or change of company form of the Company;

(X) to amend these Articles of Association;

(XI) to consider proposals raised by shareholder(s), individually or collectively representing over 3% of the Company's voting shares;

(XII) to pass resolutions on the appointment, reappointment or dismissal of accounting firms;

(XIII) to pass resolutions on the external guarantees that shall be approved by the general meeting according to these Articles of Association;

(XIV) to consider matters regarding the purchase or disposal of major assets by the Company within one year, of which the amount exceeds 30% of the latest audited total assets of the Company;

(XV) to consider equity incentive scheme;

(XVI) to pass resolution on the repurchase of the Company's shares;

(XVII) any other matters that should be resolved by the general meeting according to the laws, administrative regulations and these Articles of Association;

(XVIII) any other matters required by the listing rules of the stock exchange where the Company's shares are listed.

The general meeting may authorise or entrust the board of directors to handle matters authorised or entrusted by it.

**Article 62** The following external guarantees of the Company must be reviewed and approved by the general meeting:

(I) Any guarantee provided after the total amount of the external guarantees provided by the Company and its controlled subsidiaries reaches or exceeds 50% of the audited net assets for the latest period;

(II) Any guarantee provided after the total amount of the external guarantees provided by the Company reaches or exceeds 30% of the audited total assets for the latest period;

(III) The guarantee provided to the guaranteed object with a debt-to-asset ratio of more than 70%;

(IV) Any single guarantee whose amount exceeds 10% of the audited net assets for the latest period;

(V) Any guarantee whose amount exceeds 30% of the Company's latest audited total assets within 12 consecutive months;

(VI) Any guarantee whose amount exceeds 50% of the Company's latest audited net assets within 12 consecutive months;

(VII) Any guarantee provided to the shareholder, actual controller and its affiliates.

The above external guarantees that shall be examined and approved by the general meeting shall be submitted to the general meeting for examination and approval only after being examined and approved by the board of directors.

When the proposal for providing guarantee to the shareholder, actual controller and its affiliates is reviewed by the general meeting, the said shareholder or the shareholders controlled by the actual controller shall not participate in the voting on this proposal, and this proposal shall be passed by the majority votes of other shareholders present at the meeting.

The external guarantees other than those listed in this Article shall be examined and approved by the board of directors.

**Article 63** Unless the Company is in danger or under other special circumstances, the Company shall not, without the prior approval of general meeting by means of a special resolution, enter into contract with persons other than directors, supervisors or senior management members whereby the management of the whole or any substantial part of the business of the Company is to be handed over to that person.

**Article 64** General meetings shall be divided into annual general meetings and extraordinary general meetings. The annual general meetings shall be convened once a year, and shall be held within six months after the prior accounting year ends.

Extraordinary general meetings shall be held whenever necessary. The board of directors shall hold the extraordinary general meeting in 2 months upon the occurrence of the following events:

(I) the number of directors falls short of the minimum number required by the Company Law or is less than two-thirds of the number required by these Articles of Association;

(II) the uncovered loss of the Company reaches one-third of the total paid-in share capital of the Company;

(III) upon written request(s) by shareholder(s) individually or collectively holding more than 10% of the Company's share;

(IV) it is deemed necessary by the board of directors or it is proposed by the board of supervisors;

(V) as proposed by no less than two of the independent non-executive directors;

(VI) any other circumstances required by the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares

are listed or these Articles of Association.

In case of Item (III), Item (IV) and Item (V), the meeting topics proposed by the convener shall be included into the agenda of the meeting.

**Article 65** When a shareholder requests to convene an extraordinary general meeting or a class meeting, the following procedures shall be followed:

(I) Two or more shareholders holding more than 10% of the shares with voting right at the proposed meeting separately or jointly may sign one or several written requests of the same format and content to ask the Board of Directors to convene the extraordinary general meeting or class meeting and describe the meeting topics. The board of directors shall convene an extraordinary general meeting or class meeting as soon as possible upon receipt of the aforesaid written request. The aforesaid number of shares shall be calculated in accordance with the shares held on the day on which the written request is made by the shareholders.

(II) If the board of directors fails to issue a notice to convene a meeting within 30 days after receiving the aforesaid written request, the shareholder making the request may request the Board of Supervisors to convene an extraordinary general meeting or a class meeting.

(III) If the Board of Supervisors fails to issue a notice to convene the meeting within 30 days after receiving the aforesaid written request, the shareholders holding more than 10% of the voting shares of the proposed meeting individually or in aggregate for over 90 consecutive days may convene the meeting by themselves within four months after the receipt of the request by the Board of Directors, provided that the procedure for convening a meeting of shareholders shall be the same as that used by the board of directors when possible.

If the shareholders convene and hold a meeting on their own due to the failure of the board of directors or board of supervisors to hold the meeting as requested above, the Company shall bear the reasonable expenses incurred thereby and deduct

the amount owed by the Company to the delinquent directors.

**Article 66** In case the Company holds a general meeting, shareholders who hold more than 3% of the voting shares of the Company individually or in aggregate shall have the right to submit provisional proposals in writing to the Company and submit them to the board of directors 10 days before the general meeting. The board of directors shall, within 2 days after receiving the proposal, send a supplementary notice to the general meeting and submit the provisional proposal to the general meeting for consideration. The contents of the provisional proposal shall fall within the scope of the responsibilities of the general meeting and shall have clear topics and specific resolutions.

**Article 67** In convening a general meeting, the shareholders shall be notified of the time and place of the meeting and the matters under consideration 20 days before the meeting is held. For extraordinary general meeting, the shareholders shall be notified 15 days before the meeting is held.

The notice of general meeting shall be delivered to the shareholder (whether he has voting rights at the general meeting or not) by sending to the address of the shareholder listed in the register of shareholders via personal delivery or prepaid mail. For the holders of domestic shares, the notice of general meeting may also be sent via public announcement.

The aforesaid public announcement shall be published on one or several newspapers designated by the securities governing authority of the State Council. Once public announcement is made, it is deemed that all the shareholders of domestic shares have received the notice of the relevant general meeting. Notice of general meeting to the holders of overseas listed foreign shares may be issued through the website of the Hong Kong Stock Exchange or published in one or more newspapers designated by the Hong Kong Stock Exchange. Once the notice is published, all holders of overseas listed foreign shares shall be deemed to have received the notice of the relevant general meeting.

Notices, materials or written statements of the general meeting issued to the holders of overseas listed foreign shares shall be delivered in any of the following ways:

(I) Such notices, materials or written statements shall be delivered by hand or mailed to every holders of overseas listed foreign shares according to the registered addresses of such shareholders, and the notice to the holders of overseas listed foreign shares shall be posted in Hong Kong as far as possible;

(II) To publish on the website of the Company or on the website designated by the stock exchange where the Company's shares are listed in compliance with the applicable laws, administrative regulations and listing rules of stock exchange where the Company's shares are listed;

(III) To deliver in accordance with other requirements and listing rules of the local stock exchange where the shares of the Company are listed.

**Article 68** The general meeting shall not adopt a resolution on matters not specified in the notice referred to in Articles 66 and 67 of these Articles of Association.

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

(I) Made in written form;

(II) Specifying the time, place and date of the meeting;

(III) Describing the matters to be discussed at the meeting;

(IV) Providing the shareholders with the information and explanations necessary for them to make informed decision on the matters discussed; This principle includes (but is not limited to) the requirement that when the Company intends to make merger, repurchase shares, make capital restructuring or other reform, it shall

provide the specific conditions and contracts (if any) of the proposed transaction, and make detailed explanation on the causes and consequences;

(V) If any director, supervisor or senior management members has material interest in the matters to be discussed, the nature and extend of the interest shall be disclosed; if the influence of the matters to be discussed on the relevant director, supervisor or senior management members in their capacity as shareholders is different from the influence on other shareholders of the same class, the relevant difference shall be specified;

(VI) Containing full text of the special resolution proposed to pass at the meeting;

(VII) Stating in conspicuous text that the shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on his behalf, and it is not necessary for the proxy to be a shareholder of the Company;

(VIII) Specifying the delivery time and place of the power of attorney for voting at the meeting;

(IX) Specifying the equity determination date for the shareholders who are entitled to attend the general meeting;

(X) Containing the name and telephone number of the regular contact person for the meeting.

If the general meeting adopts the online or other forms, the voting time and voting procedures for the online meeting or other forms of meeting shall be specified in the notice of general meeting.

**Article 70** The meeting and the resolution of the meeting shall not be null and void if notice of the meeting fails to be delivered to or received by any person entitled to the notice due to accidental omission.

**Article 71** Any shareholder entitled to attend the general meeting and vote has

the right to appoint one or several persons (who is not necessary to be a shareholder) as his proxy to attend and vote on his behalf. The proxy may exercise the following rights according to the authorisation of the shareholder:

(I) The speaking right of the shareholder at the general meeting;

(II) Requesting to vote by ballot separately or together with others;

(III) Exercising the voting right by raising hand or ballot, provided that if more than one agent is entrusted, the shareholder agents shall exercise the voting right by ballot only.

**Article 72** The shareholder shall entrust the proxy via written power of attorney, which shall be signed by the entrustor or the proxy he entrusts in writing. If the entrustor is a legal person, the power of attorney shall be stamped with the seal of the legal person or signed by its director or duly appointed agent.

**Article 73** The power of attorney for proxy voting shall be deposited at the domicile of the Company or such other places designated in the notice of the meeting not less than 24 hours before the meeting at which the proxy is authorised to vote or 24 hours before the specified voting time. If the power of attorney for proxy voting is signed by another person authorised by the entrustor, the power of attorney or other authorisation documents authorising the signature shall be notarised. The notarised power of attorney or other authorisation documents and the power of attorney for proxy voting shall be maintained at the domicile of the Company or other place specified in the meeting notice.

If the entrustor is a legal person, its legal representative or the person authorised by the resolutions of the board of directors or other decision-making authorities shall attend the general meeting of the Company on its behalf.

If the shareholder is a recognised clearing house (or its agent) as defined in the relevant ordinances made in Hong Kong from time to time, the shareholder may authorise one or more persons as he thinks fit to act as his representative at any



general meeting or any class of meetings. However, if more than one person is authorised, the power of attorney shall state the number and type of shares in respect of which each such person is authorised and shall be signed by the authorised officer of the recognised clearing house. A person so authorised may attend a meeting on behalf of a recognised clearing house (or its agent) and exercise the same powers as if he were an individual shareholder of the Company without the need to produce a certificate of shareholding, notarised power of attorney and/or further evidence of formal authorisation.

**Article 74** The power of attorney issued by the Board of Directors to the shareholders to appoint proxy shall be in such form that allows the shareholders to freely instruct the proxies to vote for or against any proposal, and to provide separate instructions for each matter that needs to be decided. It shall be stated clearly in the power of attorney that the proxy can vote at his discretion when the shareholder does not give any instruction.

In addition to the above provisions, the said power of attorney shall also contain the following items: the number of shares represented by the proxy, the name of the proxy; whether the proxy has the right to vote; whether the proxy has the right to vote on provisional proposals that may be included in the agenda of the general meeting; specific instructions as to what voting rights, if any, should be exercised; date of issue and period of validity. If several persons act as proxies, the power of attorney shall indicate the number of shares represented by each proxy.

When the proxy attends the general meeting on behalf of the shareholder, he/she shall present his/her identity certificate and the power of attorney signed by the entrustor or the legal representative of the entrustor. The power of attorney shall specify the date of issue. If a legal person shareholder appoints its legal representative to attend the meeting, the legal person representative shall produce his identity certificate and a notarised copy of the resolution of the board of directors or other authority of the legal person who appoints the legal person representative or other

certified copies approved by the Company.

**Article 75** When the principal has deceased, incapacitated to act, withdrawn the appointment of the proxy or the authority under which the proxy was executed, or where the relevant shares have been transferred prior to the voting, a vote given in accordance with the terms of a power of attorney shall be valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

**Article 76** The general meeting shall be convened by the Board and chaired by the Chairman of the Board of Directors. In the event the Chairman of the Board of Directors is unable or fails to perform his/her duties, a director jointly recommended by more than half of the directors shall preside over the meeting. In the event that the Board is unable or fails to perform its duty to convene the general meeting, the board of supervisors shall convene and chair such meeting on a timely basis; in the event that the board of supervisors fails to or does not convene and preside over a general meeting, shareholders individually or collectively holding more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting on a unilateral basis.

**Article 77** The resolutions of a general meeting are classified into ordinary resolutions and special resolutions.

Ordinary resolutions of the general meeting shall be passed by more than half of the voting rights held by the shareholders (including proxies) present at the meeting.

A special resolution of the general meeting shall be passed by more than two-thirds of the Company's total voting rights held by the shareholders who are present at the meeting (including proxies).

The shareholders present at the meeting (including proxies) shall expressly agree or disagree with each matter to be voted on. Abstentions or those who abstain from voting shall not be counted in the result of the voting.

**Article 78** Shareholders (including proxies) shall exercise their voting rights by the number of voting shares they represent at the general meeting, and each share shall have one vote. The Company shares held by the Company have no voting right, and those shares are not included in the total number of voting shares present at the general meeting.

If, in accordance with applicable laws and regulations and the listing rules of the Hong Kong Stock Exchange, any shareholder is required to abstain from voting or is restricted to voting for or against any individual resolution, any vote by a shareholder (or his proxy) in contravention thereof shall not be counted in a result of the voting.

**Article 79** The general meeting shall vote by show of hands unless otherwise required by laws, administrative regulations, the relevant regulatory authority or the listing rules of the stock exchange where the Company's shares are listed or the following persons require a vote before or after a show of hands:

- (I) Chairman of the meeting;
- (II) At least two voting shareholders or proxies of voting shareholders;
- (III) One or several shareholders (including proxies) holding more than 10% of the voting shares individually or in aggregate at such meeting.

Unless a vote is proposed, the chairman of the meeting shall, by a show of hands, declare the adoption of the proposal and record it in the minutes of the meeting as final and without the need to prove the number of votes for or against the resolution adopted at that meeting, or the proportion thereof.

The Company shall only disclose the number of votes in respect of such voting as may be required by laws, administrative regulations, relevant regulatory authorities or the listing rules of the Hong Kong Stock Exchange.

The request for a poll may be withdrawn by the proposer.

**Article 80** If the matter requiring a poll is the election of the meeting

chairman or the suspension of the meeting, a voting shall be taken immediately. In respect of other matters requiring a poll, the chairman shall decide when to hold a voting. The meeting may proceed to discuss other matters, and the result of the voting shall be deemed to be a resolution adopted at that meeting.

**Article 81** On a poll taken at a meeting, a shareholder (including his proxies) entitled to two or more votes need not cast all his votes in the same way.

**Article 82** In the event of a tie between for and against, either by show of hands or by poll, the chairman of the meeting is entitled to one additional vote.

**Article 83** The following matters shall be resolved by way of ordinary resolution of the general meeting:

- (I) work reports of the board of directors and the board of supervisors;
- (II) profit distribution proposals and proposals for making up losses formulated by the board of directors;
- (III) appointment and removal of directors and supervisors other than employee representative supervisors, and determination of the remuneration and method of payment of the directors and supervisors;
- (IV) the Company's annual financial budget plans, final financial plans, balance sheets, profit and loss accounts and other financial statements;
- (V) matters other than those which are required by the laws, administrative regulations and these Articles of Association to be resolved by way of special resolutions.

**Article 84** The following matters shall be resolved by way of special resolution of the general meeting:

- (I) increase or reduction of the Company share capital; issuance of bonds, any type of securities, warrants and other similar securities by the Company;

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- (II) issuance of corporate bonds by the Company;
  - (III) division, merger, dissolution and liquidation of the Company;
  - (IV) change of corporate form;
  - (V) the Company's purchase or disposal of major assets within one year of an aggregate value exceeding 30% of the latest audited total assets of the Company;
  - (VI) amendment of these Articles of Association;
  - (VII) to consider and implement equity incentive scheme;
  - (VIII) to pass resolution on the repurchase of the Company's shares;
  - (IX) other matters which are required by the laws, administrative regulations or these Articles of Association, and matters which, according to an ordinary resolution of the general meeting, may have a significant impact on the Company and should require adoption by way of a special resolution; and
  - (X) other matters required by the listing rules of the Hong Kong Stock Exchange to be adopted by special resolutions.

**Article 85** If all directors, supervisors and senior officers of the Company are required to attend the general meeting, directors, supervisors and senior officers shall attend the general meeting as non-voting participants. At a general meeting, the directors, supervisors and senior officers who attend or attend the meeting as non-voting participants shall give answers or explanations to the questions of shareholders, except those involving the Company's trade secrets which cannot be disclosed.

**Article 86** The meeting chairman shall decide whether to pass the resolution at the general meeting according to the voting result. His decision shall be final, and declared at the meeting and recorded into the meeting minute.

**Article 87** The nomination methods and procedures for the election of

directors and supervisors at the general meeting are as follows:

(I) Shareholders who hold individually or in aggregate more than 3% of the total number of voting shares issued by the Company may propose the candidates for directors and supervisors other than the staff representatives to the general meeting in the form of written proposals, provided that the number of nominees must meet the provisions of these Articles of Association and shall not exceed the number of candidates to be elected. The aforesaid proposal submitted by a shareholder to the Company shall be delivered to the Company at least 14 days prior to the date of the general meeting.

(II) The board of directors and the board of supervisors may, within the number of persons specified in these Articles of Association and according to the number of persons to be elected, put forward a suggested list of candidates for directors and candidate for supervisors, and submit to the board of directors and the board of supervisors for examination respectively. The board of directors and the board of supervisors shall, after examining and deciding the candidates of directors and supervisors through resolutions, submit them to the general meeting in the form of written proposals.

(III) A written notice of the intention to nominate a person for election as a director and a written notice by that person expressly indicating his acceptance of such nomination, and the relevant written materials about the nominee's situation shall be given to the Company no later than seven days before the date of the general meeting. The board of directors and the board of supervisors shall provide the shareholders with the resumes and basic information of the candidates.

(IV) The minimum period (starting from the next day after the issue of the notice for convening a general meeting), during which the nominators and the candidates are allowed to submit the aforesaid notice and documents, shall be seven days;

(V) The general meeting shall vote on each candidate for director and supervisor one by one.

(VI) In case of temporary addition of directors or supervisors, the board of directors or the board of supervisors shall put forward a proposal to the general meeting for election or replacement.

**Article 88** If the chairman of the meeting has any doubts as to the result of a resolution which has been put to vote at a shareholders' general meeting, he may have the votes counted. If the chairman of the meeting has not counted the votes, any shareholder present in person or by proxy who objects to the result announced by the chairman of the meeting may, immediately after the declaration, demand that the votes be counted and the chairman of the meeting shall have the votes counted immediately.

**Article 89** If the votes are counted at the general meeting, the result shall be recorded in the minutes.

The minutes of the general meeting shall be signed by the directors present at the meeting and the presider, and shall be kept together with the attendance record of shareholders and the powers of attorney of the proxies at the Company's domicile.

**Article 90** Shareholders may have access to copies of the minutes free of charge during the office hours of the Company. If any shareholder requests a copy of the relevant meeting minutes from the Company, the Company shall send the copy within 7 days after verifying the identity of the shareholder and receiving a reasonable fee.

## **Chapter 9 Special Voting Procedures for Shareholders of Different Classes**

**Article 91** Shareholders who hold different classes of shares shall be class shareholders.

Class shareholders shall enjoy rights and assume obligations in accordance with laws, administrative regulations and these Articles of Association.

If the share capital of the Company includes non-voting shares, the words “non-voting” shall be inserted into the names of such shares.

Where the share capital includes shares with different voting rights, the words “limited voting rights” or “restricted voting rights” shall be inserted into the name of each class of shares (other than those with the most favorable voting rights).

Where appropriate, adequate voting rights will be ensured for the preferred shareholders.

**Article 92** If the Company intends to change or abrogate the rights of class shareholders, it may do so only after such change or abrogation has been approved by way of a special resolution at the general meeting and by a separate class meeting convened by the affected shareholders of that class in accordance with Articles 94 to 98.

Where the rights of class shareholders are altered or repealed due to changes in domestic and foreign laws, administrative regulations and listing rules at the place of listing, as well as decisions made by domestic and foreign regulatory authorities according to law, the approval of class meeting is not required.

The act of the holders of domestic shares of the Company to transfer all or part of the shares they hold to the foreign investors and trade them on the overseas market, or the act of converting all or part of the domestic shares to the overseas listed foreign shares and trade them on the overseas stock exchange shall not be regarded as the Company’s intention to change or abolish the rights of class shareholders.

**Article 93** The rights of shareholders of a certain class shall be deemed to have been amended or canceled in the following circumstances:

- (I) 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;

(II) to effect an exchange of all or part of the shares of such class into shares of another class, or to effect an exchange or create a right of exchange of all or part of the shares of another class into the shares of such class;

(III) to remove or reduce rights to accrued dividends or cumulative dividends attached to shares of such class;

(IV) to reduce or remove a dividend preference or property distribution preference during the liquidation of the Company attached to shares of such class;

(V) to add, remove or reduce share conversion rights, options, voting rights, transfer rights, pre-emptive rights to rights issues or rights to acquire securities of the Company attached to shares of such class;

(VI) to remove or reduce rights to receive amounts payable by the Company in a particular currency attached to shares of such class;

(VII) to create a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;

(VIII) to restrict or impose additional restrictions on the transfer of ownership of shares of such class;

(IX) to issue rights to subscribe for, or convert into, shares of such class or another class;

(X) to increase the rights and privileges of shares of another class;

(XI) to restructure the Company where the proposed restructuring will result in different classes of shareholders having to bear liability to different extents; and

(XII) to amend or cancel the provisions of these Articles of Association.

**Article 94** Shareholders of the affected class, whether or not originally having the right to vote at general meetings, shall have the right to vote at class meetings in respect of matters referred to in items (II) to (VIII) or (XI) to (XII) of Article 93, except that interested shareholders shall not have the right to vote at class meetings.

For the purposes of the preceding paragraph, the term “interested shareholders” shall have the following meanings:

(I) if the Company has made a buy-back offer to all shareholders in the same proportion or has bought back its own shares through public trading on a securities exchange in accordance with Article 29 hereof, the controlling shareholders as defined in Article 59 hereof shall be “interested shareholders”;

(II) if the Company has bought back its own shares by agreement outside a securities exchange in accordance with Article 29 hereof, holders of shares in relation to such agreement shall be “interested shareholders”;

(III) 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 95** Resolutions of 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 94 hereof.

**Article 96** The time limit for giving a written notice to a class shareholders meeting convened by the company shall be the same as the time limit for giving a written notice to a non-class shareholders meeting to be held on the same day as the class meeting. The written notice shall notify all the shareholders of the relevant class listed on the register of the matters to be considered at the meeting and the meeting date and place. The Company shall not include the date of the meeting when

calculating the starting time.

If there are special provisions in the listing rules of the place where the Company's shares are listed, such provisions shall prevail.

**Article 97** If a class meeting is to be held by sending notice of the meeting, it shall be given only to the shareholders entitled to vote at the meeting. The procedures according to which a class meeting is held shall, to the extent possible, be identical to the procedures according to which a general meeting is held. Provisions of these Articles of Association relevant to procedures for the holding of a general meeting shall be applicable to class meetings.

**Article 98** In addition to holders of other classes of shares, holders of domestic shares and overseas listed foreign shares shall be deemed to be shareholders of different classes. The special voting procedures for approval by a class of shareholders shall not apply:

(I) where, as approved by way of a special resolution of the general meeting, the Company issues, either separately or concurrently, domestic shares and overseas listed foreign shares every 12 months, and the number of the domestic shares and overseas listed foreign shares intended to be issued does not exceed 20% of the issued and outstanding shares of the respective categories;

(II) where the plan for issuance of domestic shares and overseas listed foreign shares upon the establishment of the Company is completed within 15 months after being approved by the securities regulatory body under the State Council;

(III) where, with the approval of the securities regulatory body under the State Council, the holders of domestic shares of the Company transfer all or part of the shares held by them to foreign investors and list them overseas.

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## **Chapter 10 Directors and Board of Directors**

### **Section 1 Directors**

**Article 99** A director is elected by the general meeting with a term of office of three years. A director may serve consecutive terms if re-elected upon expiry of the term.

The general meeting may, subject to the provisions of the relevant laws and administrative regulations, remove by ordinary resolution any director whose term of office has not yet expired (provided that claims under any contract shall not be affected by this).

The written notice of the intention to nominate a candidate for director and of the readiness of the candidate to accept the nomination shall be given to the Company after the notice of the general meeting concerning the election of the director is given by the Company and not later than 7 days before the general meeting. The commencement date of the 7-day notice period shall be not earlier than the second day after the notice of the meeting designated for the election is given and not later than 7 days before the general meeting is held, and the notice period of such written notice shall not be less than 7 days.

**Article 100** A director may resign before the end of his tenure. The director shall submit a written resignation report to the board of director.

If the resignation of a director causes the Company's board of directors to be below the quorum, the former director shall still perform the duties of a director in accordance with the provisions of laws, administrative regulations, departmental rules and these Articles of Association before the newly elected director takes office.

Except for the circumstances set forth in the preceding paragraph, the resignation of the director shall take effect upon the delivery of the resignation report to the board

of directors.

**Article 101** When the resignation of a director takes effect or his term expires, he shall complete all handover procedures with the board of directors. The duty of loyalty undertaken by a director to the Company and its shareholders shall not be necessarily discharged at the end of his term of office and shall remain valid for a reasonable period as provided for in these Articles of Association. His obligation to keep the Company's trade secrets confidential shall survive the termination of his employment until such secrets become public information.

**Article 102** If the director fails to attend the board meeting in person or entrust any other director to attend the meeting on his behalf for two consecutive times, it shall be deemed that he cannot perform his duties, and the board of directors shall recommend the general meeting to remove such director.

**Article 103** The Company has independent non-executive directors. Unless otherwise provided in this section, the qualifications and obligations of directors in Chapter 14 of these Articles of Association shall apply to independent non-executive directors.

**Article 104** A director whose term of office has not yet expired shall be liable for compensation for any loss caused to the Company due to his unauthorised resignation or his violation of laws, administrative regulations, departmental rules or the provisions of these Articles of Association during the performance of his duties.

**Article 105** No director may act in his own name on behalf of the Company or the board of directors without the lawful authorisation under the provisions of these Articles of Association or by the board of directors. Where a director acts in his own name, the director shall declare in advance his position and identity in the case that a third party would reasonably believe that the director is acting on behalf of the Company or the board of directors.

## **Section 2 Independent Non-executive Directors**

**Article 106** The Company has independent non-executive directors, who shall have the duty of loyalty and diligence to the Company and all shareholders. Independent non-executive directors shall, in accordance with the requirements of relevant laws and these Articles of Association, earnestly perform their duties, safeguard the overall interests of the Company, and strive to protect the legitimate rights and interests of the Company's shareholders, especially minority shareholders.

Unless otherwise provided in this section, the qualifications and obligations of directors in these Articles of Association shall apply to independent non-executive directors.

The Company shall establish a working system for independent non-executive directors, and the secretary of the board of directors shall actively cooperate with independent non-executive directors in performing their duties. The Company shall ensure that the independent non-executive director enjoys the same right to know as other directors, provide relevant materials and information to the independent non-executive director in a timely manner, regularly report the operation of the Company, and organize the independent non-executive directors to carry out field visit when necessary.

**Article 107** The person serving as an independent non-executive director shall meet the following basic requirements:

(I) To be qualified as a director of the Company in accordance with laws, administrative regulations, listing rules of the listing place and other relevant provisions;

(II) To meet the qualifications requirements of independent non-executive director in the Main Board Listing Rules.

**Article 108** The Company shall have 3 independent non-executive directors. In any event, at least one third of the members of the board of directors of the

Company shall be independent non-executive directors, and the Company shall have at least three independent non-executive directors, including at least one financial or accounting professional recognized under the Main Board Listing Rules.

The Company shall make up for the number of independent non-executive directors as required by these Articles of Association if the number of independent non-executive directors falls short of the requirement of these Articles of Association because any independent non-executive director does not meet the basic requirements for serving as an independent non-executive director or is otherwise unfit to perform the duties of independent non-executive directors.

**Article 109** The term of office of the independent non-executive director is the same as that of other directors of the Company. Upon expiration of the term, the independent non-executive director may be re-elected.

**Article 110** Independent non-executive directors shall not be removed without cause before the expiration of their term of office, except in the case that they do not meet the basic requirements for independent non-executive directors or are otherwise unfit to perform their duties as independent non-executive directors and in the case that they are prohibited from acting as directors as provided for in the Company Law. If the Company removes any independent non-executive director before the expiration of his tenure, the Company shall disclose it as a special disclosure matter. The independent non-executive director who is dismissed may make a public statement if he considers that the reasons for dismissal are improper.

**Article 111** An independent non-executive director may resign before the end of his tenure. The independent non-executive director shall submit a written resignation report to the board of directors, stating any circumstances relating to his resignation or which he considers necessary to bring to the attention of the Company and the creditors.

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### Section 3 Board of Directors

**Article 112** The Company has a board of directors, which consists of 9 directors, including 3 independent non-executive directors. The number of independent non-executive directors at any time shall not be less than three and shall constitute at least one third of the total number of members of the board of directors. The independent non-executive directors shall meet the requirements of the rules of the stock exchange where the Company is listed.

Independent non-executive directors may directly report to the general meeting, the securities regulatory body under the State Council and other relevant departments.

A director may be the general manager or other senior officer concurrently, provided that the number of directors who serve as general manager or other senior officers concurrently shall not exceed one half of the number of directors of the Company.

The board of directors has 1 chairman. The chairman shall be elected and removed by a majority of all the directors. The chairman shall serve a term of office of three years and may be re-elected.

No more than 2 senior officers (chairman and executive director) of the controlling shareholder shall concurrently hold the position of chairman and executive director of the Company, and they make a clear distinction between the duties of their respective posts, assume the legal responsibilities of the respective posts and exercise the legal rights of the respective posts, and ensure that they have enough time and the necessary knowledge and ability to undertake the work of the Company.

Directors are not required to hold shares in the Company.

An independent non-executive director shall have a term of office of three years and may be re-elected for a maximum period of not more than nine years (if more than nine years, such independent non-executive director's re-election shall be



approved by the shareholders by means of separate resolution), unless the term of office of the independent non-executive director is otherwise stipulated by the relevant laws and regulations and the listing rules of the stock exchange where the Company is listed.

**Article 113** The Board of Directors shall exercise the following functions and powers:

- (I) to convene a general meeting of shareholders, submit relevant matters to the general meeting for approval, and report its work to the general meeting;
- (II) to implement the resolutions of the general meeting;
- (III) to resolve on the Company's business plans and investment plans;
- (IV) to formulate the annual financial budgets and final accounting plans of the Company;
- (V) to formulate the profit distribution plan and loss recovery plan of the Company;
- (VI) to formulate plans of increasing or decreasing the Company's registered capital, and issuing corporate bonds or other securities, and listing plans;
- (VII) to formulate plans for major asset acquisition and disposal, repurchase of shares, or merger, division, dissolution, and change of corporate form of the Company;
- (VIII) to determinate the setup of the Company's internal management structure;
- (IX) to appoint or dismiss the general manager of the Company and secretary of the board; to appoint or dismiss other senior officers based on the nomination of the general manager; and to determine the remuneration, rewards and punishments of the aforesaid senior officers;

- (X) to formulate the basic management system of the Company;
- (XI) to formulate the amendment to these Articles of Association;
- (XII) to decide on the establishment of special committees of the board of directors and the appointment or removal of heads of special committees;
- (XIII) to propose candidates for independent non-executive directors and propose to replace independent non-executive directors to the general meeting;
- (XIV) to propose to general meetings the engagement, renewal or dismissal of the accounting firms conducting auditing of the Company;
- (XV) to debrief the work report of the general manager and check the works of the general manager;
- (XVI) to manage the information disclosure of the Company;
- (XVII) to formulate the equity incentive scheme;
- (XVIII) the board of directors shall exercise its decision-making power over foreign investment (including capital increase and equity transfer to the invested enterprises), financing, venture capital, entrusted financial management, foreign guarantee and other matters, except for those that shall be examined and approved by the general meeting according to laws and regulations and these Articles of Association;
- (XIX) to formulate and review corporate governance policies and practices;
- (XX) to review and monitor the training and continuous professional development of the directors, supervisors and senior officers;
- (XXI) to review and monitor the Company's policies and practices in complying with legal and regulatory requirements;
- (XXII) to develop, review, and monitor the code of conduct and compliance

manual applicable to employees and the directors (if any);

(XXIII) to review the Company's compliance with the CG Code in the Listing Rules and the disclosure in the corporate governance report of the Company;

(XXIV) to decide on other major affairs of the Company, except for the matters that shall be resolved by the general meeting of shareholders as stipulated in the Company Law and these Articles of Association;

(XXV) other powers granted by these Articles of Association or the general meeting;

(XXVI) other matters stipulated by Chinese laws and regulations.

All the above board resolutions shall be passed by over one half of the directors; provided that the resolutions covered in items (VI), (VII) and (XI) and in relation to the granting of external guarantee shall be passed by over two-thirds of the directors.

When the board of directors makes a resolution relating to a connected transaction, it must be signed by the independent non-executive directors before it becomes effective.

**Article 114** In disposing of fixed assets, where the sum of the expected value of the fixed assets to be disposed of together with the value of the fixed assets which have been disposed of within the four months preceding the proposal to dispose of these assets exceeds 33% of the value of the fixed assets reflected by the latest balance sheet approved by the general meeting, the board of directors shall not dispose of, or agree to dispose of, such fixed assets without the prior approval of the general meeting.

For the purposes of this Article, the term "disposal of fixed assets" shall include the assignment of a certain interest in assets other than by way of guarantees.

The validity of transactions whereby the Company disposes of fixed assets shall not be affected by the breach of the first paragraph hereof.

Before making decisions on market development, merger and acquisition, investment in new fields, for the projects with investment amount or the M&A asset value reaching more than 10% of the total assets of the Company, the board of directors shall employ social consulting institutions to provide professional advice, which shall be used as an important basis for the decision of the board.

**Article 115** The chairman of the board shall exercise the following functions and powers:

(I) to preside over general meetings and to convene and preside over meetings of the board of directors;

(II) to procure and examine the implementation of resolutions of the board of directors;

(III) to sign share certificates, corporate bonds and other marketable securities issued by the Company;

(IV) to sign important documents of the meetings of the board of directors and other documents that require signature by the legal representative of the Company, and exercise the power of legal representative;

(V) to organise the formulation of various systems for the operation of the board of directors and coordinate its operation;

(VI) to debrief the regular or irregular work reports of the senior officers of the Company, and give guiding opinions on the implementation of the resolutions of the board of directors;

(VII) to nominate candidates for the secretary of the board of directors;

(VIII) to supervise and inspect the work of the special committee of the board of directors;

(IX) other powers stipulated by laws, regulations or these Articles of

Association, and granted by the board of directors.

If the chairman is unable to exercise his functions and powers, a director shall be jointly nominated by more than half of the directors to exercise his functions and powers.

**Article 116** The board of directors shall convene regular board meeting at least four times each year. The meeting shall be convened by the chairman.

The chairman of the board of directors shall convene and preside over an extraordinary board meeting within 14 days upon the receipt of a proposal for such a meeting where a meeting is:

- (I) proposed by the shareholders representing more than 10% of the shares with voting rights of the Company;
- (II) jointly proposed by one-third or more of the directors;
- (III) considered by the chairman of the board of directors to be necessary;
- (IV) proposed by two or more independent non-executive directors;
- (V) proposed by the Board of Supervisors;
- (VI) proposed by the general manager to hold an extraordinary board meeting.

**Article 117** All the directors and supervisors shall be notified 14 days prior to the meeting in case of regular board meeting, or 5 days prior to the meeting in case of extraordinary board meeting. The office of the board of directors or other departments designated by the board of directors shall be responsible for submitting the written meeting notice to all the directors and supervisors by direct delivery, fax, email or other means.

In case of emergency and it is necessary to convene an extraordinary board meeting as soon as possible, the meeting notice may be sent by telephone or other

oral means at any time, provided that the convener shall make explanations at the meeting.

**Article 118** Meeting notice shall be deemed to have been given to the directors who are present at the meeting and do not raise an objection that they have not received the notice of the meeting before or at the meeting.

Regular or extraordinary meetings of the Board of Directors may be held by teleconference or by means of other communications equipment, and all directors attending shall be deemed to have attended the meeting in person so long as they can hear and communicate with each other.

**Article 119** A board meeting shall not be held unless more than half of the directors are present.

Each director shall have one vote. A resolution made by the board of directors must be approved by more than half of all the directors unless otherwise stipulated by laws, administrative regulations and these Articles of Association.

The director shall not vote (nor shall it be counted in the quorum of the meeting) on any resolution approving the contract or arrangement or other proposal in which it or any of its associates have an interest and even if the director declares to vote, the votes it casts shall not be counted, unless otherwise provided by laws, administrative regulations, relevant regulatory regulations or rules.

**Article 120** The directors shall attend the board meeting in person. If a director is unable to attend the meeting for some reason, he may entrust another director in writing to attend the meeting on his behalf, provided that the scope of authorisation shall be specified in the power of attorney.

The director attending the meeting as a proxy shall exercise the rights of the director within the scope of authorisation. If a director fails to attend a board meeting or to appoint a proxy, he shall be deemed to have waived his right to vote at that meeting.

**Article 121** All important matters that shall be resolved by the board of directors must be notified to all the directors in advance within the time limit specified in these Articles of Association, and enough information shall be provided in strict accordance with the relevant procedures. The directors may request additional information. If more than a quarter of the directors or two or more independent non-executive directors think that the information is insufficient or other reasons make them unable to make a judgment on relevant matters, they may jointly submit a proposal or postponing the board meeting or the consideration of the relevant matters, which shall be adopted by the board of directors.

**Article 122** A written proposal may be accepted by the board of directors in lieu of a board meeting provided that a draft of the proposal shall be sent to each director by direct delivery, mail, telegram, fax or email. If the Board of Directors has sent the proposal to all the directors and the quorum for signing the proposal has been reached and a signed document endorsing the proposal has been sent to the Secretary of the Board in this manner, the proposal shall become a resolution of the Board of Directors and shall be deemed to have the same legal effect as a resolution passed at a board meeting held in accordance with the procedures prescribed by the relevant provisions of these Articles of Association.

**Article 123** Meeting minutes shall be prepared to record the decision made by the board of directors for the matters under discussion. The directors attending the meeting and the recorder shall sign the meeting minute. The directors shall be liable for the resolutions of the board of directors. Where a resolution of the board of directors violates laws, administrative regulations or these Articles of Association, and thereby causing serious losses to the Company, the directors who took part in the resolution shall be liable to the Company for damages. However, where a director can prove that he expressed his opposition to such resolution when it was put to be voted on, and that such opposition was recorded in the minutes of the meeting, the director may be relieved from such liability.

#### **Section 4 Special Committees under the Board of Directors**

**Article 124** The board of directors shall set up audit, remuneration, nomination and other special committees in accordance with the requirements of relevant laws and regulations and listing rules. The members of the special committee shall be composed entirely of directors. The composition, terms of reference and rules of procedure of the special committees shall be separately agreed upon by the board of directors. The special committees under the Board of Directors are special working bodies established by the Board of directors to provide suggestions or advisory opinions for major decisions of the board of directors or exercise decision-making power on authorised matters according to the authorisation of the board of directors.

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

**Article 125** The Company shall have a secretary of the board of directors. Secretary of the board of directors shall be a senior officer of the Company.

**Article 126** The secretary of the board of directors shall be a natural person with the necessary professional knowledge and experience, and shall be nominated by the chairman of the board and appointed or dismissed by the board of directors. The main duties of the secretary of the board of directors are:

- (I) to guarantee that the Company has complete organizational documents and records;
- (II) to ensure that the Company prepares and submits the documents and reports required by relevant authorities;
- (III) to ensure that the Company's register of shareholders is properly established and to ensure that persons entitled to relevant records and documents of the Company obtain such relevant records and documents in a timely manner.

**Article 127** The director or senior manager of the Company may concurrently serve as the secretary of the board of directors of the Company, provided



that he or she has sufficient energy and time to undertake the duties of secretary of the board of directors. A certified accountant of an accounting firm which has been appointed by the Company may not act concurrently as the secretary of the board of directors of the Company.

Where the office of the secretary of the board of directors of the Company is held concurrently by a director, and a certain act is required to be done by the director and the secretary of the board of directors of the Company separately, the person who concurrently holds the offices of director and secretary of the board of directors of the Company may not perform such act in both capacities.

## **Chapter 12 General Manager and Other Senior Officers**

**Article 128** The Company shall have 1 general manager, who shall be appointed or dismissed by the board of directors. The Company shall have one chief financial officer and several deputy general managers, who shall be nominated by the general manager and appointed or dismissed by the board of directors. A director can serve as the General Manager or any other senior officer concurrently.

**Article 129** The general manager shall be liable to the Board of Directors and exercise the following functions and powers:

- (I) To take charge of the production and operation management of the Company and report to the board of directors;
- (II) To organise the implementation of the resolutions of the board of directors, the annual business plans and investment schemes of the Company;
- (III) To prepare the annual financial budget and final accounts of the Company and make recommendations to the board of directors;
- (IV) To formulate basic management systems and the internal management organisation setting scheme of the Company;

- (V) To develop the specific rules of the Company;
- (VI) To propose to the board of directors the appointment or dismissal of deputy general manager, chief financial officer and other senior officers;
- (VII) To appoint or dismiss the officers other than those whose appointment or termination shall be decided by the Board of Directors;
- (VIII) To propose to convene extraordinary board meeting;
- (IX) To decide on the investment, financing, contracts and transactions of the Company within the scope authorised by the board of directors;
- (X) To draw up the salaries, benefits, rewards and punishments of the employees, and to decide on the employment and dismissal of the employees;
- (XI) Other powers granted by these Articles of Association and the Board of Directors.

**Article 130** The general manager may attend the board meeting. The general manager who is not a director has no right to vote at the board meetings.

**Article 131** The general manager shall, in exercising his functions and powers, perform the duties of good faith and diligence in accordance with the provisions of laws, administrative regulations and these Articles of Association.

### **Chapter 13 Board of Supervisors**

**Article 132** The Company shall have a Board of Supervisors, which shall exercise supervision functions in accordance with laws, administrative regulations and these Articles of Association.

**Article 133** The board of supervisors shall be composed of three supervisors, one of whom shall be the chairman. The supervisors have a tenure of 3 years and can be reelected upon the expiry of the tenure.

The appointment or dismissal of the chairman of the Board of Supervisors shall be determined by two-thirds or more of the members of the Board of Supervisors.

**Article 134** The Board of Supervisors shall be composed of 2 shareholder representative supervisors and 1 employee representative supervisor. The shareholder representative supervisor shall be elected and dismissed at the general meeting, and the employee representative supervisor shall be elected and dismissed by the employees of the Company at the employees' representative meeting, workers congress or through other democratic means.

**Article 135** Directors and senior officers of the Company shall not serve concurrently as supervisors.

**Article 136** The Board of Supervisors is responsible to the general meeting and exercises the following powers:

(I) To supervise the acts of directors and senior officers that violate laws, administrative regulations and these Articles of Association in the performance of their duties; to suggest the removal of the directors and senior officers who violate any laws, regulations, these Articles of Association or resolutions of general meeting;

(II) To require the directors and senior officers to make corrections if their conduct has damaged the interests of the Company;

(III) To examine the Company's financial affairs;

(IV) To verify financial information such as financial reports, business reports, profit distribution plans, etc. that the board of directors intends to submit to the general meeting and, if in doubt, to appoint a registered accountant or practicing auditor in the name of the Company to assist in reviewing such information;

(V) To propose the convening of extraordinary general meetings and, in case the Board of Directors does not perform the obligations to convene and preside over the general meetings in accordance with Company Law, to convene and preside

over the general meetings;

(VI) To submit proposals to the general meetings;

(VII) To propose to convene extraordinary board meeting;

(VIII) To negotiate with Directors on behalf of the Company or initiate legal proceedings against directors and senior officers in accordance with laws and regulations;

(IX) Other powers prescribed by laws, administrative regulations and these Articles of Association.

Supervisors may attend meetings of the board of directors.

**Article 137** The board of supervisors shall hold at least one meeting every six months. The chairman of the board of supervisors shall be responsible for convening meetings of the board of supervisors. When the chairman of the Board of Supervisors is unable or fails to perform his or her duty, a supervisor jointly recommended by more than half of the supervisors shall convene and preside over the meeting of the board of supervisors.

The supervisors may propose to convene an extraordinary meeting of the board of supervisors.

The responsible staff of the board of supervisors shall submit the written meeting notice to all the supervisors by direct delivery, fax, email or other means 10 days (in case of regular meeting) or 5 days (in case of extraordinary meeting) in advance. If it is not served directly, it shall also be confirmed by telephone and recorded accordingly.

In case of emergency and it is necessary to convene an extraordinary meeting of board of supervisors as soon as possible, the meeting notice may be sent by telephone or other oral means at any time, provided that the conveyor shall make explanations at the meeting.

**Article 138** The procedure of the board of supervisors is as follows: the voting at the meeting of the Board of Supervisors shall be conducted by means of one person one vote, registered or written.

The voting procedure is as follows: the voting intentions of the supervisors include For, Against and Abstain. The attending supervisors shall choose one of the above intentions. If no choice is made or two or more intentions are chosen at the same time, the chairman of the meeting shall request the supervisor to make a new choice. Refusal to choose shall be deemed as abstention. Those who leave the venue without returning and do not make a choice shall be regarded as abstention.

The resolutions of the Board of Supervisors shall be passed by two-thirds or more of the members of the Board of Supervisors.

Meeting minutes shall be prepared to record the decision made by the board of supervisors for the matters under discussion. The supervisors attending the meeting shall sign the meeting minute. The supervisors have the right to have their speeches at the meeting descriptively recorded on the meeting minute. The minutes of meetings of the board of supervisors shall be maintained at the domicile of the Company.

**Article 139** The supervisors may conduct investigation if there is any doubt or any unusual circumstances in the Company's operations; and if necessary, to engage a law firm, accounting firm, or other professional institutions to assist in their work at the expenses of the Company.

**Article 140** Supervisors shall faithfully perform their supervisory duties in accordance with laws, administrative regulations and these Articles of Association.

## **Chapter 14 Qualifications and Duties of the Directors, Supervisors and Senior Officers of the Company**

**Article 141** None of the following persons may serve as a director, supervisor, general manager or other senior officer of the Company:

- (I) persons without capacity or with limited capacity for civil acts;
- (II) persons who were sentenced for crimes of corruption, bribery, encroachment or embezzlement of property or disruption of the social and economic order, where five years have not lapsed following the serving of the sentence, or persons who were deprived of their political rights for committing a crime, where five years have not lapsed following the serving of the sentence;
- (III) persons who acted as directors, or factory managers or managers of bankrupt or liquidated companies or enterprises who bear personal liability for the bankruptcy or liquidation of such companies or enterprises where three years have not lapsed following the date of completion of such bankruptcy or liquidation;
- (IV) the legal representatives of companies or enterprises that had their business licenses revoked or been ordered to close as a result of infringing the law, and where such representatives bear personal liability therefore and three years have not lapsed following the date of revocation of such business licenses;
- (V) persons with relatively heavy individual debts that have not been settled upon maturity;
- (VI) persons against whom a case has been established for investigation by the judicial authorities as a result of violation of the criminal law, and such case has not been closed;
- (VII) persons who may not act as leaders of enterprises by virtue of laws and administrative regulations;
- (VIII) non-natural persons;
- (IX) persons ruled by a relevant organisation in charge to have violated securities-related regulations, where such violation involved fraudulent or dishonest acts and five years have not lapsed following the date of the ruling;
- (X) the circumstances specified in the relevant laws and regulations of the

place where the Company's shares are listed.

Elections, appointments or employment of directors, supervisors or senior officers in violation of the preceding paragraphs of this Article shall be invalid. In the event that the circumstances as stipulated in the preceding paragraphs of this Article arise during the term of appointment of directors, supervisors or senior officers, the Company shall dismiss the appointment.

**Article 142** The validity of an act of a director, general manager or other senior officer of the Company on behalf of the Company towards a bona fide third party shall not be affected by any irregularity in his current position, election or qualifications.

**Article 143** In addition to obligations imposed by laws, administrative regulations or listing rules of the securities exchange(s) on which shares of the Company are listed, the Company's directors, supervisors, general manager and other senior officers shall owe the following obligations to each shareholder in the exercise of the functions and powers granted to them by the Company:

- (I) not to cause the Company to act beyond the scope of business as stipulated in its business license;
- (II) to act in good faith in the best interests of the Company;
- (III) not to deprive the property of the Company in any form, including (but not limited to) any opportunity favorable to the Company;
- (IV) not to deprive the individual rights and interests of other shareholders, including (but not limited to) any distribution rights and voting rights, but excluding any plan of reorganisation of the Company submitted to the general meeting for approval in accordance with these Articles of Association.

**Article 144** The Company's directors, supervisors and other senior officers shall have an obligation, in the exercise of their rights or discharge of their

obligations, to perform their due acts with care, diligence and skill as a reasonable and prudent person shall do under similar circumstances.

**Article 145** The Company's directors, supervisors and other senior officers shall, in the exercise of their duties, abide by the principles of honesty and creditability and shall not place themselves in a position where there is a possible conflict between their personal interests and their duties. This principle shall include (but not limited to) the fulfillment of the following obligations:

- (I) to act in good faith in the best interests of the Company;
- (II) to exercise powers within the scope of their functions and powers and not to act beyond such powers;
- (III) to personally exercise the discretion vested in him, not to allow himself to be manipulated by another person and, not to delegate the exercise of his discretion to another party unless permitted by laws and administrative regulations or with the consent of the general meeting that has been informed;
- (IV) to treat shareholders of the same class equally and to be impartial to shareholders of different classes;
- (V) not to conclude a contract or enter into a transaction or arrangement with the Company except as otherwise provided in these Articles of Association or with the consent of the general meeting that has been informed;
- (VI) not to use Company property for his own benefit in any way without the consent of the general meeting that has been informed;
- (VII) not to use his functions and powers as a means for accepting bribes or other forms of illegal income, and not to illegally appropriate Company assets in any way, including (but not limited to) any opportunities that are favorable to the Company;
- (VIII) not to accept commissions in connection with Company transactions



without the consent of the general meeting that has been informed;

(IX) to abide by these Articles of Association, perform his duties faithfully, protect the interests of the Company and not to seek personal gain with his position, functions and powers in the Company;

(X) not to compete with the Company in any way without the consent of the shareholders' general meeting that has been informed;

(XI) not to embezzle the Company's funds, not to deposit the Company's assets or funds in accounts opened in his own or in another's name, and not to lend the Company's funds to others or use the Company's assets as security for the Company's shareholders or other individuals in violation of the provisions of the Articles of Association or without the consent of the general meeting or the board of directors;

(XII) not to disclose confidential information relating to the Company that was acquired by him during his office without the consent of the general meeting that has been informed, and not to use such information except in the interests of the Company; however, such information may be disclosed to the court or other government authorities if:

1. required by law;
2. required for the public interest;
3. required for the interest of such director, supervisor, general manager or other senior officer.

The income derived by the person referred to in this Article in violation of this Article shall belong to the Company. If losses are caused to the Company, it shall be liable for compensation.

**Article 146** The director, supervisor or other senior officer of the Company may not incite the following persons or organisations ("connected persons")

to carry out matters that a director, supervisor, general manager or other senior officer may not themselves do:

(I) the spouse or minor child of a director, supervisor, general manager or other senior officer of the Company;

(II) the trustee of a director, supervisor, general manager or other senior officer of the Company or of any person referred in Item (I) hereof;

(III) the partner of a director, supervisor, general manager or other senior officer of the Company or of any person referred in Item (I) and (II) hereof;

(IV) the company over which a director, supervisor, general manager or other senior officer of the Company, alone or jointly with any person referred to in Item (I), (II) and (III) hereof or any other director, supervisor, general manager or other senior officer of the Company, has actual control; and

(V) a director, supervisor, general manager or other senior officer of a company being controlled as referred to in Item (IV) hereof.

**Article 147** The obligation of honesty and credibility of the Company's directors, supervisors, general manager and other senior officers does not necessarily cease with the termination of their office. Their confidentiality obligation in relation to the Company's trade secrets shall continue after the termination of their office. The term for which other obligations shall continue shall be decided upon in accordance with the principle of fairness, depending on the time lapse between the termination and the occurrence of the matter as well as the circumstances and conditions under which the relationship with the Company terminated.

**Article 148** A director, supervisor, general manager or other senior officer of the Company may be relieved from liability for a specific breach of obligations by the general meeting that has been informed of the situation, except in circumstances as specified in Article 58 hereof.

**Article 149** If a director, a supervisor or other senior officer of the Company has directly or indirectly been vested a material interest in a contract, transaction or arrangement concluded or planned by the Company (except for his employment contract with the Company), he shall disclose the nature and extent of his interest to the board of directors at the earliest opportunity, whether or not the matter is normally subject to the approval of the board of directors.

Directors shall not vote on any board resolution approving a contract, transaction or arrangement in which they or any of their associates have a material interest (as defined in the applicable Main Board Listing Rules in force from time to time) or any other relevant proposal, and the directors concerned shall not be counted in determining whether a quorum is present.

Unless the interested director, supervisor or other senior officer of the Company has disclosed such interest to the board of directors as required under the first paragraph hereof and the matter has been approved by the board of directors at a meeting in which 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 director, supervisor or other senior officer concerned.

A director, a supervisor or other senior officer of the Company shall be deemed to have an interest in any contract, transaction or arrangement in which a connected person of that director, supervisor or other senior officer has an interest.

**Article 150** If a director, supervisor or other senior officer of the Company gives a written notice to the board of directors before the conclusion of the contract, transaction or arrangement is first considered by the Company, stating that due to the contents as stipulated in the notice, he has an interest in the contract, transaction or arrangement that may subsequently be entered into by the Company, such director, supervisor or other senior officer of the Company shall be deemed for the purposes of the preceding Articles of this Chapter to have declared his interest,

insofar as attributable to the scope stated in the notice.

**Article 151**           The Company shall not pay taxes in any way on behalf of its directors, supervisors or senior officers.

**Article 152**           The Company may not directly or indirectly provide a loan or loan security to its directors, supervisors or other senior officers, those of its parent company, or connected persons of the above-mentioned persons.

The preceding paragraph shall not apply to the following circumstances:

(I)           The provision by the Company of a loan to or loan security for its subsidiary;

(II)          The provision of a loan or loan security or other funds by the Company to a director, a supervisor or other senior management of the Company under an employment contract approved by the general meeting, so as to enable him to pay the expenses incurred for a purpose in relation to the Company or for the performance of his Company duties; and

(III)         The provision of a loan or loan security by the Company to a relevant director, a supervisor or other senior officer of the Company or to a connected person thereof on normal commercial terms, if the ordinary business scope of the Company includes the lending of money or the provision of loan security.

**Article 153**           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 154**           The Company may not be forced to perform a loan security provided by the Company in violation of the first paragraph of Article 152, except:

(I)           when the loan is provided to a connected person of a director, supervisor, or other senior officer of the Company or its parent company, and the loan provider is not aware of the circumstances;

(II) the collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.

**Article 155** For the purposes of the preceding Articles of this chapter, the “security” shall include an act whereby a guarantor assumes liability or provides property to guarantee or secure the performance of obligations by an obliger.

**Article 156** If a director, supervisor or other senior officer of the Company breaches his obligations to the Company, the Company shall, in addition to any rights and remedies available under laws and administrative regulations, have a right to:

(I) require the relevant director, supervisor or other senior officer to compensate for the losses sustained by the Company as a consequence of his dereliction of duty;

(II) rescind any contract or transaction concluded by the Company with the relevant director, supervisor or other senior officer and any contract or transaction with a third party where such third party is aware or shall be aware that the director, supervisor or other senior officer representing the Company was in breach of his obligations to the Company;

(III) require the relevant director, supervisor or other senior officer to surrender the gains derived from the breach of his obligations;

(IV) recover any funds received by the relevant director, supervisor or other senior officer that shall have been received by the Company, including (but not limited to) commissions;

(V) require the relevant director, supervisor or other senior officer to return any interest accrued or could have accrued on funds which should have been paid to the Company; and

(VI) rule through legal proceedings that property obtained by the director,

supervisor and senior officer due to breach of obligations shall be owned by the Company.

**Article 157** The Company shall enter into a written contract with each director, supervisor and senior officer, which shall include at least the following:

(I) The director, supervisor or senior officer undertakes to the Company that he has observed and complied with the Company Law, the Special Provisions, these Articles of Association, the Code on Takeovers, Mergers and Share Repurchases of Companies, the Main Board Listing Rules and other provisions of the Hong Kong Stock Exchange, and agrees that the Company will enjoy the remedies provided for in these Articles of Association and that the contract and the post shall not be assignable;

(II) The director, supervisor or senior officer undertakes to the Company who acts on behalf of each shareholder that he will observe and perform his duties to shareholders under these Articles of Association; and

(III) The relevant arbitration clauses stipulated in the listing rules.

**Article 158** The Company shall enter into a written contract with each director and supervisor concerning his emoluments. Such contracts shall be approved by the general meeting before it is entered into. The above-mentioned emoluments shall include:

(I) emoluments in respect of his service as a director, supervisor or senior officer of the Company;

(II) emoluments in respect of his service as a director, supervisor or senior officer of the subsidiary of the Company;

(III) emoluments otherwise in connection with the management of the Company or any subsidiary thereof; and

(IV) funds as compensation for loss of office or retirement for the aforementioned 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.

The Company shall regularly disclose to shareholders the remuneration received by directors, supervisors and senior officers from the company.

**Article 159** The Company shall specify in the contract concluded with a director or supervisor concerning his emoluments that in the event of a takeover of the Company, a director or supervisor of the Company shall, subject to prior approval of the general meeting, have the right to receive compensation or other funds obtainable for loss of office or retirement. For the purposes of the preceding paragraph, the term “a takeover of the Company” shall refer to any of the following circumstances:

- (I) Anyone making a general offer to all the shareholders; or
- (II) Anyone making a general offer with the purpose of making offer or a controlling shareholder as defined in these Articles of Association.

If the relevant director or supervisor fails to comply with this Article, any fund received by him shall belong to those persons who have sold their shares as a result of their acceptance of the above-mentioned offer, and the expenses incurred in the distribution of such funds on a proportional 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 160** The Company shall formulate its own financial and accounting systems in accordance with the laws, administrative regulations and the relevant rules enacted by the state departments.

**Article 161** The fiscal year of the Company is the calendar year that starts from January 1 and ends on December 31.

The Company shall, at the end of each fiscal year, prepare a financial report, which shall be examined and verified according to law.

The financial statements of the Company shall be prepared not only in accordance with China's accounting standards, laws and regulations but also in accordance with international accounting standards or the accounting standards of the place(s) outside the People's Republic of China where shares of the Company are listed. If there are any 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 purposes of the Company's distribution of after-tax profits in a given fiscal year, the smaller amount of after-tax profits shown in the above-mentioned two kinds of financial statement shall apply.

**Article 162** The board of directors shall place before the shareholders at each annual general meeting such financial reports that the relevant laws, administrative regulations and regulatory documents promulgated by the local government and the authorities-in-charge require the Company to prepare.

**Article 163** The Company will not set up any other accounting books except for the legal accounting books. The assets of the company shall not be deposited into an account established in the name of any individual.

**Article 164** The financial reports of the Company shall be made available for inspection at the Company by shareholders 20 days prior to 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.

The financial reports mentioned in the preceding paragraph include the board's report together with its balance sheet (including such documents as may be appended as required by Chinese laws or other laws and administrative regulations) and its income statement (profit statement) or statement of income and expenditure (cash



flow statement), or, in the absence of any violation of relevant Chinese laws, a summary financial report approved by the Hong Kong Stock Exchange.

The Company shall deliver or send the said reports to each holder of overseas listed foreign shares by prepaid mail at the recipient's address shown in the register of shareholders no later than 21 days prior to an annual general meeting. On the premise of conforming to laws, administrative regulations, departmental rules and relevant provisions of the securities regulatory body in the place where the shares of the Company are listed, such documents can be delivered by means of announcement.

**Article 165** The company shall publish its financial report twice a fiscal year, that is, its interim financial report shall be published within 60 days after the end of the first 6 months of the fiscal year and its annual financial report shall be published within 120 days after the end of the fiscal year.

The interim results or financial statements published or disclosed by the Company shall be prepared not only in accordance with China's accounting standards, laws and regulations but also in accordance with international accounting standards or the accounting standards of the place(s) outside the People's Republic of China where shares of the Company are listed.

## **Chapter 16 Profit Distribution**

**Article 166** When the Company distributes the after-tax profits of the current year, it shall allocate 10% of the profits into the statutory reserve fund. If the accumulated amount of the statutory reserve fund reaches 50% of the registered capital, the Company is released from the obligation of withdrawing statutory reserve fund.

Where the Company's statutory reserve fund is insufficient to cover the previous year's losses, the Company shall first use the profits of the current year to cover the losses before withholding the statutory reserve fund according to the provisions of the previous paragraph.

After the Company withdraws the statutory reserve fund from the after-tax profit, it may also withdraw optional reserve fund from the after-tax profit upon the resolution of the general meeting.

The remaining after-tax profits of the Company after making up the losses and withdrawing the reserve funds are profits available for distribution to shareholders, and may be distributed according to the proportion of shares held by the shareholders based on the resolution of the general meeting.

Where the general meeting, in violation of the provisions of the preceding paragraph, distributes the profits to the shareholders before the Company makes up the losses and withdraws the statutory reserve fund, the shareholders must return the profits distributed in violation of the provisions to the Company.

The Company's shares held by the Company shall not participate in the distribution of profits.

**Article 167** The capital reserve fund consists of the following:

- (I) the premium from the issuance of shares in excess of their face value;
- (II) Other income to be included in the capital reserve fund as stipulated by the competent financial department of the State Council.

**Article 168** The reserve fund of the Company shall be used to cover the Company's losses, expand its production and operation or to increase its capital. However, the capital reserve fund shall not be used to cover the loss of the Company.

When the statutory reserve fund is converted into capital, the remaining statutory reserve fund shall be no less than 25% of the registered capital of the Company before the capital increase.

**Article 169** The Company may distribute dividends in either of the following forms (or both):

- (I) Cash;
- (II) Shares;
- (III) Other means permitted by the relevant laws, administrative regulations, department rules or the Listing Rules.

**Article 170** Any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

**Article 171** The Company shall appoint one or more collection agents for holders of overseas listed foreign shares in Hong Kong. The collection agent shall collect on behalf of the relevant shareholders the dividends distributed and other funds payable in respect of the overseas listed foreign shares, and hold such monies in his custody pending payment to the shareholders concerned.

The collection agents appointed by the Company shall meet the requirements of the laws of the place(s), or the relevant regulations of the securities exchange(s), where the shares are listed.

The collection agent appointed by the Company for holders of the overseas listed foreign shares listed on the Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong.

On the premise of abiding by the relevant laws and regulations of China, the Company may exercise the right to confiscate the unclaimed dividends, but the right can only be exercised no less than six years after the announcement of the relevant dividends.

The Company shall have the right to cease sending dividend warrants to the holder of the overseas listed foreign shares by post if such warrants have been left uncashed after having been sent twice consecutively. Such power may be exercised after the first occasion on which such a warrant is returned undelivered.

The Company shall have the right to sell the shares of the holders of the overseas listed foreign shares that cannot be contacted in such manner as the board of directors deems appropriate, subject to the following conditions:

(I) during a period of 12 years, at least three dividends in respect of the shares in question have become payable by the Company and no dividend has been claimed during that period; and

(II) on expiry of the 12 years, the Company gives notice of its intention to sell the shares by way of an advertisement published in the newspapers and notifies the Hong Kong Stock Exchange of such intention.

**Article 172** The Company shall pay cash dividends and other payments to holders of domestic shares in Renminbi. The company shall pay cash dividends and other payments to the holders of overseas listed foreign shares, which shall be denominated and declared in Renminbi and paid in Hong Kong dollars.. The foreign currencies required by the Company to pay cash dividends and other payments to the holders of overseas listed foreign shares shall be handled in accordance with relevant state regulations on foreign exchange control.

**Article 173** Unless otherwise specified in the relevant laws and administrative regulations, the exchange rate for cash dividends and other payments paid in Hong Kong dollars shall be calculated on the basis of the average central parity rate of Hong Kong dollars against Renminbi published by the China Foreign Exchange Trade System one calendar week prior to the date of announcement of the dividends and other payments.

## **Chapter 17 Employment of Accounting Firms**

**Article 174** The Company shall employ an independent accounting firm that complies with relevant state regulations to perform audit of the annual financial reports and other financial reports of the Company.

The first accounting firm of the Company may be appointed by the founding meeting prior to the first annual general meeting, and the term of office of the accounting firm shall expire at the end of the first annual general meeting.

**Article 175** The term of employment of an accounting firm employed by the Company shall be from the end of the annual general meeting of the Company until the end of the next annual general meeting.

**Article 176** An accounting firm employed by the Company shall have the following rights:

(I) The right of access at all times to the account books, records or vouchers of the Company and the right to require the directors, general manager and other senior officers of the Company to provide relevant information and explanations;

(II) 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; and

(III) The right to attend general meetings and to receive a notice or other information concerning any meeting which any shareholder has a right to receive, and to make speech at any general meeting on any matter which relates to it as the accounting firm of the Company.

The Company shall provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the hired accounting firm, and shall not refuse, conceal or make false reports.

**Article 177** If the position of accounting firm becomes vacant, the board of directors 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 as an accounting firm of the Company while such vacancy still exists, such accounting firms may continue to act.

**Article 178** The general meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of employment, 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 179** The remuneration or method of determining the remuneration of an accounting firm shall be decided by the general meeting. The remuneration of an accounting firm employed by the board of directors shall be determined by the board of directors.

**Article 180** The employment, dismissal or refusal of the renewal of the employment of an accounting firm shall be decided by the general meeting and reported to the securities regulatory body under the State Council for record.

Where a general meeting is proposed to pass a resolution to appoint an accounting firm other than an incumbent accounting firm, to fill any vacancy in the office of the accounting firm, or to re-appoint an accounting firm which was appointed by the board of directors to fill a causal vacancy, or to remove an accounting firm before expiry of its term of office, the following provisions shall apply:

(I) A copy of the appointment or removal proposal shall be sent before the notice of general meeting is issued to the accounting firm proposed to be appointed or proposing to leave its post or to the accounting firm which has left its post in the relevant fiscal year.

References to "leaving" herein include leaving by removal, resignation and retirement.

(II) If the accounting firm leaving its post makes representations in writing and requests the Company to give notice of such representations to the shareholders, the Company shall take the following measures unless it has received the

representations too late:

- 1、 Elaborate the representations made by the accounting firm leaving its post in any notice given to shareholders for the purpose of passing such resolution; and
- 2、 Attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in these Articles of Association

(III) If the Company fails to circulate the accounting firm's representations in the manner set out in Item (II) of this Article, such accounting firm may require the representations to be read out at the meeting and can make further complaints;

(IV) The accounting firm leaving its post shall be entitled to attend the following meetings:

- 1、 The general meeting at which its term of office would otherwise have expired;
- 2、 The general meeting at which it is proposed to fill the vacancy caused by its removal;
- 3、 The general meeting which is convened as a result of its voluntary resignation.

The leaving accounting firm shall have the right to receive all notices of, and other information relating to any such meeting, and to speak at any such meeting which it attends on any affair which concerns it as the former accounting firm of the Company.

**Article 181** When the Company dismisses or does not renew the employment of an accounting firm, it shall give a notice to the accounting firm in advance. The accounting firm shall have the right to present its views before the general meeting. Where an accounting firm tenders its resignation, it shall inform the general meeting of whether there is any irregularity in the Company.

(I) An accounting firm may resign from its office by way of depositing at the Company's domicile a resignation notice in writing which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall contain the following statements:

1. A statement to the effect that there are no circumstances connected with its resignation which it considers necessary to be explained to shareholders or creditors of the Company; or
2. A statement of any such circumstances as it considers necessary to be explained.

(II) Where a notice is deposited in accordance with Item (I) of this Article, the Company shall send a copy of the notice to the relevant authorities within 14 days. If the notice contains a statement referred to in Item (I) (2) of this Article, a copy of such statement shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of such statement by prepaid mail to every holder of overseas listed foreign shares at the address registered in the register of shareholders. The Company may publish such statements through the website of the Hong Kong Stock Exchange or in one or more newspapers designated by the Exchange. Once the statements are published, all holders of overseas listed foreign shares shall be deemed to have received the aforesaid copies.

(III) Where the accounting firm's notice of resignation contains a statement set out in Item (I) (2) of this Article, it may require the board of directors to convene an extraordinary general meeting for the purpose explaining the circumstances connected with its resignation.

## **Chapter 18 Notice**

**Article 182** The notices of the Company may be sent out in the following manner:



(I) Delivered by hand;

(II) Delivered by post;

(III) Sent by fax or email;

(IV) By publishing them on the website of the Company and the website designated by the Hong Kong Stock Exchange in accordance with the laws, administrative regulations and the listing rules of the stock exchange where the Company's shares are listed;

(V) By announcement;

(VI) In other forms agreed by the Company or the addressee in advance or approved by the addressee upon receipt of the notice;

(VII) In other forms acceptable to the relevant regulatory body where the Company's shares are listed or stipulated in these Articles of Association.

The "announcement" mentioned herein shall mean, unless the context otherwise requires, in respect of the announcement made to holders of domestic shares or the announcement required to be made in the People's Republic of China in accordance with the relevant provisions and these Articles of Association, the announcement published in a Chinese newspaper designated according to Chinese laws and administrative regulations or by the securities regulatory body under the State Council; in respect of the announcement made to holders of overseas listed foreign shares or the announcement required by the relevant provisions and these Articles of Association to be issued in Hong Kong, the announcement that shall be published on the website of the Hong Kong Stock Exchange as required by the Listing Rules of the Hong Kong Stock Exchange.

**Article 183** Except as otherwise provided in these Articles of Association, the various forms of giving notice prescribed in the preceding article shall apply to the notice of the general meetings held by the Company, the meetings of the board of

directors and the board of supervisors.

**Article 184** If the notice of the Company is delivered by hand, the addressee shall sign (or stamp) on the receipt of service, and the date of signature of the addressee shall be the date of service;

If a notice of the Company is sent by mail, the date of service shall be 48 hours after the date of delivery to the post office;

If the notice of the Company is sent by fax, email or website publication, the date of service shall be the sending date;

Where a notice of the company is sent by way of announcement, the date of publication of the first announcement shall be the date of service, provided that the relevant announcement shall be published in the newspapers and periodicals meeting the relevant provisions.

**Article 185** Where the listing rules of the stock exchange where the Company is listed require the Company to send, mail, distribute, issue, publish or otherwise provide the relevant documents of the Company in English and Chinese, if the Company has made appropriate arrangements to determine whether its shareholders wish to receive only the English version or the Chinese version and, to the extent permitted by and in accordance with applicable laws and regulations, the Company may send only the English version or only the Chinese version to the relevant shareholder (at the shareholder's stated wish).

## **Chapter 19 Merger and Division of the Company**

**Article 186** The merger or division of the Company shall require a proposal by the board of directors. After such proposal has been adopted in accordance with the procedures specified in these Articles of Association, it shall go through relevant examination and approval procedures in accordance with the law. Shareholders opposing such proposal on the merger or division of the Company shall have the right

to require the Company or the shareholders that are in favor of such proposal to purchase their shares at a fair price. The contents of resolutions approving the merger or division of the Company shall be compiled in a special document for inspection by shareholders.

Holders of overseas listed foreign shares shall be served copies of the above-mentioned document by mail to the address registered in the register of shareholders.

**Article 187** Merger of the Company may take the form of merger by absorption and merger by new establishment.

In the case of a merger, parties to the merger shall execute a merger agreement, and shall prepare the balance sheets and a schedule of assets. The Company shall notify its creditors within a period of 10 days since the date on which the resolution to proceed with the merger is passed, publish announcements on the merger in newspaper within 30 days.

After the merger, the rights and the obligations of each part shall be assumed by the company in existence or the newly established company after the merger.

**Article 188** If the Company is to be divided, its property shall be divided accordingly.

For the division of the Company, balance sheets and a schedule of assets shall be prepared. The Company shall notify its creditors within a period of 10 days since the date on which the resolution to proceed with the division is passed, publish announcements on the division in newspaper within 30 days.

Debts owed by the Company prior to the division shall be assumed by the companies in existence after the division in relation to the relevant responsibility, except for different provisions in the agreement entered into between creditors and the Company for debt service prior to the division.

**Article 189** Where the merger or division of the Company results in a

change in its registered particulars, such change shall be registered with the company registry according to law. Where the Company is dissolved, it shall cancel its registration according to law. Where a new company is established, its establishment shall be registered according to law.

## **Chapter 20 Dissolution and Liquidation of the Company**

**Article 190** The Company shall be dissolved if:

- (I) The term of operation expires;
- (II) The general meeting resolves to dissolve the Company by means of special resolution;
- (III) Dissolution is required due to merger or division of the Company;
- (IV) The Company is revoked of business license according to law, ordered to close or canceled;
- (V) The Company is declared bankrupt according to law because it is unable to pay its debts as they fall due;
- (VI) The Company violates the laws and administrative regulations and is ordered to close;
- (VII) There is severe difficulty in the operation and management of the Company, and the continued existence of the Company will have material prejudice to the interests of the shareholders and there is no other way to resolve, shareholders who hold an aggregate of over 10% of the whole voting rights can make a petition to the People's Court to dissolve the Company.

**Article 191** Where the Company is to be dissolved pursuant to Item (I), (II), (IV) or (VII) of Article 190, it shall establish a liquidation committee within 15 days from the date of occurrence of causes for dissolution. The members of such liquidation committee shall be determined by the board of directors or general

meeting. If the liquidation committee is not established within the prescribed period, the creditors can submit application to the People's Court to appoint the relevant officers to establish the liquidation committee to carry out the liquidation.

**Article 192** If the board of directors decides that the Company shall be liquidated (except for 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 of directors has made full inquiry into the position of the Company and that the board holds the opinion that the Company can repay its debts in full within 12 months after the commencement of liquidation.

The functions and powers of the board of directors shall terminate immediately after the general meeting has adopted a resolution to carry out the liquidation.

The liquidation committee shall take instructions from the general meeting, and make a report to the general meeting on the committee's income and expenditure, the business of the Company and the progress of the liquidation not less than once a year. It shall make a final report to the general meeting when the liquidation is completed.

**Article 193** The liquidation committee shall exercise the following functions and powers during liquidation:

(I) To thoroughly examine the assets of the Company and prepare a balance sheet and property list respectively;

(II) To notify creditors by a notice or public announcement;

(III) To handle the outstanding business of the Company in connection with liquidation;

(IV) To repay all outstanding tax payment and the tax payment which arise in the course of the liquidation process;

(V) To clear up claims and debts;

(VI) To deal with the remaining assets after full payment of the Company's debts;  
and

(VII) To participate in civil litigation on behalf of the Company.

**Article 194** The liquidation committee shall notify its creditors within a period of 10 days since the date it is established, publish relevant announcements on in newspaper within 60 days. Creditors shall, within 30 days since the date of receiving the notice, or for creditors who do not receive the notice, within 45 days since the date of the public announcement, report their creditors' rights to the liquidation committee.

When reporting creditors' rights, the creditor shall provide an explanation of matters relevant to the creditor's rights and shall provide evidentiary materials. The liquidation committee shall register the creditors' rights.

In the course of reporting creditors' rights, the liquidation committee shall not repay the creditors.

**Article 195** After the liquidation committee has thoroughly examined the Company's assets and prepared a balance sheet and schedule of assets, it shall formulate a liquidation plan and submit such plan to the general meeting or relevant authorities in charge for confirmation.

Payment of debts out of the Company's property shall be made in following sequence: liquidation expenses; wages owed to employees of the Company, labor insurance fees and statutory compensation; outstanding taxes; discharging debts of the Company.

Company assets remaining after full payment in accordance with the provisions of the preceding paragraph shall be distributed to the Company's shareholders according to the category and proportion of their shareholding.

During the liquidation period, the Company shall not carry out new business

activities.

**Article 196** If the liquidation committee, having thoroughly examined the Company's property and prepared a balance sheet and property list, discovers that the Company's property is insufficient to pay its debts in full, it shall immediately apply to the People's Court for a declaration of bankruptcy.

After the People's Court has ruled for the Company to declare itself bankrupt, the Company's liquidation committee shall refer the liquidation matters to the People's Court.

**Article 197** Following the completion of liquidation, the liquidation committee shall formulate 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 the PRC, submit the same to the general meeting or the people's court for confirmation. Within thirty (30) days from the date of confirmation of the abovementioned documents by the general meeting or the people's court, the liquidation committee shall deliver the same to the company registry, apply for cancellation of the Company's registration and publicly announce the Company's termination.

## **Chapter 21 Amendment to the Articles of Association**

**Article 198** The Company may amend these Articles of Association in accordance with laws, administrative regulations and these Articles of Association.

**Article 199** These Articles of Association shall be amended according to the following procedures:

(I) The board of directors passes the resolution amending these Articles of Association and formulates the amendment to these Articles of Association;

(II) The board of directors convenes a general meeting to vote on the amendment to the Articles of association;

(III) The general meeting passes the amendment to these Articles of Association by means of special resolution;

(IV) The Company reports the revised Articles of Association to the company registry for the record.

**Article 200** Any amendment to the articles of association involving the contents of the Mandatory Provisions shall come into effect after being approved by the examination and approval department authorised by the State Council and the Securities Commission of the State Council. Where the Company's registered items are involved, change registration shall be made according to law.

## **Chapter 22 Dispute Resolution**

**Article 201** The Company shall abide by the following principles for dispute resolution:

(I) If any dispute or claim arises between a holder of overseas listed foreign shares and the Company, or between a holder of overseas listed foreign shares and a director, a supervisor or other senior officer of the Company, or between holder of overseas listed foreign shares and a holder of domestic shares, in connection with the rights and obligations relating to the Company's affairs and as regulated by these Articles of Association, the Company Law or other relevant laws, administrative regulations, the parties concerned shall submit the dispute or claim for arbitration.

When a dispute or claim as described above is submitted for arbitration, such dispute or claim shall be in its entirety, and all persons being the Company or shareholders, directors, supervisors or other senior offers of the Company that have a cause of action due to the same facts or whose participation is necessary for the settlement of such dispute or claim shall abide by the arbitration.

Disputes concerning the definition of shareholders and the register of shareholders are not required to be settled by means of arbitration.



(II) A dispute or claim submitted for arbitration may be arbitrated, at the option of the arbitration applicant, by either the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Center in accordance with its securities arbitration rules. After the arbitration applicant has submitted the dispute or claim for arbitration, the other party shall participate in the arbitration in the arbitration institution selected by the applicant.

If the arbitration applicant opts for arbitration by the Hong Kong International Arbitration Center, either party may request for the arbitration to be conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Center.

(III) Unless otherwise provided by laws or administrative regulations, the laws of the People's Republic of China (Excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan) shall apply to the settlement by means of arbitration of disputes or claims referred to in Item (I).

(IV) The award made by the arbitral authority shall be final and binding on all the parties involved.

## **Chapter 23 Supplementary Provisions**

**Article 202** The term “accounting firm” in these Articles of Association has the same meaning as “auditor”.

The term “actual controller” as used in these Articles of Association means a person who, although not a shareholder of the Company, is able, through investment relationships, agreements or other arrangements, to actually control the conduct of the Company.

Terms of “not less than”, “within”, “not more than” used in these Articles of Association shall include the number itself; while the terms “beyond” and “above”

used shall not include the number itself.

**Article 203** These Articles of Association are written in Chinese. If there is any discrepancy between the Chinese version and other version in different language, the Chinese version shall prevail.

**Article 204** The right to interpret these Articles of Association belongs to the board of directors of the Company.

**Article 205** The appendix to these Articles of Association shall include the Procedural Rules for General Meetings, the Procedural Rules for Meetings of Board of Directors and the Procedural Rules for Meetings of Board of Supervisors.

**Article 206** These Articles of Association shall come into force on the date when the Company's overseas listed foreign shares (H shares) are listed on the Hong Kong Stock Exchange after being examined and approved by the general meeting.