

**AMENDED AND RESTATED ARTICLES OF ASSOCIATION  
OF  
SHANGHAI HENLIUS BIOTECH, INC.**

**(Considered and approved at the general meeting held by the Company on 25 May 2023)**

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## CHAPTER 1 GENERAL

**Article 1** The Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the "Special Regulations"), the Mandatory Provisions for Articles of Association of Companies Listing Overseas (the "Mandatory Provisions"), the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), the Reply of the State Council on the Adjustment of the Notice Period for General Meetings and Other Matters Applicable to Overseas Listed Companies and other relevant provisions in order to protect the legal interest of Shanghai Henlius Biotech, Inc. (the "Company"), the shareholders and creditors and standardize the organization and activities of the Company.

**Article 2** The Company was incorporated as a joint stock limited company according to the Company Law, the Special Regulations and other PRC laws and administrative regulations.

The Company was incorporated as a joint stock limited company by means of sponsorship through the overall change of Shanghai Henlius Biotech, Inc., registered with and has received the business license of the Company from the Administration for Industry and Commerce of Shanghai on 26 September 2016. The Unified Social Credit Number is 91310000550094566N.

The promoters of the Company upon its incorporation are as follows:

No.	Name of promoters	Number of shares subscribed for (0' 000)	Shareholding (%)	Way of capital contribution	Time of capital contribution
1	Shanghai Fosun New Medicine Research Company Limited (上海復星新藥研究有限公司)	24,968.4925	71.33855	Shares converted from net assets	14 September 2016
2	Henlius Biopharmaceuticals Inc.	5,739.636	16.39896	Shares converted from net assets	14 September 2016
3	Scott Shi-Kau Liu	241.0695	0.68877	Shares converted from net assets	14 September 2016
4	Wei-Dong Jiang	68.6455	0.19613	Shares converted from net assets	14 September 2016
5	Shanghai Guoyou Biotech Partnership Enterprise (Limited Partnership) (上海果友生物技術合夥企業(有限合夥))	321.4295	0.91837	Shares converted from net assets	14 September 2016
6	Shanghai Guohong Biotech Partnership Enterprise (Limited Partnership) (上海果宏生物技術合夥企業(有限合夥))	321.4295	0.91837	Shares converted from net assets	14 September 2016

No.	Name of promoters	Number of shares subscribed for (0' 000)	Shareholding (%)	Way of capital contribution	Time of capital contribution
7	Shanghai Guozhi Biotech Partnership Enterprise (Limited Partnership) (上海果智生物技術合夥企業(有限合夥))	482.1425	1.37755	Shares converted from net assets	14 September 2016
8	Shanghai Qingke Pien Tze Huang Investment Management Centre (Limited Partnership) (上海清科片仔癀投資管理中心(有限合夥))	607.145	1.73470	Shares converted from net assets	14 September 2016
9	Huagai Medical Investment Management (Beijing) Co., Ltd. (華蓋醫療投資管理(北京)有限公司)	642.859	1.83674	Shares converted from net assets	14 September 2016
10	Huagai Medical Health Venture Capital Investment Chengdu Partnership Enterprise (Limited Partnership) (華蓋醫療健康創業投資成都合夥企業(有限合夥))	107.1455	0.30613	Shares converted from net assets	14 September 2016
11	Shanghai Founder KIP Equity Investment Partnership (Limited Partnership) (上海方正韓投股權投資合夥企業(有限合夥))	571.431	1.63266	Shares converted from net assets	14 September 2016
12	Suzhou Industrial Park New Metabiology Venture Capital Investment Enterprise (Limited Partnership) (蘇州工業園區新建元生物創業投資企業(有限合夥))	374.2865	1.06939	Shares converted from net assets	14 September 2016
13	Ningbo FTZ Yifei Investment Partnership Enterprise (Limited Partnership) (寧波保稅區益飛投資合夥企業(有限合夥))	197.1445	0.56327	Shares converted from net assets	14 September 2016
14	Shanghai Orient Securities Innovation Investment Company Limited (上海東方證券創新投資有限公司)	357.1435	1.02041	Shares converted from net assets	14 September 2016
	<b>Total</b>	<b>35,000</b>	<b>100</b>	<b>-</b>	<b>-</b>

On 5 July 2019, the Company obtained the approval of China Securities Regulatory Commission for the initial public offering of the overseas listed foreign shares (H shares). H shares on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange” or “Stock Exchange”) commenced trading on 25 September 2019.

**Article 3** Registered name of the Company: 上海復宏漢霖生物技術股份有限公司.

Full name in English: Shanghai Henlius Biotech, Inc.

**Article 4** The address of the Company: Room 330, Complex Building, No. 222 Kangnan Road, China (Shanghai) Pilot Free Trade Zone.

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Fax: +86 021-34611802

Postal code: 201210

**Article 5** The registered capital of the Company is RMB543,494,853.

**Article 6** The Company is a joint stock limited company with permanent existence.

The Company is an independent legal person with independent legal person properties and enjoys the right to legal person property.

**Article 7** The Company's legal representative is the chairman of the board of directors of the Company.

**Article 8** The total capital of the Company is divided into equal shares. A shareholder shall be liable for the debts of the Company to the extent of the shares it has subscribed to, whereas the Company shall be liable for its debts with all of its assets.

**Article 9** The Articles of Association has been approved by a special resolution at a general meeting of the Company and become effective; the original Articles of Association of the Company shall be invalidated automatically on the effective date of the Articles of Association.

From the date on which the Articles of Association come into effect, they shall constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations as between the Company and its shareholders and among the shareholders and are binding on the Company, shareholders, directors, supervisors and senior management personnel.

**Article 10** The Articles of Association are binding on the Company and its shareholders, directors, supervisors, Chief Executive Officers ("CEO") and other senior management officers, and the above-mentioned persons shall be entitled to make claims on matters relating to the Company in accordance with the Articles of Association.

Pursuant to the Articles of Association, a shareholder can sue the Company, the Company can sue its shareholders, a shareholder can sue another shareholder or other shareholders, and a shareholder can sue directors, supervisors, CEO and other senior management officers of the Company.

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

The term “other senior management officers” as mentioned in this Article shall include the president, senior vice president, vice president, the secretary to the board of directors and chief financial officer.

**Article 11** The Company may invest in other limited liability companies and joint stock limited companies and undertake liabilities for the invested company as limited to the capital contribution made by it. Unless otherwise provided by laws and administrative regulations, the Company shall not become an investor that is jointly and severally liable for the liabilities owed by the invested company.

## **CHAPTER 2 THE COMPANY’S OBJECTIVES AND SCOPE OF BUSINESS**

**Article 12** The operation objectives of the Company

The operation objectives of the Company are: to take advantage of advanced biotechnology to develop, produce and sell biopharmaceuticals with characteristics to enhance the Company’s competitiveness and economic effectiveness in the domestic and foreign markets, so that all parties can obtain satisfactory economic benefits.

**Article 13** The Company’s scope of business

Research and development of monoclonal antibody drugs (except for the development and application of human stem cells, genetic diagnosis and treatment technologies), transfer of self-developed technology, and provision of related technical services and technical consultation. (Businesses subject to approvals under laws shall be carried out upon approval by relevant authorities)

## **CHAPTER 3 SHARES**

### **Section 1 Issue of Shares**

**Article 14** There must, at all times, be ordinary shares in the Company. Subject to the approval of competent authorities authorized by the State Council, the Company may, according to its requirements, create other classes of shares.

**Article 15** The issue of shares by the Company shall adhere to the principle of equality and fairness. Shares of the same class shall have the same rights.

Shares issued at the same time in the same class shall be equal in price and shall be subject to the same conditions. The price paid by any organization or individual for each share shall be the same.

**Article 16** The Company’s shares shall be in the form of share certificates. All the shares issued by the Company shall have a par value which shall be RMB1 for each share.

**Article 17** Subject to the approval of the securities regulatory authorities of the State Council, the Company may issue shares to domestic investors and foreign investors.

Foreign investors referred to in the preceding paragraph mean those investors who have subscribed for the Company's shares and are residents in Hong Kong, Macau, Taiwan or other foreign countries. Domestic investors mean those investors who have subscribed for the Company's shares and are residents in the People's Republic of China excluding the above-mentioned regions.

**Article 18** The shares issued by the Company to investors inside the PRC for subscription in RMB shall be referred to as "domestic shares". The shares issued by the Company to investors outside the PRC for subscription in foreign currencies shall be referred to as "foreign shares". The foreign shares that are listed overseas shall be referred to as "overseas-listed foreign shares". Shares not listed in the PRC or listed in overseas held by the foreign investors shall be referred to as "unlisted foreign shares".

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

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

A holder of domestic shares and a holder of foreign shares are both holders of ordinary shares and shall have the same rights and obligations.

The shares issued by the Company which are not listed in domestic and overseas stock exchanges are referred to as "unlisted shares". Upon filing with the securities regulatory authorities under the State Council, the shareholders held the unlisted shares of the Company may list and trade the shares held by them on overseas stock exchange(s). The shares transferred or converted shall comply with the regulatory procedures, provisions and requirements of the overseas securities market when listed and traded in an overseas stock exchange. The listing and trading of the aforesaid shares in an overseas stock exchange, or the conversion of unlisted shares into foreign shares and the listing and trading of such foreign shares in an overseas stock exchange, are not subject to the holding of a shareholders meeting or a shareholders class meeting for voting.

Overseas-listed foreign shares which are converted from unlisted shares shall be deemed as the same class of shares as other overseas-listed foreign shares.

Ordinary shareholders of domestic shares and foreign shares of the Company shall have the same rights in any distribution made by dividends or other forms.

**Article 19** The total number of ordinary shares issued upon the establishment of the Company shall be 350,000,000 shares, all of which shall be subscribed by the promoters upon the establishment of the Company.

**Article 20** Upon completion of the initial public offering of overseas-listed foreign shares, the Company's share capital shall be 543,494,853. The shareholding structure of the Company is as follows: 364,189,618 domestic shares, 15,876,694 unlisted foreign shares and 163,428,541 overseas-listed foreign shares.

**Article 21** The Company's board of directors may arrange for a separate issuance of the overseas-listed foreign shares and domestic shares after the proposals for the same have been approved by the securities regulatory authorities under the State Council.

The Company may implement its proposals to issue overseas-listed foreign shares and domestic shares pursuant to the preceding paragraph within 15 months from the date of approval by the securities regulatory authorities under the State Council or prescribed period stipulated by the applicable relevant regulations.

**Article 22** Where the Company separately issues overseas-listed foreign shares and domestic shares, and the total number of shares to be issued is within the sum of shares stipulated in the issuance proposals, the shares shall be fully allotted in one issuance respectively. If this is not possible due to special circumstances, the shares may, subject to the approval of the securities regulatory authorities under the State Council, be issued on separate occasions.

## **Section 2 Increase, Reduction and Repurchase of Shares**

**Article 23** The Company may, based on its operating and development needs and in accordance with the relevant provisions of the Articles of Association, increase its capital.

The Company may increase its capital by the following methods:

- (1) issuing new shares to unspecified investors;
- (2) placing new shares with existing shareholders;
- (3) distributing new shares to existing shareholders; or
- (4) other means permitted by laws and administrative regulations and approved by the competent administrative department.

The Company's increase of capital by issuing new shares shall be carried out in accordance with the procedures specified in relevant PRC laws and administrative regulations, after having been approved in accordance with the Articles of Association.

**Article 24** The Company may reduce its registered capital. In doing so, it shall act according to the Company Law, other relevant regulations and the Articles of Association.

**Article 25** Where the Company is to reduce its registered capital, it must prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days of adoption of the resolution to reduce its registered capital and shall make announcement of the resolution in newspapers within 30 days. Creditors shall, within 30 days of receipt of the notice or within 45 days of the date of the announcement in the case of failure of receipt of the notice, be entitled to require the Company to pay its debts in full or to provide a corresponding guarantee for repayment.

The reduced registered capital of the Company may not be less than the statutory minimum limit.



**Article 26** Subject to the relevant laws and regulations, the Company may, repurchase its outstanding shares according to the legal procedures, following the adoption of a resolution in accordance with the procedures provided for herein, and submission to and approval by the relevant state authorities under the following circumstances:

- (1) reducing the registered capital of the Company;
- (2) merging with another company that holds shares in the Company;
- (3) using the shares in the employee stock ownership plan or as share incentive;
- (4) requested by shareholders who vote against any resolution proposed at any general meeting on the merger or division of the Company to purchase their shares;
- (5) using the shares to satisfy the conversion of corporate bonds convertible into shares issued by the listed company;
- (6) safeguarding corporate value and shareholders' rights as deems necessary; or
- (7) other circumstances as permitted by laws and administrative regulations.

The Company shall not engage in the trading of its shares save for the circumstances specified above.

**Article 27** The Company with the approval of the relevant competent authorities may repurchase shares in one of the following ways:

- (1) making an offer to shareholders for purchase of shares proportional to shares they own;
- (2) repurchasing shares by means of public trading on the stock exchange;
- (3) repurchasing shares by means of agreements outside the stock exchange; or
- (4) other circumstances as permitted by the laws, administrative regulations, listing rules of the place where the shares of the Company are listed and relevant competent authorities.

**Article 28** Where the Company repurchases its shares through an over-the-counter agreement, prior approval of the general meeting shall be obtained in accordance with the Articles of Association. Upon prior approval of the general meeting obtained in the same manner, the Company may rescind or change contracts concluded in the manner set forth above or waive any of its rights thereunder.

The contract for share repurchase as referred to in the preceding paragraph includes (but not limited to), an agreement whereby the repurchase obligation is undertaken and repurchase right is acquired.

The Company shall not assign a contract for repurchase its shares or any of its rights thereunder.

To the extent that the Company has redeemable shares that the Company has the right to repurchase, if they are not repurchased via market or the way of bidding, the price of these shares shall not exceed the highest price limit; if they are repurchased via the way of bidding, the proposal for bidding must be sent to all shareholders on equal conditions.

**Article 29** Where the Company acquires its shares for purposes set out in clauses (1) and (2) of Article 26 of the Articles of Association, it shall be subject to approval by the general meeting; where the Company acquires its shares pursuant to clauses (3), (5) and (6) of Article 26, it can be carried out upon resolution by more than two-thirds of the directors present at a board meeting; If the Company repurchases its own shares in accordance with Article 26 under the circumstance set out in clause (1), the shares so repurchased shall be cancelled within ten days from the date of acquisition; In the event of the circumstances set out in clauses (2) and (4), the shares so repurchased shall be transferred or cancelled within six (6) months; In the event of the circumstances set out in clauses (3), (5) and (6), the total shares held by the Company shall not exceed 10% of the total shares issued by the Company, and the shares so repurchased shall be transferred or cancelled within 3 years.

After the Company repurchases its shares according to the laws, if cancellation is required in accordance with the law, it shall cancel or transfer such part of the shares within the term specified by the laws and administrative regulations, and in the case of cancellation, apply to the original company registration authority for registration of alteration of the registered capital.

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

**Article 30** Unless the Company is in liquidation, it must comply with the following provisions in relation to repurchase of its outstanding shares:

- (I) where the Company repurchases shares at nominal value, payment shall be made out of the book balance of the distributable profits of the Company or out of the proceeds from a new issue of shares made for that purpose;
- (II) where the Company repurchases its shares of the Company at a premium, payment up to the nominal value may be made out of the book balance of the distributable profits of the Company or out of the proceeds from the issue of new shares made for that purpose. Payment of the premium shall be effected as follows:
  - 1. if the shares being repurchased were issued at nominal value, payment shall be made out of the book balance of the distributable profits of the Company;
  - 2. if the shares being repurchased were issued at a premium, payment shall be made out of the book balance of the distributable profits of the Company or out of the proceeds from the issue of new shares made for that purpose, provided that the amount paid out of the proceeds from issue of new shares shall not exceed the total premium received by the Company on the issue of the repurchased shares nor shall it exceed the book value of the Company's premium account (or capital accumulation reserve fund account) (including any premium on the newly issued shares) at the time of the repurchase;

(III) the Company shall make any payment for the following purposes out of the Company's distributable profits:

1. acquisition of the right to repurchase its own shares;
2. variation of any contract for the repurchase of its shares;
3. release of the Company's obligation(s) under any contract for the repurchase of shares;

(IV) after the Company's registered capital has been reduced by the aggregate nominal value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the nominal value of shares which have been repurchased shall be recorded in the Company's premium account (or capital accumulation reserve fund account).

### **Section 3 Transfer of Shares**

**Article 31** Unless otherwise provided by laws, administrative regulations and listing rules of the place where the shares of the Company are listed, the Company's fully paid-up shares are not subject to any restrictions on the transfer rights and are freely transferable without any liens. Any transfer of overseas-listed foreign shares listed in Hong Kong must be registered with the Hong Kong local stock registration authority authorized by the Company.

**Article 32** The Company shall not accept any shares of the Company as the subject of pledge.

### **Section 4 Financial Assistance for the Acquisition of Shares in the Company**

**Article 33** The Company and its subsidiaries shall not, by any means at any time, provide any kind of financial assistance to a person who acquires or intends to acquire shares of the Company. The said acquirer of shares of the Company includes a person who directly or indirectly assumes any obligations due to the acquisition of shares of the Company.

The Company and its subsidiaries shall not, by any means at any time, provide financial assistance to the said acquirer for the purpose of reducing or discharging the obligations assumed by that person.

This provision does not apply to the circumstances stated in Article 35 of this section.

**Article 34** The financial assistance referred to in this Section includes, but not limited to the following means:

- (I) gift;
- (II) guarantee (including the assumption of liability or the provision of assets by the guarantor to secure the performance of obligations by the obligor), compensation (other than compensation in respect of the Company's own default), release or waive of any rights;

- (III) provision of loan or entering into contract under which the obligations of the Company are to be fulfilled before the obligations of other parties, or change in the parties to, or the assignment of rights arising under such loan or agreement; 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 expression assuming an obligation referred to in this Section includes the assuming of obligations by the changing of the obligor's financial position by way of contract or the making of an arrangement (whether enforceable or not, and whether assumes on its own account or with any other persons), or by any other means.

**Article 35** The following shall not be deemed to be behaviors as prohibited in Article 33 of this section:

- (I) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interest of the Company, and the principal purpose of giving the financial assistance is not for the acquisition of shares of the Company, or the giving of the financial assistance is an incidental part of a master plan of the Company;
- (II) the lawful distribution of the Company's assets by way of dividend;
- (III) the allotment of bonus shares as dividends;
- (IV) a reduction in registered capital, repurchase of shares or reorganization of the share capital structure of the Company effected in accordance with the Articles of Association;
- (V) the lending of money 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 is provided out of the distributable profits of the Company); and
- (VI) the provision of money by the Company for contributions to employee share schemes (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 is provided out of the distributable profits of the Company).

## **CHAPTER 4 SHAREHOLDERS AND GENERAL MEETING**

### **Section 1 Shareholders and Register of Shareholders**

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

The share certificates of the Company shall contain:

- (i) name of the Company;

- (ii) date of incorporation of the Company;
- (iii) class of shares, par value thereof and the number of shares represented;
- (iv) serial number of the share certificate; and
- (v) other matters as required to be specified by the Company Law, Special Regulations and the stock exchange of the place where the shares of the Company are listed.

The overseas-listed foreign shares issued by the Company may be in the form of overseas depository receipts or other derivative forms of shares in accordance with the laws and practices for securities registration and depository of the place where the shares of the Company are listed.

During the period when H shares are listed on the Hong Kong Stock Exchange, the Company shall ensure all listing documents and title documents of all securities, including H shares, listing on the Hong Kong Stock Exchange contain the below declarations and shall also instruct and procure its share registrar not to register the subscription, purchase or transfer of any of its shares in the name of any particular holder unless and until such particular holder delivers to such share registrar a signed form for such shares containing the declarations below:

- (1) The subscriber of shares agrees with the Company and its shareholders, and the Company agrees with each shareholder, to observe and comply with the requirements of the Company Law, the Special Regulations and other applicable laws, administrative regulations and the Articles of Association.
- (2) The subscriber of shares agrees with the Company and its shareholders, directors, supervisors, CEO and other senior management officers, and the Company (for itself and on behalf of its directors, supervisors, CEO and other senior management officers) agrees with its shareholders to refer all disputes and claims arising from the Articles of Association or any right or obligation conferred or imposed by the Company Law or other relevant laws, administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award. Such arbitration shall be final and conclusive.
- (3) The subscriber of shares agrees with the Company and its shareholders that the Company's shares are freely transferable by the holder thereof.
- (4) The subscriber of shares authorizes the Company to enter into a contract on his/her behalf with each director and senior management whereby such director and senior management undertake to observe and comply with their obligations to shareholders stipulated in the Articles of Association.

**Article 37** The share certificates shall be signed by the chairman of the board of directors. Where the signatures of other relevant senior management officers of the Company are required by the stock exchange on which the shares of the Company are listed, the share certificates shall also be signed by such other relevant senior management officers. The share certificates shall take effect after the Company seal is affixed thereto or printed thereon. The share certificates shall only be affixed with the Company's seal under the authorization of the board of directors. The signatures of the chairman of the board of directors of the Company or other relevant senior management officers on the share certificates may also be in printed form. Under the condition that the shares of the Company are issued and traded without paper, the applicable provisions of the securities regulatory authority and stock exchanges where the Company's shares are listed shall apply separately.

**Article 38** The Company shall keep a register of shareholders, which shall contain the following particulars:

- (I) the name, address (domicile), occupation or nature of each shareholder;
- (II) the class and number of shares held by each shareholder;
- (III) the amount paid or payable in respect of shares held by each shareholder;
- (IV) the serial numbers of the shares held by each shareholder;
- (V) the date on which a person registers as a shareholder; and
- (VI) the date on which a person ceases to be a shareholder.

The register of shareholders shall be the sufficient evidence for the shareholders' shareholding in the Company, except in cases with contrary evidence.

Subject to compliance with the Articles of Association and other applicable regulations, once the shares of the Company are transferred, the names of the share transferees will be included as holders of these shares in the register of shareholders.

Any assignment and transfer of stocks must be registered in the register of shareholders.

If two or more persons are registered as the joint holders of any shares, they shall be deemed to be the joint holders of relevant shares, subject to the following provisions:

- (i) the Company shall register no more than four persons as the joint holders of any shares;
- (ii) all joint holders of any shares shall jointly and severally assume the liability to pay for all amounts payable for the relevant shares;

- (iii) if one of the joint holders is deceased or cancelled, only the other surviving joint holders shall be deemed as the persons who have the ownership of the relevant shares. But the board of directors has the power to require for provision of such supporting documents as it considers appropriate which can prove death or cancellation of the relevant shareholder for the purpose of modifying the relevant register of shareholders;
- (iv) in respect of any of the joint holders of any shares, only the joint shareholder ranking first in the register of shareholders has the right to accept share certificates of the relevant shares from the Company, receive notices or other documents of the Company. Any notices delivered to the aforesaid persons shall be deemed to have been delivered to all the joint holders of the relevant shares. Any joint holder may sign a form of proxy. If more than one joint holder are present in person or by proxy, the vote made by the preferred joint holder, whether in person or by proxy, shall be accepted as the sole vote for the remaining joint holders. In this regard, the priority of shareholders must be determined by the ranking of joint holders in the Company's register of shareholders in relation to the relevant shares; and
- (v) any receipts issued by any joint holders in respect of any dividends, bonuses or capital returns payable to such joint holders shall be deemed to be the effective receipts issued by such joint holders to the Company.

**Article 39** The Company may, in accordance with an understanding and agreement between the securities regulatory authority under the State Council and overseas securities regulatory authority, keep outside the People's Republic of China the original register of shareholders of overseas-listed foreign shares and appoint overseas agent(s) for management.

The Company shall keep in Hong Kong the original register of shareholders of the holders of the shares listed and traded on Hong Kong Stock Exchange in register of shareholders of overseas-listed foreign shares, and maintain the duplicate thereof at the Company's domicile; the appointed overseas agent(s) shall ensure at all times the consistency between the original and the duplicate of the register of shareholders of overseas-listed foreign shares.

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

**Article 40** The Company shall keep a complete register of shareholders. The register of shareholders shall include the following:

- (i) the register of shareholders maintained at the Company's domicile other than those as described in Items (ii) and (iii) of this Article;
- (ii) the register of shareholders of overseas-listed foreign shares maintained at the place where the overseas stock exchange is domiciled; and
- (iii) the register of shareholders maintained at such other place as the board of directors may consider necessary for the purpose of listing of the shares of the Company.

**Article 41** Different parts of the register of shareholders shall not overlap one another. No transfer of the shares registered in any other part of the register shall, during the existence of registration of such shares, be registered in any other part of the register. Changes or corrections to each part of the register of shareholders shall be made in accordance with the laws of the places where each part of the register of shareholders is maintained.

All H shares that are fully paid up shall be freely transferable under the Articles of Association; however, unless the following conditions are satisfied, the board of directors may refuse to recognize any transfer documents and shall not be required to state any reasons:

- (i) any transfer documents and other documents relating to the ownership of any shares or which may affect the ownership of the shares must be registered and must be paid to the Company in accordance with the fee standards prescribed by the Hong Kong Listing Rules, but such fees shall not exceed the maximum amount stipulated by Hong Kong Stock Exchange in the Hong Kong Listing Rules from time to time;
- (ii) the transfer documents only relate to H shares that are listed in Hong Kong;
- (iii) the stamp duty payable in respect of the transfer documents as required by the Hong Kong laws have been paid;
- (iv) the relevant share certificates and such other evidences as are reasonably requested by the board of directors to prove the right of the transferor to transfer the shares have been submitted;
- (v) if the shares are intended to be transferred to joint holders, the number of shareholders registered jointly may not exceed four;
- (vi) there are no Company liens on the relevant shares.

**Article 42** The general or common form or any other form of written transfer document accepted by the board of directors (including the standard transfer format or transfer form required by the Hong Kong Stock Exchange from time to time) shall be used for any transfer of the overseas-listed foreign shares that are listed in Hong Kong; the transfer document may be manually signed only, or affixed with the Company seal (in the event that the transferor or transferee is a company). If the transferor or the transferee is an accredited clearing house (the “accredited clearing house”) or its agent as defined by relevant regulations of Hong Kong laws in force from time to time, the transfer form may be signed in machine format.

All transfer documents shall be kept at the legal address of the Company, the address of the share transfer office, or such address as is designated by the board of directors from time to time.

**Article 43** Where the PRC laws and regulations and laws and regulations of the place where the Company is listed stipulate the period of closure of transfer books or registration of changes of register of shareholders prior to a general meeting or the base date on which the Company decides to distribute dividends, such provisions shall prevail.



**Article 44** When the Company intends to convene a general meeting, distribute dividends, liquidate and engage in other activities that involve the determination of shareholdings, the board of directors shall decide on the date for the determination of shareholdings. Shareholders whose names appear on the register of members at the end of such date are deemed to be shareholders of the Company.

**Article 45** Any person who objects to the register of shareholders and requests to have his/her name entered in or removed from the register of shareholders may apply to a competent court for corrections of the register.

**Article 46** Any shareholder who is registered in, or any person who requests to have his/her name entered in, the register of shareholders may (if his share certificate (the “original share certificate”) is lost) apply to the Company for replacement of the share certificate in respect of such shares (the “relevant shares”).

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

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

Any replacement of share certificates to any shareholders of overseas-listed foreign shares to be listed in Hong Kong who have lost their share certificates and applied for replacement shall comply with the following requirements:

- (i) The applicant shall submit an application to the Company in prescribed form accompanied by a notarial certificate or statutory declaration, containing the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates as well as statement that no other person shall be entitled to request to be registered as the shareholder in respect of the relevant shares.
- (ii) No statement has been received by the Company from a person other than the applicant for having his name registered as a holder of the relevant shares before the Company decides to reissue a new share certificate.
- (iii) The Company shall, if it decides to issue a replacement share certificate to the applicant, make an announcement of its intention to issue the replacement share certificate in such newspapers designated by the board of directors. The announcement shall be made at least once every thirty days in a period of ninety days.

- (iv) The Company shall have, prior to the publication of its announcement of intention to issue a replacement certificate, delivered to the stock exchange on which its shares are listed a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from such stock exchange that the announcement has been exhibited at the premises of the stock exchange. The announcement shall be exhibited at the premises of the stock exchange for a period of ninety days.

In case an application to issue a replacement certificate has been made without the consent of the registered shareholder of the relevant shares, the Company shall send by post to such registered shareholder a copy of the announcement to be published.

- (v) If, upon expiration of the 90-day period referred to in Items (iii) and (iv) of this Article, the Company has not received from any person any objection to such application, the Company may issue a replacement share certificate to the applicant according to his/her application.
- (vi) Where the Company issues a replacement certificate under this Article, it shall forthwith cancel the original share certificate and enter the cancellation and replacement in the register of shareholders accordingly.
- (vii) All expenses relating to the cancellation of an original share certificate and the issuance of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

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

**Article 48** 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 said person proves that the Company had acted fraudulently.

**Article 49** A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders.

A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares held. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations. Shareholders of each class of shares of the Company shall have the same rights in any distributions made in dividends or other forms.

The Company shall not, merely as a result of failure by any direct or indirect interested persons to disclose to the Company of its interests, exercise any power to freeze or otherwise damage any of their rights attached to the shares held by them.

**Article 50** The ordinary shareholders of the Company shall have the following rights:

- (i) to be entitled to dividends and other forms of distribution in proportion to the number of shares held;
- (ii) to propose, convene and preside over, to attend or appoint a proxy to attend general meetings and to exercise the corresponding voting rights in accordance with laws;
- (iii) to supervise and manage the business activities of the Company and to put forward proposals or raise inquiries;
- (iv) to transfer, donate, or pledge shares held by them in accordance with the laws, administrative regulations and provisions of the Articles of Association;
- (v) to obtain relevant information in accordance with the provisions of the Articles of Association, including:
  - 1. to obtain a copy of the Articles of Association after payment of cost thereof;
  - 2. to inspect and copy after payment of a reasonable cost:
    - (1) copies of the register of all shareholders;
    - (2) personal particulars of each of the Company's directors, supervisors, CEO and other senior management officers including:
      - a) present and former name and alias;
      - b) principal address (domicile);
      - c) nationality;
      - d) full-time and all other part-time occupations and positions;
      - e) identification certificate document and its number.
    - (3) report on the state of the issued share capital of the Company;
    - (4) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the last accounting year and the aggregate costs paid by the Company for this purpose (breakdown by domestic shares and foreign shares (and H shares, if applicable));
    - (5) meeting minutes of the general meeting;
    - (6) copies of special resolutions of the Company;
    - (7) copies of resolutions at meetings of the board of directors and board of supervisors;

- (8) the latest audited financial statements, reports of the board of directors, certified public accounting firms and board of supervisors of the Company;
- (9) duplicate of the latest annual inspection report that has been filed with the administration for industry and commerce of China or any other competent authorities;

In accordance with the requirements of the Hong Kong Listing Rules, the Company shall publish the documents set out in Items (3) through (9) other than Item (5) and Item (7) described above on the Exchange's website and the issuer's own website, as well as maintain the documents set out in Items (1) through (5) described above at the address of the Company in Hong Kong for free inspection and copying after payment of a reasonable cost by shareholders. The shareholders of the Company may also inspect the resolutions of meetings of the board of directors and board of supervisors of the Company. Shareholders demanding inspection of the relevant information or requesting materials mentioned in the preceding provision shall provide to the Company written documents evidencing the class and number of shares of the Company held by them. The Company shall, upon verification of the shareholder's identity, provide such information at the shareholder's request.

- (vi) upon termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;
- (vii) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, to require the Company to acquire the shares held by them;
- (viii) other rights conferred by laws, administrative regulations, departmental rules, the listing rules of the place where the shares of the Company are listed and the Articles of Association.

**Article 51** Shareholders shall have the right to protect their legitimate rights and interests through civil procedure or other legal means according to the laws and administrative regulations.

If a resolution passed at the Company's general meeting or board meeting violates the laws or administrative regulations, shareholders shall have the right to initiate proceeding to the People's Court to render the same invalid.

If the procedures for convening, or the method of voting at, a general meeting or board meeting violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders shall be entitled to initiate proceeding to the People's Court to rescind such resolutions within 60 days from the date on which such resolution is adopted.

If the Company has carried out the change of registration particulars in accordance with the resolution of the general meeting of shareholders or the board of directors and it has been declared that the resolution is invalid or the resolution has been rescinded, the Company shall apply to the company registration authority for rescission of the change in registration.

**Article 52** Where the Company incurs losses as a result of violation by directors and senior management officers of the laws, administrative regulations or the Articles of Association in the course of performing their duties with the Company, the shareholders individually or in the aggregate holding 1% or more of the shares of the Company for more than 180 consecutive days shall be entitled to request in writing the board of supervisors to initiate proceedings to the People's Court; where the Company incurs losses as a result of violation by the board of supervisors of any provisions of laws, administrative regulations or the Articles of Association in the course of performing its duties with the Company, such shareholders may make a request in writing to the board of directors to initiate proceedings to the People's Court.

In the event that the board of supervisors or the board of directors refuses to initiate proceedings after receiving the written request of shareholders stated in the foregoing paragraph, or fails to initiate such proceedings within 30 days from the date of receiving such request, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the Company's interests, the shareholders described in the preceding paragraph shall have the right to for the benefit of the Company initiate proceedings to the People's Court directly in their own names.

Where the Company incurs losses as a result of infringement upon the legitimate rights and interests of the Company by any other persons, the shareholders stated in Paragraph 1 of this Article may initiate proceedings to the People's Court pursuant to the provisions of the first two paragraphs.

**Article 53** Shareholders may initiate proceedings to the People's Court in the event that a director or a senior management officer has violated the laws, administrative regulations or the Articles of Association, damaging the interests of shareholders.

**Article 54** The ordinary shareholders of the Company shall assume the following obligations:

- (i) to abide by the Articles of Association;
- (ii) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (iii) not to surrender the shares unless required by the laws and regulations;
- (iv) other obligations imposed by laws, administrative regulations, rules, normative documents, the listing rules of place where the shares of the Company are listed and the Articles of Association.

Shareholders will not, with the exception of the conditions agreed by the subscribers of shares at the time of subscription, be responsible for addition to any share capital thereafter.

**Article 55** In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the place where shares of the Company are listed, a controlling shareholder when exercising his/her authorities as a shareholder shall not exercise his/her voting rights in respect of the following matters in a manner prejudicial to the interests of all or some of the shareholders of the Company:

- (i) to relieve a director or supervisor of his/her duty to act honestly in the best interests of the Company;
- (ii) to approve the expropriation by a director or supervisor (for his/her own benefit or for the benefit of other person(s)), in any manner, of the Company's assets, including (without limitation) any opportunities beneficial to the Company;
- (iii) to approve the expropriation by a director or supervisor (for his/her own benefit or for the benefit of other person(s)) of the individual rights of other shareholders, including (without limitation) rights to distributions and voting rights save for a restructuring of the Company submitted to the general meeting for approval in accordance with the Articles of Association.

**Article 56** The term "controlling shareholder" referred to in the preceding provision means a person who satisfies any one of the following conditions:

- (i) a person who, acting alone or in concert with others, has the power to elect a majority of the directors;
- (ii) a person who, acting alone or in concert with others, has the power to exercise or to control the exercise of 30% (inclusive) or more of the voting rights in the Company;
- (iii) a person who, acting alone or in concert with others, holds 30% (inclusive) or more of the issued and outstanding shares of the Company;
- (iv) a person who, acting alone or in concert with others, has de facto control over the Company in any other way.

## **Section 2 General Provisions on the General Meeting**

**Article 57** The general meeting shall exercise the following powers:

- (i) to decide on the operating guidelines and investment plans of the Company;
- (ii) to elect and replace the directors and decide on matters relating to the remuneration of the directors;
- (iii) to elect and replace the supervisors who are not representatives of the staff, and decide on matters relating to the remuneration of supervisors;
- (iv) to consider and approve reports of the board of directors;
- (v) to consider and approve reports of the board of supervisors;

- (vi) to consider and approve the Company's annual financial budgets and final accounts;
- (vii) to consider and approve the Company's profit distribution plans and plans for making up losses;
- (viii) to decide on increases or reductions in the Company's registered capital;
- (ix) to decide on merger, division, dissolution, liquidation or change of corporate form, etc.;
- (x) to decide on the issuance of bonds, other securities by the Company and on the listing;
- (xi) to decide on the Company's appointment, removal or non-reappointment of accounting firms;
- (xii) to amend the Articles of Association;
- (xiii) to examine the proposals of the shareholders, individually or in the aggregate, holding 3% or more of the voting shares of the Company;
- (xiv) to examine other matters required by laws, administrative regulations, the listing rules of the place where the shares of the Company are listed and the Articles of Association, to be resolved by the general meeting.

**Article 58** The Company shall not, without the prior approval of the general meeting, enter into any contract with any persons other than directors, supervisors, CEO and other senior management officers for authorization of management of all or significant part of business of the Company to such persons.

**Article 59** General meetings include annual general meetings and extraordinary general meetings. The general meeting shall be convened by the board of directors. The annual general meeting shall be held once every year within six months after the end of the previous accounting year.

The Company shall hold an extraordinary general meeting within two months under any of the following circumstances:

- (i) the number of directors is less than that prescribed by the Company Law or less than the two thirds of the amount required by the Articles of Association;
- (ii) the uncovered losses are in excess of one-third of the Company's total paid-in share capital;
- (iii) shareholders individually or in the aggregate holding more than 10% of the Company's issued voting shares request in writing to hold an extraordinary general meeting;
- (iv) the board of directors considers it necessary or the board of supervisors proposes to hold such a meeting;
- (v) such other circumstances as provided for by laws, regulations, the listing rules of place where the shares of the Company are listed and the Articles of Association.

**Article 60** The Company shall hold the general meeting at the domicile of the Company or such place as is specified in the notice from the general meeting.

The general meeting shall have a venue and be held on-site. The Company may also provide convenience for participation in the shareholders' general meeting by shareholders through other means required by the rules of the place where the shares of the Company are listed. A shareholder who participates in a general meeting in the aforesaid manner shall be deemed to have been present at the meeting.

### **Section 3 Convening of the General Meeting**

**Article 61** The general meeting shall be convened by the board of directors, unless otherwise provided by the laws or the Articles of Association.

**Article 62** Where the shareholders holding, individually or in the aggregate, more than 10% of the shares of the Company request the convening of an extraordinary general meeting or class meeting of shareholders, the following procedures shall be followed:

- (i) the shareholders holding, individually or in the aggregate, more than 10% of the voting shares of the Company may sign one or more copies of written requests in the same form requesting the board of directors to convene an extraordinary general meeting or class meeting of shareholders, and stating the matters to be considered at the meeting. The board of directors shall within ten days of receipt of the said written request give the written feedback opinion on approval or disapproval for convening an extraordinary general meeting or class meeting of shareholders. If the board of directors approves convening an extraordinary general meeting or class meeting of shareholders, it will within five days of adopting the resolution of the board of directors issue the notice of convening the meeting, and any changes in the original request in the notice shall be subject to the consent of relevant shareholders. The aforesaid number of shares held shall be calculated as of the date when the shareholders make the written request.
- (ii) If the board of directors fails to issue the notice of such a meeting within thirty days of receipt of the written request, the requesting shareholders may themselves convene such a meeting in a manner as similar as possible to the manner in which general meeting are convened by the board of directors within four months of receipt of the request by the board of directors.

Where the shareholders convene and preside over a meeting by themselves as the board of directors fails to convene the meeting pursuant to the aforesaid request, the reasonable expenses incurred therefrom shall be borne by the Company and deducted from the amounts due from the Company to the defaulting directors.

**Article 63** The board of supervisors shall have the right to propose to the board of directors to convene an extraordinary general meeting and shall propose such to the board of directors in writing. The board of directors shall, in accordance with provisions of the laws, administrative regulations and the Articles of Association, inform in writing to indicate whether the board of directors has agreed or disagreed to convene such extraordinary general meeting within 10 days upon receipt of the proposal.



If the board of directors has agreed to hold such extraordinary general meeting, it shall give a notice of the general meeting within 5 days after the board of directors has adopted the board resolution; the board of supervisors's consent shall be sought in respect of any changes to the original proposal as contained in such notice.

If the board of directors does not agree to convene such extraordinary general meeting or fails to give any reply with 10 days upon receipt of such proposal, the board of directors shall be deemed incapable of or failure in carrying out the duties to convene a general meeting and the board of supervisors may proceed with the convening and holding of such meeting by itself.

**Article 64** If the board of supervisors or any shareholder has decided to convene a general meeting by itself, a written notice shall be given to the board of directors.

**Article 65** For the purpose of any general meeting convened by the board of supervisors or any shareholder, the board of directors shall provide assistance. The board of directors shall provide the register of shareholders on the equity rights registration date.

**Article 66** The Company shall bear all expenses necessary for any general meeting convened by the board of supervisors or any shareholder.

#### **Section 4 Proposals and Notices of the General Meeting**

**Article 67** Written notice of the annual general meeting by the Company shall be dispatched twenty business days prior to the date of the meeting (excluding both the date of notice and the date of meeting) to all shareholders whose names appear on the register of shareholders, specifying the matters to be considered and the date and place of the meeting by way of announcement. When the Company convenes an extraordinary general meeting, an announcement to notify all shareholders whose names appear on the register of shareholders shall be given fifteen days or ten business days (excluding the day on which the notice is sent and the day of the meeting) (whichever is the longer) prior to the date of the meeting.

**Article 68** When the Company convenes the general meeting, the board of directors, the board of supervisors and shareholders, individually or in aggregate, holding more than 3% of shares of the Company shall have the right to propose proposals. The contents of the proposal shall fall within the terms of reference of the general meeting and have specified subjects and specific resolutions, in further compliance with the laws and regulations and the Company's Articles of Association.

Shareholders individually or in the aggregate holding more than 3% of the shares of the Company may propose and submit a temporary proposal to the convener in writing ten days prior to date of the meeting; the convener shall issue a supplementary notice of general meeting within two days after receipt of the said temporary proposal, to notify other shareholders and to submit the said temporary proposal to the general meeting for consideration. The contents of the temporary proposal shall fall within the terms of reference of the general meeting and have specified subjects and specific resolutions.

The general meeting shall not vote and adopt a resolution on any proposal that is not listed in the notice of the general meeting or that is inconsistent with this Article.

**Article 69** General meeting cannot decide on matters that are not set out in the notice.

**Article 70** The notice of the general meeting shall meet the following requirements:

- (i) be in writing;
- (ii) specify the place, date and period of the meeting;
- (iii) state the matters to be discussed at the meeting;
- (iv) provide such information and explanation as are necessary for the shareholders to make a wise decision on the matters to be discussed, including (without limitation) provision of the specific conditions and contracts (if any) for the transactions contemplated and careful explanation of the causes and consequences thereof when the company proposes combination, share repurchase, reorganization of share capital or other restructuring;
- (v) contain disclosure of the nature and extent, if any, of the material interests of any director, supervisor, CEO and other senior management officers in the matters to be discussed; and explanation of the difference if the effect which the matters to be discussed will have on such director, supervisor, CEO and other senior management officers in their capacity as shareholders in so far as it is different from the effect on the shareholders of the same class;
- (vi) contain the full text of any special resolution to be proposed and adopted at the meeting;
- (vii) contain a conspicuous statement that a shareholder entitled to attend and vote at such meeting is entitled to appoint one or more proxies to attend and vote at such meeting on his/her behalf and that a proxy does not need not be a shareholder of the Company;
- (viii) specify the date of registration of equity entitlements for shareholders entitled to attend the general meeting;
- (ix) specify the time and place for lodging proxy forms for the relevant meeting.

**Article 71** The notice of the general meeting shall be delivered to shareholders (with or without voting rights at the general meeting) personally or by postage prepaid mails at the address of the recipient subject to those recorded in the register of shareholders, or subject to compliance with the applicable laws and regulations and the listing rules of the place where the shares of the Company are listed, be published at the Company's website and the website designated by the Hong Kong Stock Exchange, etc. If an announcement shall be made to the shareholders of overseas-listed foreign shares pursuant to the Articles of Association, the relevant announcement shall be published in the manner required by the Hong Kong Listing Rules. The notice of the general meeting to the shareholders of domestic shares and the holders of unlisted foreign shares may also be made by way of announcement.

The term "announcement" referred to in the preceding paragraph shall be published in one or more national newspapers designated by securities regulatory authority under the State Council and securities regulatory authority of the place where the Company's shares are listed. After the publication of such announcement, all shareholders of domestic shares and holders of unlisted foreign shares shall be deemed to have received the relevant notice of the general meeting.

**Article 72** If the persons entitled to receive the notice are not notified due to negligence, or such persons have not received the notice for the meeting, the meeting and resolutions made at the meeting will not be invalidated.

## **Section 5 Holding of the General Meeting**

**Article 73** The board of directors and other conveners shall take all necessary measures to ensure that the general meeting is conducted in an orderly manner and shall take steps to prevent any activities interfering the general meeting and infringing the legal interests of shareholders and report such activities to the relevant authority.

**Article 74** Any shareholder who is entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (whether such person is a shareholder or not) as his/her proxy to attend and vote on his/her behalf, and a proxy so appointed shall be entitled to exercise the following rights according to the authorizations from that shareholder:

- (i) the shareholder's right to speak at the meeting;
- (ii) the right to demand or join in demand for a poll; and
- (iii) unless otherwise prescribed by applicable listing rules or other securities laws and regulations, the right to vote by hands or on a poll, but a proxy of a shareholder who has appointed more than one (1) proxy may only vote on a poll.

If the shareholder is an accredited clearing house (or its proxy), it may, as it thinks fit, appoint one or more persons as its proxies to attend and vote at any shareholders' general meeting or class meeting or creditors' meeting. However, if more than one person is appointed, the instrument of proxy shall specify the number and class of the shares relating to each such proxy. The proxy may be signed by the authorized person of the accredited clearing house. Such person so appointed may attend the meeting and exercise the rights on behalf of the accredited clearing house (or its proxy) (not requiring presence of the shareholding voucher, notarized authorization and/or further evidences to prove the duly authorization) as if such person is an individual shareholder of the Company.

**Article 75** If shareholder shall appoint his/her proxy in writing, such instrument appointing the proxy shall be signed by the appointing shareholder or the proxy who is authorized in writing, or if the appointing shareholder is a legal entity, either affixed with legal person seal or signed by a director, or the duly authorized proxy.

**Article 76** Proxy forms shall be lodged at the domicile of the Company or other places specified in the notice of meeting 24 hours before the relevant meeting for voting according to the proxy form, or 24 hours before the designated time of voting. Where the proxy form is signed by a person under a proxy statement on behalf of the appointer, the proxy statement or other authorization documents authorized to be signed shall be notarized. The notarized proxy statement or other authorization documents shall, together with the proxy form, be maintained at the domicile of the Company or other places specified in the notice of meeting.

Where the appointer is a legal person, its legal representative or such person as is authorized by resolution of the board of directors or other governing body may attend general meetings of the Company as a representative of the appointer.

**Article 77** Any form issued to a shareholder by the board of directors for appointing a proxy of the shareholder shall allow the shareholder to freely instruct the proxy to cast vote in favor of or against, and instruct separately about each resolution dealing with the businesses to be considered at the meeting. Such proxy statement shall contain a statement that in absence of instructions by the shareholders, his/her proxy may vote as he/she thinks fit.

**Article 78** A vote given by a proxy in accordance with the terms of the proxy statement shall be valid, notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or the authority under which the proxy statement was executed, or the transfer of the shares in respect of which the proxy is given, provided that the Company did not receive any written notice in respect of any such matters prior to the commencement of the relevant meeting.

**Article 79** The general meeting shall be convened by the board of directors and chaired by the chairman; if the chairman cannot or fails to perform his/her duties, the general meeting shall be chaired by a director co-elected by more than half of the directors.

If the board of directors cannot or fails to perform its duty to convene the general meeting, the board of supervisors shall convene and chair the meeting promptly; if the board of supervisors cannot or fails to perform its duty to convene the general meeting, the shareholders who separately or jointly hold more than 10% of the Company's shares for more than 90 consecutive days may convene and chair the meeting by themselves.

**Article 80** The Company shall formulate rules of procedure for the general meetings defining the convening and voting procedures of the general meetings, covering notification, registration, consideration of proposal, voting, counting of ballots, announcement of voting result, formation of resolution, meeting minutes and signing thereof and announcement, and the principle and contents of authorization of the board of directors on the general meetings. The rules of procedures for the general meeting are appendix to the Articles of Association and shall be formulated by the board of directors and approved on the general meetings.

**Article 81** All directors, supervisors and senior management officers shall be in attendance at the meeting and accept any inquiries by shareholders if so required by the general meeting.

**Article 82** The chairman of the meeting shall determine whether or not a resolution of the general meeting shall be adopted. His/her decision shall be final and conclusive and shall be announced at the meeting and recorded in the minutes.

**Article 83** If the chairman of the meeting has any doubt as to the result of a resolution which has been presented for voting at a general meeting, he/she may have the votes counted. If the chairman of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the result, demand that the votes be counted and the chairman of the meeting shall have the votes counted immediately.

**Article 84** If votes are counted at a general meeting, the result of the count shall be recorded in the meeting minutes.

The general meeting shall prepare meeting minutes regarding the resolutions on the matters discussed at the meeting, for which the secretary to the board of directors shall be responsible, to be signed by the present directors, supervisors, secretary to the board of directors, the convener or its representative, and the chairman of the meeting thereon, and shall ensure the trueness, accuracy and completeness of the meeting minutes. The meeting minutes shall, together with the signature book of shareholders attending the meeting and proxy statement, be kept at the domicile of the Company for at least ten years.

**Article 85** Copies of the minutes of the meeting shall be available to any shareholder without charge for inspection during business hours of the Company. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him/her within 7 days after receipt of reasonable charges.

### **Section 6 Voting and Resolutions of the General Meeting**

**Article 86** Resolutions of the general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution must be passed by votes representing a majority of the voting rights represented by the shareholders (including proxies) present at the meeting.

A special resolution must be passed by votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting.

Shareholders attending a general meeting (including their proxies) shall expressly specify whether they are in favor of or against any matter which is being voted for. Any abstention vote or waiver of voting shall be deemed as “abstain”. Blank, wrong, illegible or uncast votes shall be deemed as the voters’ waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as “abstain”. The abstention vote shall be regarded as valid votes when the Company counts the votes in respect of the relevant matter.

**Article 87** A shareholder (including proxy) when voting at a general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote. Each share shall have one voting right.

If any shareholders should give up the voting right for certain proposal or are restricted to be only able to vote for or against certain proposal in accordance with the provisions of applicable laws and regulations and the listing rules of the place where the shares of the Company are listed, the votes by those shareholders or their representatives shall not be counted in case of any violation of the relevant provisions or restriction.

**Article 88** At any general meeting, a resolution shall be decided on a show of hands, unless, before or after a vote is carried out by a show of hands, a poll demanded by the following persons or required by relevant regulations of the securities regulatory authority of the place where the shares of the Company are listed:

- (i) the chairman of the meeting;
- (ii) at least two shareholders present in person or by proxy entitled to vote thereat; or
- (iii) one or more shareholders (including proxies) holding, individually or in the aggregate, 10% or more of all shares carrying the right to vote at the meeting.

Unless a poll is demanded pursuant to the preceding provision, a declaration by the chairman that a resolution has been passed on a show of hands and the recording of the same in the minutes of meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favor of or against such resolution.

The demand for a poll may be withdrawn by the person who demanded the same.

If a poll is demanded in accordance with the relevant regulations of the securities regulatory authority at the place where the shares of the Company are listed, the chairman of the meeting may make a decision in good faith to permit the resolution on the pure relevant procedures or administrative matters to be passed on a show of hands.

In the event of vote by casing a ballot, the Company shall appoint the supervisor for votes counting in accordance with the listing rules of the place where the shares of the Company are listed, and disclose the relevant voting results to the extent required by laws, administrative regulations, relevant regulatory authorities or the listing rules of the place where the shares of the Company are listed.

**Article 89** A poll demanded on the election of the chairman of the meeting, or the adjournment of the meeting, shall be taken forthwith. A poll demanded on any other matter shall be taken as the chairman of the meeting directs, and the meeting may proceed with the discussion of other matters; the result of the ballot shall still be regarded as a resolution passed at the meeting.

**Article 90** On a poll taken at a meeting, a shareholder (including a proxy) entitled to two or more votes is not required to cast all his/her votes for or against any proposal on all his/her votes.

At the time of voting at the general meeting, voting on each proposal shall be made one by one.

**Article 91** In the event of an equality of the number of votes for and against a resolution, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to one additional vote.

**Article 92** The following matters shall be resolved by an ordinary resolution at a general meeting:

- (i) work reports of the board of directors and the board of supervisors;
- (ii) profit distribution plans and plans to cover losses to be formulated by the board of directors;
- (iii) election, removal of members of board of directors and non-employee representative supervisors, their remuneration and manner of payment;
- (iv) annual budgets and final accounts, balance sheet, income statement, and other financial statements of the Company; and
- (v) other matters other than those which are required by laws, administrative regulations, the listing rules of the place where the shares of the Company are listed or the Articles of Association to be adopted by special resolution.

**Article 93** The following matters shall be resolved by a special resolution at a general meeting:

- (i) increase or reduction in the registered capital of the Company; issuance of shares of any class, warrants and other similar securities;
- (ii) issuance of debentures of the Company;
- (iii) division, merger, dissolution, liquidation or change of the corporate form of the Company;
- (iv) amendment of the Articles of Association;
- (v) other matters as resolved by an ordinary resolution at general meetings that will have a material impact on the Company and accordingly shall be approved by a special resolution;
- (vi) other matters requiring approval by special resolutions in accordance with laws, administrative regulations, the Articles of Association, listing rules of the place where the shares of the Company are listed.

### **Section 7 Special Procedures for Voting by Class Shareholders**

**Article 94** Shareholders who held different kind of share are class shareholders.

Class shareholders shall enjoy rights and assume obligations in accordance with laws, administrative regulations and the Articles of Association. Under the circumstances as appropriate, the Company will ensure that the preference shareholders will have adequate voting rights.

If the share capital of the Company includes the shares without voting rights, such shares shall be titled the wording “without voting rights”. If the share capital includes the share carrying different voting rights, the shares of each class (except for the shares carrying the most favorable voting rights) shall be titled the wording “restricted voting rights” or “restrictive voting rights”.

**Article 95** Rights granted on any class of shareholders may not be varied or abrogated save as adoption of a special resolution at the general meeting, and by the shareholders of the affected class at the general meeting convened respectively in accordance with Articles 97 through 101.

**Article 96** The following circumstances shall be deemed to be variation or abrogation of the rights of a certain class of shareholders:

- (i) to increase or decrease the number of shares of that class, or to increase or decrease the number of shares of a class having voting or rights to distribution or privileges equal or superior to those of shares of that class;
- (ii) to exchange all or part of the shares of that class for shares of another class or to exchange or to grant a right to exchange all or part of the shares of another class for shares of that class;
- (iii) to remove or reduce rights to accrued dividends or rights to cumulative dividends attached to shares of that class;
- (iv) to reduce or remove preferential rights attached to shares of that class to receive dividends or to the distribution of assets in the event that the Company is liquidated;
- (v) to add, remove or reduce conversion privileges, options, voting rights, transfer or pre-emptive rights, or rights to acquire securities of the Company attached to shares of that class;
- (vi) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to shares of that class;
- (vii) to create a new class of shares having voting rights or rights to distribution or other privileges equal or superior to those of the shares of that class;
- (viii) to restrict the transfer or ownership of shares of that class or to increase the types of restrictions attaching thereto;
- (ix) to allot and issue rights to subscribe for, or to convert the existing shares into, shares in the Company of that class or another class;
- (x) to increase the rights and privileges of shares of another class;
- (xi) to restructure the Company in such a way so as to result in the disproportionate distribution of obligations between the various classes of shareholders; and
- (xii) to vary or abrogate the provisions of this Chapter.



**Article 97** Shareholders of the affected class, whether or not otherwise having the right to vote at general meeting, shall have the right to vote at class meetings in respect of matters concerning Items (ii) to (viii), (xi) to (xii) of Article 96, but interested shareholder(s) shall not be entitled to vote at such class meetings.

The term “interested shareholders” as used in the preceding paragraph means:

- (i) in the case of a repurchase of shares by way of a general offer to all shareholders of the Company or by way of public dealing on a securities exchange pursuant to Article 27, a “interested shareholder” within the meaning of Article 56 of the Articles of Association;
- (ii) in the case of a repurchase of shares by an off-market agreement pursuant to Article 27 of the Articles of Association, a holder of the shares to which the said agreement relates; or
- (iii) in the case of a restructuring of the Company, a shareholder who assumes a relatively lower proportion of obligation than the obligations imposed on other shareholders of that class under the proposed restructuring or who has an interest in the proposed restructuring different from the general interests of the shareholders of that class.

**Article 98** Resolutions of a class of shareholders shall be passed by affirmative votes representing more than two-thirds of the voting rights of shareholders of that class present at the relevant meeting who, according to Article 97, are entitled to vote thereat.

**Article 99** Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders with reference to Article 67 of this Articles of Association concerning the time limit for notices of annual and extraordinary general meeting, specifying the matters to be considered at such meeting and the date and place of the class meeting by way of announcement.

**Article 100** Notice of class meetings need only be served on shareholders entitled to vote thereat.

Class meetings shall be conducted in a manner which is as similar as possible to that of general meeting. The provisions of the Articles of Association relating to the manner for the holding of general meeting are also applicable to class meetings.

**Article 101** Apart from the shareholders of other classes of shares, the shareholders of the domestic shares and the shareholders of the unlisted foreign shares shall be deemed to be holders of same classes of shares, the shareholders of the domestic shares and the shareholders of the overseas listed foreign shares shall be deemed to be holders of different classes of shares, the shareholders of the unlisted foreign shares and the shareholders of overseas-listed foreign shares shall be deemed to be holders of different classes of shares.

The special procedures for voting by a class of shareholders shall not apply under the following circumstances:

- (i) where the Company issues, upon the approval by special resolution of its shareholders at the general meeting, either separately or concurrently once every twelve months, not more than 20% of each of its existing issued and outstanding domestic shares, unlisted foreign shares and overseas-listed foreign shares;
- (ii) where the Company's plan to issue domestic shares, unlisted foreign shares and overseas-listed foreign shares at the time of its establishment is carried out within fifteen months from the date of approval of the securities regulatory authority under the State Council; or
- (iii) where a holder of domestic shares and a holder of unlisted foreign shares converts them into overseas-listed foreign shares with approval of the securities regulatory authority under the State Council and such shares are listed in an overseas stock exchange.

## **CHAPTER 5 BOARD OF DIRECTORS**

### **Section 1 Directors**

**Article 102** Directors shall be elected at the general meeting and a director's term of office shall be three years. The term of office of a Director may be renewed upon reelection when it expires.

The chairman of board of directors shall be elected and removed by a majority of all directors, and term of office thereof shall be three years, and may be renewed upon reelection when it expires.

It is unnecessary for directors to hold shares of the Company.

**Article 103** Generally, a proposal for candidates for directors will be submitted by the board of directors at the general meeting. The shareholders and the board of supervisors of the Company may nominate candidates for directors in accordance with the Articles of Association.

The notice period for delivery of the written notice to nominate a person as director and a written notice by that person of his/her willingness to be nominated shall be at least seven days, which shall commence from the next date after issuance by the Company of the meeting notice in respect of the election, and end no later than seven days prior to the date when the meeting is held.

The Company will fully disclose in the meeting notice announcement the resume, reasons for election of the proposed director as well as the attitude of candidates about the nomination.

**Article 104** A director may resign before expiry of his/her term of office, subject to submission of a written resignation report to the board of directors.

Subject to the relevant regulations and regulatory rules of the place where the shares of the Company are listed, if the board of directors appoints a new director to fill up the temporary vacancy of the board of director or add the number of directors, the term of office of the director so appointed shall end only upon the next annual general meeting of the Company, and the said director shall be qualified for reelection and renewal.

**Article 105** Any director whose term of office has not expired shall be liable for any loss of the Company arising from his/her leaving office without authorization.

The general meeting may, subject to compliance with relevant laws and administrative regulations, by way of ordinary resolution, remove any director whose term of office has not expired, without prejudice to the director's claim for damages available under any contract.

In case a director has failed to be present in person twice consecutively without any due causes, nor authorized another director to be present at the board meeting on his/her behalf, he/she shall be considered unable to fulfill his/her duties as a director, and the board of directors shall accordingly suggest the general meeting making replacement.

**Article 106** If no reelection is made timely upon expiration of the term of office of a director, or the number of members of the board of directors is less than the quorum due to any director's resignation during his/her term of office, before the reelected director takes office, the original director shall still perform his/her duties as a director in accordance with the laws, administrative regulations and the Articles of Association.

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

**Article 107** Independent non-executive directors mean such directors as serve no other positions in the Company other than directors, members of special committee of the board of directors or chairman and have no relationship with the Company and major shareholders which may affect their independent and objective judgment. Independent non-executive directors shall account for at least one third of the number of members of the board of directors, and be no less than three. At least one of the independent non-executive directors of the Company shall have suitable professional qualification or have suitable accounting or relevant financial management expertise, and there shall be at least one independent non-executive director who generally resides in Hong Kong.

Each term of office of independent non-executive directors shall be the same as that of other directors of the Company, and may be renewed upon reelection when it expires.

**Article 108** Independent non-executive directors shall qualify for position and have independence as prescribed by laws and regulations and the listing rules of the place where the shares of the Company are listed.

**Article 109** An independent non-executive director may resign before expiry of his/her term of office.

**Article 110** Independent non-executive directors shall perform their duties in accordance with the laws and regulations and the listing rules of the place where the shares of the Company are listed.

**Article 111** The Company shall formulate the working systems for independent non-executive directors, specifying the position conditions, nomination, election and replacement, rights and obligations, etc. of independent non-executive directors, subject to approval of the general meeting.

**Article 112** Where it is not expressly provided for in this Section in relation to independent non-executive directors, the relevant provisions of relevant laws and regulations and the listing rules of the place where the shares of the Company are listed and the Articles of Association concerning the directors of the Company shall apply.

### **Section 3 Board of Directors**

**Article 113** The Company shall have a board of directors, consisting of 10 directors, and shall have one chairman. The independent non-executive directors shall account for at least one third of the number of directors, and at least one of them shall be a Certified Professional Accountant.

**Article 114** The board of directors shall be accountable to the general meeting, and shall exercise the following powers:

- (i) to convene the general meeting and to report on its work to the general meeting;
- (ii) to implement the resolutions adopted by the general meeting;
- (iii) to determine the Company's business plans and investment plans;
- (iv) to formulate the Company's plans for annual financial budgets and final accounts;
- (v) to formulate the Company's profit distribution plans and plans to cover losses;
- (vi) to formulate the plans for the increase or reduction of the Company's registered capital and the plans for the issuance of the Company's bonds;
- (vii) to draft the plans for merger, division, dissolution or change of the corporate form of the Company;
- (viii) to decide on the establishment of the Company's internal management organizations;
- (ix) to appoint or remove the Company's CEO, and, according to the nomination of the CEO, to appoint or remove the Company's other senior management officers including president, senior vice president, vice president and chief financial officer and decide on their remuneration;
- (x) to formulate the Company's basic management system;
- (xi) to formulate the plans for the amendment of the Articles of Association;
- (xii) to consider and approve the change of use of proceeds;
- (xiii) to exercise any other powers granted by the laws, regulations, the listing rules of the place where the shares of the Company are listed, the general meeting and the Articles of Association.

Other than the board of directors' resolutions in respect of the matters specified in Items (vi), (vii) and (xi) of this article which shall be passed by the affirmative votes of more than two-thirds of all directors, the board of directors' resolutions in respect of all other matters may be passed by the affirmative votes of a majority of all the directors. The board of directors shall perform duties in accordance with the laws, administrative regulations, the listing rules of the place where the shares of the company are listed, the Articles of Association and the resolutions of the general meeting.

**Article 115** At the time of disposal of the fixed assets, the board of directors shall not, without the approval of general meeting, dispose or agree to dispose of any fixed assets of the Company where the aggregate of the expected value of the fixed assets to be disposed of, and the value derived from the fixed assets which have been disposed of within four months immediately preceding the proposed disposition, exceeds 33% of the value of the fixed assets as shown in the latest balance sheet which was considered by the general meeting.

For the purposes of this Article, "disposal of the fixed assets" includes an act involving the transfer of an interest in certain assets but does not include the use of fixed assets as security.

The validity of the transaction by disposal of fixed assets by the Company shall not be affected by any breach of the first paragraph of this Article.

**Article 116** The chairman of the board of directors shall exercise the following powers:

- (i) to preside over general meetings and to convene and preside over meetings of the board of directors;
- (ii) to inspect the implementation of resolutions passed by the board of directors;
- (iii) to sign the securities certificates issued by the Company;
- (iv) to exercise other powers granted by the board of directors or the listing rules of the place where the shares of the Company are listed.

If the chairman of the board of directors is unable or fails to perform his/her duties, a director elected by more than half of the directors shall perform such duties.

**Article 117** Meetings of the board of directors are divided into regular meetings and interim meetings. Regular meetings shall be held at least four times each year, and convened by the chairman of the board of directors. A notice shall be given no less than 14 days in the case of regular meetings, or no less than 5 days in the case of interim meetings, before the proposed date of the meeting; with the consent of all directors of the Company, the abovementioned notice period may be waived. If an interim meeting of the board of directors is required to be held as soon as possible under emergencies, a meeting notice may be given at any time by telephone or other oral means, however, the convener shall make explanations at the meeting.

An interim meeting of the board of directors may be convened under any of the following circumstances:

- (i) the shareholders representing one tenth or more of the voting rights propose to hold such meeting;
- (ii) one third or more directors jointly propose to hold such meeting;
- (iii) the board of supervisors proposes to hold such meeting;
- (iv) the chairman of the board of directors considers necessary to hold such meeting;
- (v) more than one half of independent non-executive directors propose to hold such meeting;
- (vi) the CEO proposes to hold such meeting.

The chairman of the board of directors shall convene and preside over the meetings of the board of directors within ten days of receipt of the proposal.

**Article 118** Notice of regular or interim meetings of the board of directors may be delivered by hand, e-mail, via facsimile or telephone.

If any director has attended the meeting and does not raise objection as to failure of receiving the meeting notice before or on the meeting, it shall be deemed that the meeting notice has been given to him.

Regular or interim meetings of the board of directors may be held by conference call, video conference or similar communication tools, provided that, all directors present at the meeting can hear and exchange with each other, and all directors that attend the meeting by such means shall be deemed presence at the meeting in person.

Unless otherwise provided by the laws and regulations or the listing rules of the place where the shares of the Company are listed, the board of directors may use the method of adoption of written resolutions in lieu of a meeting of the board of directors. The written resolutions shall be deemed being adopted after signature thereon by the directors of the quorum at the meeting of the board of directors which is duly constituted and convened as prescribed by the laws and regulations and the Articles of Association. Such written resolutions shall be placed on file together with the meeting minutes of the board of directors and other archives of the Company, and have the same binding force and effect as the voting by the members of the board of directors present at the meetings of the board of directors.

**Article 119** Meetings of the board of directors shall be held only if more than half of the directors (including the directors appointed to attend the meeting on behalf pursuant to Article 121 of the Articles of Association) are present.

Resolutions to be adopted at the meeting of the board of directors shall be voted by a show of hands or by open ballot. Interim meetings of the board of Directors may, under the premise that directors will be guaranteed to have their opinions fully and thoroughly expressed, be conducted via facsimile or circulation and resolutions may be passed thereat, to be signed by the directors present at the meeting.

**Article 120** The board of directors shall formulate rules of procedures of the board of directors, specify the method for conducting business and the voting procedures of the board of directors, so as to ensure the working efficiency and scientific decision of the board of directors.

Each director shall have one vote. Any resolutions of the board of directors must be subject to adoption by a majority of all directors unless otherwise specified herein. Where there is an equality of votes both for and against a resolution, the chairman of the board of directors shall have another casting vote.

**Article 121** The directors shall attend in person the meetings of the board of directors. Where any director is unable to attend the meeting for reason, he/she may, by issuing a written proxy statement, entrust another director to attend the meeting on his/her behalf, with the scope of authorization to be stated therein.

The directors who attend the meeting on behalf shall exercise the rights as directors within the scope of authorization. Failure by a director to attend a meeting of the board of directors or to authorize a representative to attend the meeting on his/her behalf shall be deemed waiver of the voting right at such meeting.

**Article 122** The board of directors and its committee shall prepare meeting minutes in respect of the resolutions on the matters to be considered thereat, make records in sufficient details of the matters to be discussed and the resolutions to be adopted thereat, including any doubts or dissenting opinions from directors. The board of directors shall, after the end of the meeting, send the preliminary and finalized draft of the meeting minutes to all directors in a reasonable period of time successively, the former shall be used for expression of opinions by directors, and the latter shall be used for record purpose.

The directors present at the meeting and the recorder shall sign on the meeting minutes. The meeting minutes shall be kept for at least ten years. The directors shall be responsible for any resolutions adopted by the board of directors. If any resolution of the board of directors violates the laws, administrative regulations or the Articles of Association, and the Company suffers serious losses as a result thereof, the directors who have participated in the passing of such resolution shall compensate the Company therefor. However, if it can be proven that a director expressly objected to the resolution when the resolution was voted, and that such objection was recorded in the meeting minutes, such director shall be released from such liability.

The opinions from independent non-executive directors shall be indicated in the resolutions of the board of directors.

## **Section 4 Special Committee of the Board of Directors**

**Article 123** The board of directors shall have special committees, namely the audit committee, the remuneration committee and the nomination committee, and formulate corresponding implementation rules to specify the main duties, decision procedures and rules of procedures of each special committee. The board of directors shall be responsible for amendment and interpretation of the implementation rules of each special committee.

**Article 124** Each special committee shall be accountable for the board of directors, and submit their proposals to the board of directors for examination and making decision. Each special committee may engage an intermediary to provide professional opinions, at the expense of the Company.

## **Section 5 Secretary to the Board of Directors**

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

**Article 126** The secretary to the board of directors shall be a natural person who has essential expertise and experience, to be employed or dismissed by the board of directors, with the main responsibilities as follows:

- (i) to ensure that the Company have complete organizational documents and records;
- (ii) to ensure that the Company prepare and deliver, in accordance with law, the reports and documents required by competent authorities, and to accept and organize accomplishment of any relevant tasks sent down by the regulatory authorities;
- (iii) to ensure proper establishment of the register of shareholders of the Company, and ensure that the persons entitled to obtain related records and documents of the Company timely obtain such records and documents;
- (iv) to be responsible for the disclosure of information of the Company to ensure the timely, accurate, legal, true and complete information disclosure; and
- (v) to perform other duties as granted by the board of directors and required by the stock exchange at the place where the shares of the Company are listed.

**Article 127** The secretary to the board of directors may be held concurrently by a director or senior management officer. The accountant from the accounting firm engaged by the Company shall not sever as the secretary to the board of directors concurrently.

Where the office of secretary to the board of directors is held concurrently by a director, and an act is required to be conducted by a director and a secretary to the board of directors separately, the person who holds the offices of director and secretary to the board of directors concurrently may not perform such act in a dual capacity.



## **CHAPTER 6 CEO AND OTHER SENIOR MANAGEMENT OFFICERS OF THE COMPANY**

**Article 128** The Company shall have one CEO, who shall be appointed or dismissed by the board of directors.

The Company shall have one president, several senior vice presidents and vice presidents, who shall be appointed or dismissed by the board of directors.

The board of directors may decide on the issue that a member of the board of directors may serve as the CEO and/or president concurrently.

The term of office of the CEO and the president shall be three years, renewable upon re-appointment.

**Article 129** The CEO of the Company shall be accountable to the board of directors and shall exercise the following powers:

- (i) to organize the drafting and implementation of the strategic plan of the Company;
- (ii) to organize the drafting of the annual investment plan of the Company;
- (iii) to organize the implementation of the resolutions of the board of directors;
- (iv) to supervise and inspect the Company's production, operation and management under the stewardship of the president;
- (v) to supervise and inspect the implementation of the annual operation plans and the investment plans of the Company by the president;
- (vi) to propose to the board of directors on the appointment or dismissal of the Company's other senior management officers including president, senior vice president, vice president, secretary to the board of directors and chief financial officer;
- (vii) to determine to appoint or dismiss the management personnel relevant to the powers of the CEO;
- (viii) other powers granted by the Articles of Association or the board of directors.

The president of the Company shall be accountable to the CEO and shall exercise the following powers:

- (i) to be in charge of the Company's production, operation and management;
- (ii) to organize the implementation of the Company's annual operation plans and investment plans;

- (iii) to draft plans for the establishment of the Company's internal management organizations;
- (iv) to draft the Company's basic management system;
- (v) to formulate the basic rules and regulations of the Company;
- (vi) to determine to appoint or dismiss the management personnel other than those required to be appointed or dismissed by the board of directors and the CEO;
- (vii) other powers granted by the Articles of Association, the board of directors or CEO.

**Article 130** The CEO and president of the Company shall attend meetings of the board of directors. A CEO and a president who is not a director shall not have any voting rights at meetings of the board of directors.

**Article 131** The CEO and president of the Company, in exercising his/her powers, shall act honestly and diligently in accordance with laws, administrative regulations, rules, regulatory documents, relevant requirements of the securities regulatory authority at the place where the shares of the Company are listed and the Articles of Association.

## **CHAPTER 7 BOARD OF SUPERVISORS**

**Article 132** The Company shall have the board of supervisors.

**Article 133** The board of supervisors shall consist of 3 supervisors, and one of whom shall act as the chairman of the board of supervisors. Each supervisor shall serve for a term of three years, renewable upon reelection upon expiration.

The appointment or removal of the chairman of the board of supervisors requires approval by votes by two thirds or more of the members of the board of supervisors.

**Article 134** The members of the board of supervisors shall consist of 2 shareholder representatives who shall be elected and dismissed by the general meeting and one employee representative who shall be elected and dismissed democratically by the employees of the Company.

If no reelection is made timely upon expiration of the term of office of a supervisor, or the number of members of the board of supervisors is less than the quorum due to any supervisor's resignation during his/her term of office, before the reelected supervisor takes office, the original supervisor shall still perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the Articles of Association.

**Article 135** The directors, CEO and other senior management officers of the Company shall not act concurrently as supervisors.

**Article 136** Meetings of the board of supervisors are divided into regular meetings and interim meetings. Regular meetings shall be held at least once every six months, and convened and presided over by the chairman of the board of supervisors. Supervisors may propose to hold an interim meeting of the board of supervisors. If the chairman of the board of supervisors is unable or fails to perform the duties, a majority of supervisors shall jointly elect a supervisor to convene and preside over the meeting of the board of supervisors.

**Article 137** The board of supervisors shall be accountable to the general meeting, and shall exercise the following powers in accordance with the law:

- (i) to review the Company's financial affairs;
- (ii) to supervise the directors, CEO and other senior management officers' acts in performing duties of the Company, propose for removal of any director or senior management officer in violation of any laws, administrative regulations, listing rules of the place where the shares of the Company are listed, the Articles of Association or the resolutions of the general meeting;
- (iii) to demand any director, CEO and other senior management officer who acts in a manner which is harmful to the Company's interests to rectify such behavior;
- (iv) to check the financial information, such as the financial reports, reports of operations and profit distribution plans to be submitted by the board of directors to the general meeting, and to authorize in the Company's name, public certified accountants and licensed auditors to assist in the re-examination of such information, should any doubt arise in respect thereof;
- (v) to propose to convene an extraordinary general meeting, and to convene and preside over the general meeting where the board of directors fails to perform his/her duty to do so;
- (vi) to submit proposals to the general meeting;
- (vii) to represent the Company in negotiations with any director, or to initiate legal proceedings against any director, CEO and other senior management officers in accordance with the laws and the Articles of Association; and
- (viii) such other powers as provided by the Articles of Association.

Supervisors shall attend meetings of the board of directors and may raise queries or suggestions regarding matters discussed at such meetings.

A supervisor shall ensure that the information disclosed by the Company is true, accurate and complete.

**Article 138** The meeting of the board of supervisors shall only be held when two thirds or more of the supervisors attend at the meeting. Votes by open ballot shall be made at the meeting of the board of supervisors. Each supervisor shall have one vote. The supervisors shall be present in person at the meetings of the board of supervisors. Where a supervisor is unable to be present for certain reason, he/she may by power of attorney entrust another supervisor in writing to be present on his/her behalf, with the scope of authorization indicated in the power of attorney.

A resolution of the board of supervisors must be passed by two thirds or more of the members of the board of supervisors.

**Article 139** The board of supervisors shall formulate rules of procedures of the board of supervisors, specify the method for conducting business and the voting procedures of the board of supervisors, so as to ensure the working efficiency and scientific decision of the board of supervisors.

**Article 140** Minutes shall be prepared for the meeting of the board of supervisors, and supervisors and recorder present at the meeting shall sign thereon. Such minutes as archives of the Company shall be kept by a person designated by the chairman of the board of supervisors for at least ten years.

**Article 141** All reasonable expenses incurred for the engagement by the board of supervisors of professionals such as lawyers, certified public accountants or licensed auditors in the exercise of its powers shall be borne by the Company.

**Article 142** The supervisors shall faithfully perform the supervision duties in accordance with the laws, administrative regulations and the Articles of Association.

## **CHAPTER 8 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, CEO AND OTHER SENIOR MANAGEMENT OFFICERS OF THE COMPANY**

**Article 143** No one shall be a director, supervisor, CEO or other senior management officer of the Company if falling under any of the following circumstances:

- (i) being without civil capacity or having limited civil capacity;
- (ii) having been penalized or sentenced due to an offence of corruption, bribery, encroachment on property, misappropriation of property or disruption of the socialist market economy order, or having been deprived of political rights due to the committing of any crime, and in each case, five years not having elapsed since the completion of the relevant penalty, sentence or deprivation;
- (iii) having been a director, factory director or manager of a company or enterprise which had been bankrupt and liquidated due to improper operation and management whereby such person was personally liable for the bankruptcy of such company or enterprise, and three years not having elapsed since the date of completion of the liquidation of the company or enterprise;

- (iv) having been the legal representative of a company or enterprise whose business license was revoked due to violation of laws whereby such person was personally liable, and three years not having elapsed since the date of revocation of the business license of the company or enterprise;
- (v) being a debtor personally liable for a relatively large debt which has not been paid as it fell due;
- (vi) having been subject to an investigation by judicial authorities for criminal offences, and such investigation not having come to an end;
- (vii) being banned from being leaders of enterprises by laws and regulations;
- (viii) being a non-natural person;
- (ix) having been adjudged by the relevant competent authorities of violations of relevant securities laws which involves fraud or dishonesty, and five years not having elapsed since the date of the judgment;
- (x) the circumstances specified by the laws, administrative regulations, the listing rules or relevant laws and regulations of the place where the shares of the Company are listed.

Any election, appointment or employment by the Company of any directors, supervisors or senior management officers in violation of the preceding paragraph shall be invalid.

Any director, supervisor or senior management officer who falls under the circumstances as set out in Paragraph (i) of this Article shall be removed from office by the Company.

**Article 144** The validity of an act carried out by a director, CEO and other senior management officer of the Company on its behalf, against a bona fide third party, shall not be affected by any noncompliance in his/her office, election or qualification.

**Article 145** In addition to the obligations imposed by laws, administrative regulations or the listing rules of the place where the shares of the Company are listed, each of the Company's directors, supervisors, CEO and other senior management officers shall have the following obligations to each shareholder, in the exercise their powers conferred by the Company:

- (i) not to cause the Company to exceed the scope of business stipulated in its business license;
- (ii) to act honestly in the best interests of the Company;
- (iii) not to expropriate the Company's property in any way, including (without limitation) usurpation of opportunities which benefit the Company;
- (iv) not to expropriate the individual rights of shareholders, including (without limitation) rights to distribution and voting rights, save and except pursuant to a restructuring of the Company which has been submitted to the general meeting for approval in accordance with the Articles of Association.

**Article 146** Each of the Company's directors, supervisors, CEO and other senior management officers shall be obligated, in the exercise of his/her powers or performance of his/her duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise under similar circumstances.

**Article 147** Each of the Company's directors, supervisors, CEO and other senior management officers shall perform his/her duties in accordance with fiduciary principles; and shall not put himself/herself in a position where his/her duty and his/her interest may conflict. These principles include (without limitation):

- (i) to act honestly in the best interests of the Company;
- (ii) to act within the scope of its powers and not to exceed such powers;
- (iii) to exercise his/her discretionary power in person without being subject to the manipulations of other persons, and not to transfer such power to other persons unless permitted by laws, administrative regulations or the listing rules of the place where the shares of the Company are listed or approved by the general meeting with full knowledge;
- (iv) to treat shareholders of the same class with equality, and shareholders of different classes with fairness;
- (v) not to enter into any contracts or transactions or arrangements with the Company unless otherwise required by the Articles of Association or the listing rules of the place where the shares of the Company are listed or approved by the general meeting with full knowledge;
- (vi) not to employ the Company's assets in any way so as to pursue interests for himself unless approved by the general meeting with full knowledge;
- (vii) not to accept any bribery or other illegal income by using his/her powers and position, nor seize the assets of the Company in any manner, including (but not limited to) opportunities beneficial to the Company;
- (viii) not to accept commissions relating to the transactions of the Company, without the approval of the general meeting with full knowledge;
- (ix) to obey the Articles of Association, perform his/her duties honestly and faithfully, protect the Company's interests, and not to pursue his/her personal gain by taking advantage of his/her powers and positions in the Company;
- (x) not to compete with the Company in any way unless approved by the general meeting with full knowledge;
- (xi) not to misappropriate the funds of the Company or loan the funds of the Company to other persons, open accounts in his/her own name or another individual's name for deposit of the Company's assets, or use Company's assets as security for the debts of the shareholders of the Company or other individuals; and

(xii) not to divulge the confidential information relating to the Company received during his/her term of office, unless approved by the general meeting with full knowledge; and not to use such information unless for the purpose of the Company's interests; however, to be allowed to disclose such information to a court or other governmental authorities under the following circumstances:

1. as prescribed by law;
2. as required for the purpose of public interest;
3. as required for the purpose of such director's, supervisor's, CEO's and other senior management officers' own interests.

**Article 148** Directors, supervisors, CEO and other senior management officers of the Company shall not direct the following persons or organizations ("Relevant Persons") to engage in activities prohibited for directors, supervisors, CEO and other senior management officers of the Company:

- (i) spouses or underage children of directors, supervisors, CEO and other senior management officers of the Company;
- (ii) trustors of directors, supervisors, CEO and other senior management officers of the Company or of such persons as described in Item (i) of this Article;
- (iii) partners of directors, supervisors, CEO and other senior management officers of the Company or of such persons as described in Item (i) or (ii) of this Article;
- (iv) company over which a director, supervisor, CEO and any other senior management officer of the Company has de facto single control or joint control with such persons as described in Item (i), (ii) or (iii) of this Article or other directors, supervisors, CEO and other senior management officers of the Company; and
- (v) Directors, supervisors, CEO and other senior management officers of the controlled company referred to in Item (iv) of this Article.

**Article 149** The fiduciary duty of a director, supervisor, CEO and any other senior management officer of the Company may not necessarily cease upon the conclusion of his/her term of office, their obligations to keep confidential the business secrets of the Company shall survive since the conclusion of his/her term of office. The duration of the other obligations and duties shall be determined in accordance with the principle of fairness, depending upon the time of length between the occurrence of the relevant event and the time when he leaves the office, and the situation and the circumstances and terms under which his/her relationship with the Company is ended.

**Article 150** The general meeting with full knowledge of the relevant circumstances may relieve the liability of a director, supervisor, CEO and any other senior management officer of the Company as a result of his/her violation of any specific duty, subject to the circumstances as set out in Article 55 of the Articles of Association.

**Article 151** A director, supervisor, CEO and any other senior management officer of the Company who directly or indirectly has material interests in any contracts, transactions, or arrangements that are being planned or have already been concluded by the Company (except for the employment contracts between the directors, supervisors, CEO and other senior management officers and the Company), shall, as soon as possible, disclose to the board of directors the nature and extent of his/her interests, regardless of whether or not the relevant matters require the approval of the board of directors under normal circumstances.

Any director who has related/connected party relationship with the enterprise involved by the matters subject to resolution at the meeting of the board of directors shall not exercise the voting right on such resolution, nor exercise the voting right on behalf of another director and shall withdraw from voting. Such meeting of the board of directors may be held only if a majority of the directors without related/connected party relationship are present at the meeting, and the resolutions of the meeting of the board of directors shall be approved by a majority of the directors without related/connected party relationship. If the number of the directors without related/connected party relationship present at the meeting is less than three, such matters shall be submitted to the general meeting of the listed company for consideration.

Subject to the exceptions under Note 1 to Appendix 3 to the Hong Kong Listing Rules or as approved by the Hong Kong Stock Exchange, no director shall vote for any resolutions of the board of directors regarding any contracts, transactions or arrangements in which he or any of his/her close associates (as defined by the applicable listing rules effective from time to time) is approved to have significant interests or regarding any other relevant suggestions, and shall not be counted towards the quorum of the meeting. If any contract, transaction, arrangement or suggestion relates to any related party transaction as provided by the Hong Kong Listing Rules, the “close associates” as mentioned in this paragraph shall be changed to “associates” (as defined by the applicable Hong Kong Listing Rules effective from time to time).

Unless the interested directors, supervisors, CEO and other senior management officers of the Company have made such disclosure to the board of directors as required by the first paragraph of this Article, and the relevant matter has been approved by the board of directors at the meeting of the board of directors where such directors, supervisors, CEO or other senior management officers have not been counted as part of the quorum and voted thereat, the Company shall be entitled to cancel such contracts, transactions, or arrangements, except for any other party which is a bona fide party without knowledge of the violation of duties on the part of such directors, supervisors, president and other senior management officers.

Where the Relevant Persons or associates of the directors, supervisors, CEO and other senior management officers of the Company have interests in certain contracts, transactions or arrangements, such directors, supervisors, CEO and other senior management officers shall also be deemed to be interested.



**Article 152** If, prior to the Company's initial consideration of relevant contracts, transactions, or arrangements, a director, supervisor, CEO and any other senior management officer of the Company has delivered a written notice to the board of directors, which contains the statement that he/she has interests in the contracts, transactions, or arrangements to be entered into by the Company in the future due to the contents specified in the notice, such director, supervisor, CEO and other senior management officer shall be deemed to have made the disclosure stipulated by the preceding Article in respect of the statement contained in the notice.

**Article 153** The Company shall not, in any manner, pay taxes for its directors, supervisors, CEO and other senior management officers.

**Article 154** The Company shall not, directly or indirectly, make a loan to or provide a loan guarantee to any director, supervisor, CEO and other senior management officer of the Company and of the Company's parent company or any of the Relevant Persons of the foregoing.

The preceding provision shall not apply to the following circumstances:

- (i) the provision by the Company of a loan or loan guarantee to its subsidiaries;
- (ii) the provision by the Company of a loan or loan guarantee or any other funds available to any of its directors, supervisors, CEO and other senior management officers to meet expenditures incurred or to be incurred by him for the purpose of the Company or for the purpose of enabling him to perform his/her duties in accordance with the employment contract approved by the general meeting; and
- (iii) if the ordinary course of the business of the Company includes the provision of a loan or loan guarantee, the Company may provide a loan or loan guarantee to the relevant directors, supervisors, CEO and other senior management officers and the Relevant Persons thereof, provided that they are on normal commercial terms.

**Article 155** Any person who receives funds from a loan which has been made by the Company acting in breach of the preceding Article shall, irrespective of the terms of the loan, forthwith repay such funds to the Company.

**Article 156** The loan guarantee which has been provided by the Company in breach of the preceding Article 154 (i) shall not be enforceable against the Company, save in respect of the following circumstances:

- (i) the guarantee was provided in connection with a loan which was made to a Relevant Person of any of the directors, supervisors, CEO and other senior management officers of the Company or the Company's parent company and the lender of such funds did not know of the relevant circumstances at the time of the loan;
- (ii) the collateral which has been provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.

**Article 157** For the purpose of the foregoing provisions of this Chapter, the term “guarantee” shall include the undertaking of liability or the provision of property by the guarantor to secure the obligator’s performance of his/her obligations.

**Article 158** When a director, supervisor, CEO and other senior management officer of the Company breaches the duties which he/she owes to the Company, in addition to any rights and remedies provided by laws, administrative regulations and the listing rules of the place where the shares of the Company are listed, the Company shall be entitled:

- (i) to demand relevant director, supervisor, CEO and other senior management officer to compensate for the losses sustained by it as a result of such breach of duty;
- (ii) to rescind any contract or transaction entered into between the Company and relevant director, supervisor, CEO and other senior management officer and between the Company and a third party (where such party knew or should have known that such director, supervisor, CEO and other senior management officer representing the Company has been in breach of his/her duty owed to the Company);
- (iii) to demand relevant director, supervisor, CEO and other senior management officer to deliver the proceeds as result of the breach of his/her duty;
- (iv) to recover any money which shall have been received by the Company but were received by relevant director, supervisor, CEO and other senior management officer instead, including (without limitation) any commissions;
- (v) to demand repayment of any interests earned or which may have been earned by relevant director, supervisor, CEO and other senior management officer on moneys which shall have been received by the Company.

**Article 159** The Company shall enter into a written contract with each director, supervisor and senior management officer, at least including the following provisions:

- (i) the director, supervisor or senior management officer shall undertake to the Company, to comply with the Company Law, the Special Regulations, the Articles of Association and the Codes on Takeovers and Mergers and the Codes on Share Repurchases (as amended from time to time) approved by the Securities and Futures Commission and other regulations of the Hong Kong Stock Exchange, and agree that the Company will be entitled to the remedies as specified in the Articles of Association, and such contract and his/her position shall not be transferred;
- (ii) the director, supervisor or senior management officer shall undertake to the company representing each shareholder, to comply with and perform the duties that he shall perform to the shareholders as required by the Articles of Association;
- (iii) the arbitration provisions as specified in Article 202 hereof.

**Article 160** The Company shall, with the prior approval of the general meeting, enter into a written contract with any director or supervisor in respect of his/her remuneration. The aforesaid remuneration may include:

- (i) remuneration in respect of his/her service as director, supervisor or senior management officer of the Company;
- (ii) remuneration in respect of his/her service as director, supervisor or senior management officer of any subsidiary of the Company;
- (iii) remuneration in respect of the provision of other services in connection with the management of the Company and any of its subsidiaries; and
- (iv) payment by way of compensation for loss of office or for or in connection with the retirement of such director or supervisor from office.

No proceedings may be brought by a director or supervisor against the Company for anything due to him/her in respect of the matters mentioned in this Article except pursuant to any contract described above.

**Article 161** Any contracts for remuneration between the Company and its directors or supervisors shall provide that in the event that the Company is to be acquired by others, the Company's directors and supervisors shall, subject to the prior approval of the general meeting, have the right to receive compensation or other payment in respect of his/her loss of office or retirement.

For the purposes of the preceding paragraph, the acquisition of the Company includes any of the following:

- (i) an acquisition offer made by any person to all the shareholders; or
- (ii) an acquisition offer made by any person with a view to enable the offeror to become a "controlling shareholder", which has the same meaning as that prescribed in Article 56 of the Articles of Association.

If the relevant director or supervisor does not comply with this article, any sum so received by him/her shall belong to those persons who have sold their shares as a result of acceptance such offer. The expenses incurred for distributing such sum on a pro rata basis amongst such persons shall be borne by such director or supervisor and shall not be paid out of such sum.

## **CHAPTER 9 FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION**

**Article 162** The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and the Accounting Standards of China formulated by the competent finance authorities under the State Council.

**Article 163** The Company shall prepare a financial report at the end of each accounting year, and such financial report shall be audited by an accounting firm in compliance with laws.

**Article 164** The board of directors of the Company shall present to the shareholders, at every annual general meeting, such financial reports as are required to be prepared by the Company in accordance with the relevant laws, administrative regulations, regulatory documents promulgated by local government and competent governmental authorities and the listing rules of the place where the shares of the Company are listed.

**Article 165** The Company's financial reports shall be maintained at the Company for shareholders' inspection twenty days before the date of the annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.

Unless otherwise specified herein, the Company shall, at least 21 days before the date of the annual general meeting, deliver to each shareholder of overseas-listed foreign shares by prepaid mail at the address registered in the register of shareholders, such financial and accounting reports, together with reports of the board of directors report and the balance sheet (including each document required to be attached to the balance sheet as provided by laws), the income statement or the statement of revenues and expenditures or the financial summary report. Subject to the laws, administrative regulations, departmental rules, regulatory documents and the relevant requirements of the securities regulatory authority at the place where the shares of the Company are listed, the Company may do by way of announcement (including publication on the website of the Company and/or on newspapers).

**Article 166** The financial statements of the Company shall, in addition to being prepared in accordance with accounting standards and regulations of China, be prepared in accordance with either international accounting standards, or those of the place outside the PRC where the shares of the Company are listed. If there is any material discrepancy between the financial statements prepared in accordance with the two accounting standards, such discrepancy shall be stated in the notes to financial statements. In distributing its after-tax profits for relevant accounting year, the lower of the after-tax profits presented in the aforesaid two financial statements shall prevail.

**Article 167** Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with accounting standards and regulations of China, as well as either international accounting standards, or those of the place outside the PRC where the shares of the Company are listed.

**Article 168** The Company shall publish the financial reports twice every accounting year, that is, the interim financial report within 60 days after the end of the first six months of an accounting year, and the annual financial report within 120 days after the end of the accounting year.

The regulations of the securities regulatory authority at the place where the shares of the Company are listed or the listing rules of the place where the shares of the Company are listed shall apply if it is otherwise specified therein.

**Article 169** The Company shall not establish accounting book other than those required by law. No assets of the Company shall be deposited in any account opened in the name of any individual.

**Article 170** The capital reserve fund includes the following:

- (i) any premium from share issuance at the price higher than the par value of shares;
- (ii) any other income designated for the capital reserve fund as required by the competent finance authority under the State Council.

**Article 171** The reserve funds of the Company shall be used to cover Company's losses, expand its production and operation, or be converted to the Company's increased capital. The reserve funds of the Company shall be used to:

- (i) cover losses, and the capital reserve funds shall not be used to cover losses.
- (ii) be converted into the increased capital. Where the statutory reserve fund is to be converted into capital by capitalization, the retained reserve fund may not fall below 25% of the registered capital of the Company before such conversion.
- (iii) expand production and operation of the Company.

**Article 172** The Company will give full consideration to the interests of shareholders and make the implementation of a reasonable profit distribution policy each year according to business situation and market environment. The Company may distribute dividends in cash or by way of shares.

**Article 173** In distributing its after-tax profits, the Company shall allocate ten percent of profits to the statutory reserve fund of the Company. Allocation to the Company's statutory reserve fund may be waived once the cumulative amount of statutory reserve fund is 50% or more of the Company's registered capital.

Where the statutory reserve fund of the Company is not sufficient to cover the Company's loss for the previous year, the profits for the current year shall be used to cover such loss before allocation is made to the statutory reserve fund pursuant to the previous paragraph.

After allocation to the statutory reserve fund has been made from the after-tax profits of the Company, allocation may be made to discretionary reserve fund if a resolution is adopted at the general meeting.

If the general meeting or the board of directors, in violation of the previous paragraph, distributes profits to shareholders before covering losses of the Company and making allocation to the Company's statutory reserve fund, the profits so distributed must be returned by the shareholders to the Company.

The shares of the Company held by the Company may not be applied to profit distribution.

**Article 174** The Company shall appoint one or more receiving agents for the shareholders of the overseas-listed foreign shares. Such receiving agents shall on behalf of such shareholders receive dividends distributed by the Company in respect of the overseas-listed foreign shares and all other amounts payable, hold in custody such amounts on behalf of such shareholders of overseas-listed foreign shares, to be paid to such holders.

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

The receiving agents appointed for the shareholders of overseas-listed foreign shares that are listed in Hong Kong Stock Exchange shall each be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

The Company shall have the right to terminate the serving of dividend warrant to a shareholder of the overseas-listed foreign shares in the form of mailing, but it may exercise such power only if the dividend warrant hasn't been withdrawn for twice consecutively. If the dividend warrant hasn't been served to the addressee at the first time and is returned, the Company may then exercise such power.

With respect to the exercise of power to issue warrants to bearer holders, unless the Company, without reasonable doubt, does believe that the original warrants have been destroyed, no new warrants may be issued in place of the lost warrants.

Subject to the applicable laws and regulations, the Company shall have the right to sell the shares of the shareholders of overseas-listed foreign shares that cannot be contacted in such a manner as the board of directors deems appropriate, subject to the following conditions:

- (i) dividends on the relevant shares have been distributed for at least three times within twelve years and were not claimed during the period; and
- (ii) after the expiration of the twelve-year period, the Company has published an announcement in one or more newspapers at the place of listing of the Company, stating its intention to sell the shares, and notifying such intention to the stock exchanges where such shares are listed.

Subject to the relevant laws, regulations, rules, regulatory documents and the relevant requirements of the securities regulatory authority at the place where the shares of the Company are listed, the Company may exercise its power to forfeit unclaimed dividends. However, such power may not be exercised until the applicable limitation period expires, and may only be exercised six years or more after the date of announcement of dividends.

Interests may accrue on any shares that have been already paid before the call is made, but the holder of such shares shall have no right to participate in the distribution of the dividends made thereafter with respect to the prepaid shares.

## CHAPTER 10 INTERNAL AUDIT AND ENGAGEMENT OF ACCOUNTING FIRMS

**Article 175** The Company shall implement an internal auditing system and appoint full time auditors to carry out internal auditing and supervision of the Company's incomes and expenses and economic activities.

**Article 176** The term of the accounting firm engaged by the Company shall commence from the conclusion of the annual general meeting and expire at the conclusion of the next annual general meeting; the accounting firm may be re-engaged upon expiration of the term.

**Article 177** The accounting firm engaged by the Company shall have the following rights:

- (i) to inspect the books, records or vouchers of the Company at any time, to require the directors, CEO or other senior management officers of the Company to provide relevant information and explanations;
- (ii) to require the Company to take all reasonable measures to obtain from its subsidiaries such information and explanations as are necessary for the discharge of its duties by the accounting firm; and
- (iii) to attend the general meeting and to receive all notices of, and other information relating to, any general meeting which any shareholder is entitled to receive, and to speak at any general meeting in relation to matters concerning its role as the Company's accounting firm.

**Article 178** If there is a vacancy in the position of accounting firm of the Company, the board of directors may engage an accounting firm to fill such vacancy before the convening of the general meeting. Any other accounting firm which has been engaged by the Company may continue to act during the period during which a vacancy exists.

**Article 179** The general meeting may by ordinary resolution remove any accounting firm before the expiration of its term of office, irrespective of the provisions in the contract between the Company and the accounting firm. However, the accounting firm's right to claim for damages which arise from its removal shall not be affected thereby.

**Article 180** The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined by the general meeting. The remuneration of the accounting firm engaged by the board of directors shall be determined by the board of directors.

**Article 181** The Company's engagement, removal or discontinuance of engagement of an accounting firm shall be resolved by the general meeting. Such resolution shall be filed with the securities regulatory authority under the State Council.

Where a resolution is adopted at the general meeting to appoint an accounting firm other than an incumbent accounting firm, to fill any vacancy in the office of the accounting firm, or reappoint an accounting firm which is appointed by the board of directors to fill the vacancy or to remove an accounting firm before the expiration of its term of office, the following provisions shall apply:

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

The term “leaving” includes being removed, resignation and retirement.

- (ii) if the accounting firm which is to leave its post makes representations in writing and requests the Company to give the shareholders notice of such representation, the Company shall (unless the representations have been received too late) take the following measures:

- 1. in any notice of the resolution given to shareholders, state the fact of the representations having been made by the accounting firm which is to leave its post; and
- 2. attach a copy of the representations to the notice and deliver it to all shareholders who are entitled to receive the notice of the general meeting in the manner stipulated in the Articles of Association.

- (iii) if the Company fails to send out the accounting firm’s representations in the manner set out in Item (ii) above, the respective accounting firm may require that the representations be read out at the general meeting and may make further complaint.

- (iv) an 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; and
- 3. the general meeting which is convened as a result of its resignation.

The accounting firm leaving its post shall have the right to receive all notices of, or other information relating to, any such meeting, to speak at any such meeting on any part of the business of the meeting which concerns it as the former accounting firm of the Company.

**Article 182** When the Company intends to remove or do not renew the engagement of an accounting firm, it shall notify the said firm thirty days in advance. The accounting firm shall have the right to state its opinions to the general meeting. Where the accounting firm proposes for resignation, it shall state to the general meeting whether or not there is anything improper in the Company.



The accounting firm may resign by placing its written notice of resignation at the legal address of the Company. The said notice shall come into effect on the day when it is placed at the legal address of the Company or the date indicated therein, whichever is later. Such notice shall include the following representations:

- (i) representation stating that it deems that its resignation does not involve any situation necessary to be explained to the shareholders or creditors of the Company; or
- (ii) representation regarding any issues to be explained.

The Company shall, within fourteen days upon receipt of the written notice prescribed in the foregoing paragraph, send copies of such notice to the competent authority. If the said notice contains representations mentioned in Item (ii) of the preceding paragraph, the Company shall keep copies of such representations in the Company for inspection by shareholders. The Company shall also deliver copies thereof to each shareholder who is entitled to receive reports on financial position of the Company at the address registered in the register of shareholders.

If the resignation notice of the accounting firm contains a representation mentioned in Item (ii) of Paragraph 2 of this Article, the accounting firm may request the board of directors to convene an extraordinary general meeting to hear its explanations on issues relating to its resignation.

## **CHAPTER 11 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION**

**Article 183** In the event of the merger or division of the Company, a plan shall be presented by the board of directors of the Company and shall be approved in accordance with the procedures stipulated in the Articles of Association, the Company shall then handle the relevant approval procedures according to the laws. A shareholder who objects to the plan of merger or division shall have the right to demand the Company or the shareholders who consent to the plan of merger or division to acquire its shares at a fair price. The contents of the resolution of merger or division of the Company shall constitute special documents which shall be available for inspection by the shareholders.

The abovementioned documents shall also be served by mail on each shareholder of overseas-listed foreign shares at the address registered in the register of shareholders.

**Article 184** The merger of the Company may take the form of either merger by absorption and merger by consolidation.

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

**Article 185** In the event of merger of the Company, the parties to such merger shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days of, and make announcement in the newspapers within thirty days of, the date of the Company's resolution for merger. A creditor may, within thirty days of receipt of the notice from the Company or, in the case of failure to receive such notice, within forty-five days of the date of announcement, require the Company to repay its debts or to provide a corresponding guarantee for such debt.

After merger, any creditor's rights and indebtedness of the merged parties shall be assumed by the Company which survives the merger or the newly established company.

In the event of division of the Company, its assets shall be divided up accordingly.

In the event of division of the Company, the parties to division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days of, and make announcement in the newspapers within thirty days, of the date of the Company's division resolution.

Debts owed by the Company prior to the division shall be assumed by the companies upon the division according to the agreement entered into.

**Article 186** The Company must prepare a balance sheet and an inventory list of its assets when it intends to reduce its registered capital.

The Company shall notify its creditors within ten days of, and make announcement in the newspapers within thirty days, of the date of the Company's resolution for reduction of capital. A creditor may, within thirty days of receipt of the notice from the Company or, in the case of failure to receive such notice, within forty-five days of the date of announcement, require the Company to repay its debts or to provide a corresponding guarantee for such debt.

The Company's registered capital must not, after the reduction in capital, be less than the minimum amount required by law.

**Article 187** The Company shall, in accordance with the law, handle the procedures for change registration with the company registration authority where a change in any registration items arises as a result of any merger or division. In the event of dissolution of the Company, the Company shall handle the procedures for registration of cancellation in accordance with the law. In the event of establishment of a new company, the Company shall handle the procedures for registration of establishment in accordance with the law.

Where the Company increases or reduces its registered capital, the Company shall handle the procedures for change registration with the company registration authority in accordance with the laws.

**Article 188** The Company may be dissolved and go into liquidation in accordance with the laws in any of the following circumstances:

- (i) where the operation period provided herein expires or where any cause for dissolution provided herein occurs;
- (ii) where the general meeting has adopted a resolution for dissolution;
- (iii) where dissolution is required due to merger or division of the Company;
- (iv) where the Company is declared bankrupt in accordance with the law due to its inability to pay the debts that are due;
- (v) where the business license of the Company is revoked, or the Company is ordered to close down or cancelled in accordance with the laws;
- (vi) where the Company runs deep into difficulties in operation and management, its continuous existence may cause material losses to shareholders' interests, and such difficulties cannot be dealt with in other ways, the shareholders holding 10% or more of votes of all shareholders of the Company may file an application to the People's Court to dissolve the Company.

**Article 189** In the circumstance as set out in the Item (i) of the preceding article, the Company may continue to exist by amending the Articles of Association. Where the Company is dissolved pursuant to the items (i), (ii) and (vi) of the preceding article, a liquidation team shall be established within 15 days, and members thereof shall be determined by the general meeting by ordinary resolution.

Where the Company is dissolved pursuant to the Item (iv) of the preceding article, the People's Court shall, according to provisions of relevant laws, organize the shareholders, the relevant authorities and related professionals to form a liquidation team to carry out liquidation.

Where the Company is dissolved pursuant to the Item (v) of the preceding article, the competent authority shall organize the shareholders, the relevant authorities and related professionals to form a liquidation team to carry out liquidation.

In case no liquidation team is established within the specified period to carry out liquidation, the creditors may file an application to the People's Court to designate relevant persons to form a liquidation team to carry out liquidation. The People's Court shall accept such application, and timely organize the liquidation team to carry out liquidation.

**Article 190** Where the board of directors proposes to liquidate the Company (for any reason other than the Company's declaration of its insolvency), the board of directors shall include a statement in its notice convening the general meeting for such purpose, after making full investigation over the conditions of the Company, in the opinion of the board of directors, the Company will be able to pay its debts in full within 12 months from the commencement of the liquidation.

Upon the adoption of the resolution for the liquidation of the Company by the general meeting, all powers of the board of directors shall cease immediately.

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

**Article 191** The liquidation team shall notify the creditors within 10 days of, and make announcements in the newspapers within 60 days, of the date of its establishment. A creditor shall, within 30 days of receipt of the notice, or in the case of failure to receive the notice, within 45 days of the date of the announcement, claim its rights to the liquidation team.

In claiming its rights, the creditor shall explain the relevant issues on the creditor's rights, and provide evidential materials in respect thereof. The liquidation team shall register the creditor's rights in accordance with the relevant laws.

In the course of claiming of creditors' rights, the liquidation team shall not make any repayment to creditors.

**Article 192** During the liquidation period, the liquidation team shall exercise the following functions and powers;

- (i) to liquidate the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (ii) to notify or make announcement to the creditors;
- (iii) to deal with and liquidate any outstanding businesses of the Company;
- (iv) to pay all outstanding taxes and taxes arising from the liquidation;
- (v) to settle creditor's rights and debts;
- (vi) to deal with the remaining assets after the Company's debts have been paid;
- (vii) to represent the Company in any civil proceedings.

**Article 193** After it has liquidated the Company's assets and prepared the balance sheet and an inventory of assets, the liquidation team shall formulate a liquidation plan and present it to the general meeting or to the competent authority for confirmation.

The assets of the Company shall be applied in the sequence below: payment of liquidation cost, salary of employees, social insurance premiums, statutory compensation, taxes payable, and debts of the Company.

The remaining assets after payment is made pursuant to the foregoing provision shall be distributed to its shareholders according to the category and proportion of the shares held by shareholders.

During the liquidation period, the Company remains in existence; however, it shall not carry out any business activities unrelated to liquidation.

The Company's assets shall not be distributed to its shareholders before payment is made pursuant to the foregoing provision.

**Article 194** If, liquidation occurs due to dissolution of the Company, and after liquidation of the Company's assets and preparation of a balance sheet and an inventory of assets, the liquidation team discovers that the Company's assets are insufficient to pay the Company's debts in full, the liquidation team shall immediately file an application to the People's Court for declaration of bankruptcy.

After the Company is declared bankrupt pursuant to the adjudication of the People's Court, the liquidation team shall transfer all matters relating to the liquidation to the People's Court.

**Article 195** Upon completion of the liquidation, the liquidation team shall prepare a liquidation report, a statement of incomes and expenses for the liquidation period and financial books, which shall, after verified by a certified public accountant of China, be submitted to the general meeting or competent authority for confirmation.

The liquidation team shall, within 30 days after confirmation by the general meeting or competent authority, submit the foregoing documents to the company registration authority and apply for cancellation of registration of the Company, and make announcement relating to the termination of the Company.

**Article 196** Members of the liquidation team shall faithfully perform their duties and perform their liquidation obligations in accordance with the law. Members of the liquidation team may not, by abusing their authorities, accept bribes or receive other illegal income, nor misappropriate the Company's assets. Any member of the liquidation team who causes losses to the Company or its creditors due to his/her intentional misconduct or gross negligence shall be liable for damages.

**Article 197** Where the Company is declared bankrupt in accordance with the laws, bankruptcy liquidation shall be carried out in accordance with the laws concerning bankruptcy of enterprises.

## **CHAPTER 12 AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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

In any of the following circumstances, the Company shall amend the Articles of Association:

- (i) the Articles of Association are contradictory to any provision of the amended version of the Company Law or other relevant laws or administrative regulations;

- (ii) there is any change to the condition of the Company, which is inconsistent with any matter recorded in the Articles of Association;
- (iii) the general meeting adopts a resolution for amendment of the Articles of Association.

**Article 199** Any amendment of the Articles of Association shall, if involving the contents in the Mandatory Provisions, become effective after approved by the company approval authority authorized by the State Council and the securities regulatory authority under the State Council; if there is any change relating to the registered particulars of the Company, the procedures for change registration shall be handled in accordance with the laws.

**Article 200** The board of directors shall amend the Articles of Association according to the resolution of the general meeting for amendments hereof and the approval opinions of competent authority.

Any amendments to the Articles of Association which are required to be disclosed pursuant to laws and regulations shall be made known to the public in accordance with the relevant laws and regulations.

### **CHAPTER 13 NOTICES AND ANNOUNCEMENTS**

**Article 201** Any and all notices of the Company shall be delivered as follows:

- (i) personally;
- (ii) by mail;
- (iii) by facsimile or email;
- (iv) by means published on the website designated by the Company and the Hong Kong Stock Exchange, subject to compliance with the laws, administrative regulations and the listing rules of the place where the shares of the Company are listed;
- (v) by announcement;
- (vi) by other means previously agreed by the Company or the receiving party or as recognized by the receiving party after receipt of the notice; or
- (vii) by other means as recognized by the relevant regulatory authority at the place where the shares of the Company are listed or prescribed by the Articles of Association.

The term “announcement” as mentioned herein, unless otherwise stated in the context, for purposes of the announcement made to the shareholders of domestic shares and the shareholders of unlisted foreign shareholders or which shall be made within PRC in accordance with the relevant regulations and the Articles of Association, means publication of announcement in the newspapers and periodicals of China. The relevant newspapers and periodicals shall be those prescribed by the laws and regulations of China, or designated, agreed or permitted by the securities regulatory authority under the State Council; for purposes of the announcement made to the shareholders of H-shares of the Company or which shall be made in Hong Kong in accordance with the relevant regulations and the Articles of Association, such announcement must be published in the newspapers and periodicals and/or other designated media (including websites) as required by the Hong Kong Listing Rules.

Unless otherwise specified herein, if any notice issued to the shareholders of H-shares of the Company is delivered by announcement, according to the requirements of the Hong Kong Listing Rules, on the same day, the electronic version available for publication immediately shall be submitted to the Hong Kong Stock Exchange via the electronic system of the Hong Kong Stock Exchange, for publication on the website of the Hong Kong Stock Exchange, or announcement shall be published in the newspapers (including publication of advertisements in the newspapers). The announcement must also be posted on the Company’s website. In addition, unless otherwise provided in the Articles of Association, the notice must be delivered personally or by postage prepaid mail at the address registered in the register of shareholders of each shareholder of overseas-listed foreign shares, so that the shareholder may have sufficient notice and enough time to exercise its rights or act upon the terms notified.

The shareholders of overseas-listed foreign shares of the Company may in writing select to receive, by electronic means or by mailing, any company communications which shall be mailed by the Company to shareholders, and to only receive the Chinese version or the English version, or both; and may also within reasonable time give a prior written notice to the Company to change the method for receiving the above information and the language version according to the appropriate procedures.

If a shareholder or director intends to prove that he/she has served a notice, document, information or written statement on the Company, he/she must provide the evidence to prove that the relevant notice, document, information or written statement has been served in the usual manner within the time specified or by postage prepaid mail mailed to the correct address.

Even if the foregoing provision expressly requires the provision and/or distribution of company communications to shareholders in writing, for purposes of the means for provision and/or distribution of company communications to shareholders according to the requirements of the Hong Kong Listing Rules, the Company may, with the prior written consent or implicit consent of the shareholders in accordance with the relevant laws and regulations and relevant requirements of the Hong Kong Listing Rules amended from time to time, send or provide company communications to shareholders of the Company by electronic means or by posting information on the Company’s website. Company communications include, but are not limited to, circulars, annual reports, mid-year reports, notices of the general meeting, and other company communications listed in the Hong Kong Listing Rules.

## CHAPTER 14 SETTLEMENT OF DISPUTES

**Article 202** The Company shall abide by the following principles for settlement of disputes:

- (i) Any disputes or claims in connection with the affairs of the Company arising between the Company and its directors, supervisors or senior management officers, between the shareholders of the overseas-listed foreign shares and the Company, between the shareholders of the overseas-listed foreign shares and the Company's directors, supervisors or senior management officers members, between the shareholders of the overseas-listed foreign shares and shareholders of domestic shares or shareholders of unlisted foreign shareholders, in respect of any rights or obligations under the contracts concluded in accordance with the Articles of Association, and pursuant to Article 159 and 160 hereof and as prescribed by the Company Law and any other relevant laws and administrative regulations shall be referred by the parties concerned to the arbitration body for arbitration.

When a dispute or claim referred to in the preceding paragraph is submitted for arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall, where such person is the Company, or the Company's shareholders, directors, supervisors, or other senior management officers of the Company, submit to the arbitration.

Dispute in respect of the definition of shareholders and dispute in relation to the register of shareholders need not be resolved by arbitration.

- (ii) A claimant may elect for arbitration to be carried out at China International Economic and Trade Arbitration Commission in accordance with the arbitration rules thereof or Hong Kong International Arbitration Center in accordance with the Securities Arbitration Rules thereof. Once a claimant submits a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.

If a claimant elects for arbitration to be carried out at Hong Kong International Arbitration Center, any party to the dispute or claim may apply for arbitration to take place in Shenzhen in accordance with the Securities Arbitration Rules of Hong Kong International Arbitration Center.

- (iii) If any disputes or claims are settled by way of arbitration in accordance with Item (i), the laws of the PRC shall govern, save as otherwise provided in the laws and administrative regulations.
- (iv) The award rendered by an arbitral body shall be final and binding on all parties.
- (v) The arbitration agreement is entered into by and between the directors or senior management officers and the Company. The Company represents both itself and each shareholder.
- (vi) Any submitted arbitration shall be deemed to authorize the arbitral tribunal to conduct a public hearing and announce its award.



## CHAPTER 15 SUPPLEMENTARY PROVISIONS

**Article 203** The phrases “more than” and “less than” herein for the numbers shall include the numbers indicated themselves, while the phrases “exceed”, “beyond” and “over” shall exclude the numbers indicated themselves.

The meaning of the accounting firm as used herein shall be the same as the “auditor”.

The term “related/connected party relationship” means the relationship between the Company and the related party/connected party as defined in the listing rules of the place where the shares of the Company are listed.

**Article 204** Any and all notices or other documents to be submitted by the Company to the Hong Kong Stock Exchange shall be written in English or attached with the English translation that is signed and verified.

The Articles of Association are written in Chinese. In case of any discrepancy between the version in other languages and the Chinese version, the Chinese version shall prevail.

If there is any discrepancy between the provisions concerning such matter of the Articles of Association and relevant laws and regulations, rules, regulatory documents and the listing rules of the place where the shares of the Company are listed, the latter shall prevail.

The matters not covered herein shall be governed by the relevant laws and regulations, rules, regulatory documents and the listing rules of the place where the shares of the Company are listed.

**Article 205** The board of directors of the Company shall be responsible for interpretation of the Articles of Association, and become effective and be implemented from the date of approval at the general meeting.