

**A-LIVING SMART CITY SERVICES CO., LTD.\***

**雅生活智慧城市服務股份有限公司**

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

## **Articles of Association**

(As adopted by special resolution passed at the annual general meeting of  
the Company on 30 May 2023)

\* *For identification purposes only*

*Note: The English version is for reference only. Should there be any inconsistency between the English and Chinese versions, the Chinese version shall prevail.*

## **Contents**

Chapter 1	General . . . . .	1
Chapter 2	Operational Objectives and Scope . . . . .	2
Chapter 3	Shares and Registered Capital . . . . .	3
Chapter 4	Increase, Decrease and Repurchase of Shares . . . . .	6
Chapter 5	Transfer of Shares . . . . .	10
Chapter 6	Financial Assistance for Purchase of Company Shares . . . . .	11
Chapter 7	Share Certificates and Register of Shareholders . . . . .	13
Chapter 8	Rights and Obligations of Shareholders . . . . .	19
Chapter 9	General Meetings . . . . .	24
Chapter 10	Special Procedures for Voting by Class Shareholders . . . . .	38
Chapter 11	Board of Directors . . . . .	41
Chapter 12	Secretary of the Board of the Company . . . . .	48
Chapter 13	General Manager (President) and Other Senior Management . . . . .	49
Chapter 14	Supervisory Committee . . . . .	51
Chapter 15	Qualifications and Obligations of Directors, Supervisors, General Manager (President) and Other Senior Management Members of the Company . . . . .	54
Chapter 16	Financial Accounting System and Distribution of Profits . . . . .	62
Chapter 17	Appointment of an Accounting Firm . . . . .	66
Chapter 18	Merger and Division of the Company . . . . .	68
Chapter 19	Dissolution and Liquidation of the Company . . . . .	70
Chapter 20	Amendments to these Articles of Association . . . . .	72
Chapter 21	Notices . . . . .	73
Chapter 22	Settlement of Disputes . . . . .	75
Chapter 23	Miscellaneous . . . . .	76

## Chapter 1 General

**Article 1** In order to safeguard the legitimate interests of A-Living Smart City Services Co., Ltd. (the “Company”), its shareholders and creditors, and regulate the organization and activities of the Company, these Articles of Association are hereby formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”), the Mandatory Provisions of Articles of Association of Companies Listing Overseas (the “Mandatory Provisions”), the Opinion Letter on the Supplementation and Amendment of Articles of Association of Companies Listing in Hong Kong, the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant laws, regulations and rules.

**Article 2** The Company is a joint stock company with limited liability established in accordance with the Company Law, the Special Regulations and other relevant laws, regulations and rules.

The Company was established by way of promotion on July 21, 2017 and registered at Zhongshan Administration for Industry and Commerce on July 21, 2017, with the Business License (unified social credit code: 91442000282096687C) granted.

**Article 3** The promoters of the Company are Zhongshan A-Living Enterprises Management Services Co., Ltd.\* and Deluxe Star International Limited. The registered names of the Company are:

Chinese full name: 雅生活智慧城市服務股份有限公司;

English full name: A-Living Smart City Services Co., Ltd.

**Article 4** Address of the Company: Management Building, Xingye Road, Agile Garden, Sanxiang Town, Zhongshan, Guangdong Province.

Postcode: 528463

Telephone number: 0760-86389888

Fax number: 0760-86389888

**Article 5** The Chairman of the Board of Directors is the legal representative of the Company.

\* For identification purposes only

**Article 6** The Company is a joint stock company with limited liability in perpetual existence, and has the qualification of an independent legal person.

All of the assets of the Company shall be divided into shares of equal value. Each shareholder shall be liable for the Company to the extent of the shares subscribed, and the Company is liable for its debts to the extent of all of its assets. The Company may invest in other limited liability companies and joint stock limited companies, and shall be liable for the invested companies to the extent of its capital contribution.

**Article 7** Upon approval through a special resolution at the general meeting of the Company and by relevant state departments, these Articles of Association shall take effect on the date the overseas listed foreign shares issued by the Company are listed on the Mainboard of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), and shall replace the previous Articles of Association of the Company filed at the competent administration for industry and commerce.

The Articles of Association shall be a legally binding document that regulates the Company’s organization and conducts, the rights and obligations between the Company and its shareholders, and amongst the shareholders themselves once it comes into effect.

**Article 8** The Articles of Association shall be binding on the Company, shareholders, Directors, Supervisors, General Manager (President) and other senior management members, with such personnel being entitled to claim for rights on matters relating to the Company in accordance with the Articles of Association.

Pursuant to the Articles of Association, a shareholder may claim against the Company; the Company may claim against the shareholders; the shareholders may claim against the other shareholders; the shareholders may claim against Directors, Supervisors, General Manager (President) and other senior management members of the Company.

For the purposes of the preceding paragraph, the term “claim” shall include the initiation of proceedings in a court or application to an arbitration institution for arbitration.

**Article 9** The other senior management members referred to in the Articles of Association include Vice General Managers (Vice Presidents), the secretary of the Board, the Chief Financial Officer of the Company.

## **Chapter 2 Operational Objectives and Scope**

**Article 10** The operational objectives of the Company are to facilitate the development of national economy in China and secure satisfactory returns with the wish of strengthening economic collaboration and technical exchange.

**Article 11** As registered according to the laws, the business scope of the Company shall be: household service, property management service; outsourcing of manpower; water and electricity maintenance; interior decoration engineering; landscaping engineering (operated by communities of the Company); Chinese food (operated by branches); production and selling of western food (excluding cold dish, decorated cake and raw sea food); tea ceremony; swimming; billiard ball; table tennis; body building; tennis; bowling; golf driving cages; chess and cards (Chinese chess, the game of go, chess and bridge); barbecue; grass skating; elevator maintenance; operation of parking lot; household cleaning service; aerobics; squash; rowing; fishing field; foot bath; beauty salon (excluding medical beauty and operated by branches); agency services of real estate; retail of garments, shoes, boxes, bags and general merchandise (excluding food), stationery and office supplies, toys, sports ware and sports equipment, cosmetics, sanitary articles, hats, household utensils and daily necessities; imports and exports of goods (except for the imports and exports of goods and technologies prohibited by the state or required administrative approval) (the above business scope involves the import and export of goods and technologies) (excluding the goods under special control); and hotel management service; catering service; all types of advertising design, production, publication and agency; marketing planning services; corporate investment advisory (except financial business) (excluding social surveys and market surveys); research and development and installation of intelligent equipment; operation and maintenance services of application software, information system integration services; development, sale and installation of computer products; development of computer software, transfer of technology, technology advisory services; research and development and sale: the Internet of Things (IoT) software and hardware products; construction of energy-saving engineering; environmental monitoring services; air monitoring and treatment; real estate advisory services; human resources services; business management advisory services; technology business incubators; profit-making elderly care centres. (The aforesaid items do not fall within the scope of Special Administrative Measures for Foreign Investment Admission.) (The items that are subject to approval according to laws, shall be operated only after being approved by relevant departments. According to the Document Yue Fu Ban [2014] No. 24, the abovementioned business scope involves the operation of highly dangerous sports project and public places, and the installation, upgrading and maintenance of special equipment.)

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

**Article 12** The Company shall issue ordinary shares at all times. With the approval from authorities authorized by the State Council, the Company may issue other classes of shares when needed.

**Article 13** The Company shall issue shares in an open, fair and just manner, and each share of the same class shall have the same right.

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

**Article 14** The shares of the Company shall be issued in the form of share certificates. All the shares issued by the Company shall have a nominal value, denominated in RMB, with each share having a nominal value of RMB1.

**Article 15** With the approval by the Securities Regulatory Authorities of the State Council, the Company may issue its shares to domestic and foreign investors. The term of foreign investors mentioned in the preceding paragraph refers to the investors in foreign countries, Hong Kong, Macao or Taiwan who subscribe for shares issued by the Company; the term of domestic investors refers to the investors within the territory of the PRC (other than the above-mentioned regions) who subscribe for the shares issued by the Company.

**Article 16** Shares issued by the Company to domestic investors for subscription in RMB are referred to as Domestic Shares. Shares issued by the Company to foreign investors to subscribe in foreign currency are referred to as foreign shares. The foreign shares, which are listed overseas, shall be referred to as overseas listed foreign shares. Subject to the approvals of the Securities Regulatory Authorities of the State Council and the overseas Securities Regulatory Authorities, Domestic Shares which are traded on the Hong Kong Stock Exchange shall be of the same class as the overseas listed foreign shares, collectively the overseas listed shares.

Both holders of Domestic Shares and foreign shares are ordinary shareholders and have the equal rights and obligations.

Holders of unlisted shares of the Company may list and trade their shares on overseas stock exchange(s) upon approvals of the Securities Regulatory Authorities of the State Council. Holders of Domestic Shares of the Company may transfer all or part of the shares held by them to foreign investors and have the shares listed and traded on overseas stock exchange(s), subject to the approval of overseas stock exchange(s). All or part of the Domestic Shares are convertible into foreign shares, and the resulting foreign shares may be listed and traded on overseas stock exchange(s). Listing and trading of such shares on overseas stock exchange(s) shall comply with the regulatory procedures, provisions and requirements of overseas securities market(s). No shareholders' general meeting or shareholders' class meeting is required to be convened for voting in respect of the conversion and/or transfer and listing of such shares on overseas stock exchanges. The overseas listed shares converted from Domestic Shares shall be of the same class as the existing overseas listed foreign shares.

**Article 17** The total number of ordinary shares issued by the Company upon its establishment is 50,000,000 shares, all subscribed and held by the promoters, among which:

Zhongshan A-Living Enterprises Management Services Co., Ltd.\* subscribes and holds 49,500,000 shares via capital contribution of shares converted from net assets at June 30, 2017, representing 99% of the total ordinary shares issued by the Company upon its establishment;

Deluxe Star International Limited subscribes and holds 500,000 shares via capital contribution of shares converted from net assets at June 30, 2017, representing 1% of the total ordinary shares issued by the Company upon its establishment.

\* For identification purposes only

**Article 18** Before the initial public offering of overseas listed foreign shares and as of February 9, 2018, the share capital of the Company is RMB1,000,000,000, and the total number of shares is 1,000,000,000 shares, all of which are ordinary shares. The equity structure is listed as follows:

No.	Name of Shareholders	Number of shares	Percentage of Shareholding
1	Zhongshan A-Living Enterprises Management Services Co., Ltd.*	712,800,000	71.28%
2	Deluxe Star International Limited	7,200,000	0.72%
3	Gongqingcheng A-Living Investment Management Limited Partnership*	80,000,000	8%
4	Ningbo Lvjin Investment Management Co., Ltd.*#	100,000,000	10%
5	Greenland Financial Overseas Investment Group Co., Ltd.	100,000,000	10%
<b>Total</b>		<b>1,000,000,000</b>	<b>100%</b>

# The company name has been changed to Shenzhen Lvjin Enterprise Management Co., Ltd.\* on December 15, 2020

Upon the completion of initial public offering of overseas listed foreign shares, the share capital of the Company is comprised of 1,333,334,000 ordinary shares, including 892,800,000 Domestic Shares and 7,200,000 unlisted foreign shares and 433,334,000 overseas listed foreign shares .

On June 29, 2020, the China Securities Regulatory Commission approved the conversion of 892,800,000 Domestic Shares and 7,200,000 unlisted foreign shares of the Company into overseas listed shares. On July 23, 2020, the Hong Kong Stock Exchange approved the listing and trading of 900,000,000 overseas listed shares upon completion of the above conversion. The conversion was completed on July 28, 2020 and was listed on the main board of the Hong Kong Stock Exchange on July 29, 2020.

After the completion of the issuance of 86,666,800 overseas listed foreign shares on June 4, 2021, the share capital of the Company is comprised of: 1,420,000,800 ordinary shares, including 0 Domestic Shares and 1,420,000,800 overseas listed shares (including 892,800,000 overseas listed shares converted from Domestic Shares and 527,200,800 overseas listed foreign shares).

**Article 19** For the Company's plans for issuing overseas listed shares and Domestic Shares approved by the Securities Regulatory Authorities of the State Council, the Board of Directors of the Company may arrange for implementation of such plan by separate issues.

The Company may separately implement its plan for issuing overseas listed shares and Domestic Shares pursuant to the preceding paragraph within fifteen months from the date of approval of the Securities Regulatory Authorities of the State Council.

\* For identification purposes only

**Article 20** Where the Company issues overseas listed shares and Domestic Shares respectively within the total number of shares specified in the issue plan, the respective shares shall be fully subscribed for in one go. Where it is impossible for respective shares to be fully subscribed for in one go under exceptional circumstances, the shares may be issued in several tranches subject to the approval of the Securities Regulatory Authorities of the State Council.

**Article 21** The registered capital of the Company is RMB1,420,000,800 with total investment of RMB1,420,000,800.

## **Chapter 4 Increase, Decrease and Repurchase of Shares**

**Article 22** The Company may, based on its business and development needs and in accordance with the requirements of laws and regulations, increase its capital in the following manners upon resolutions being adopted respectively by the general meetings:

- (1) by issuing new shares to non-specified investors;
- (2) by issuing new shares to specified investors;
- (3) by placing or distributing new shares to its existing shareholders;
- (4) by capitalizing its capital reserves;
- (5) by other ways permitted by the laws, administrative regulations and pertinent regulatory authorities.

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

**Article 23** The Company may reduce its registered capital. The Company may reduce its registered capital in accordance with the procedures provided in the Company Law and other relevant requirements and these Articles of Association.



**Article 24** In the event of reduction of registered capital, the Company shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within ten days from the date of the resolution in respect of registered capital reduction and publish an announcement in newspapers within thirty days from the date of the resolution. The creditors shall, within thirty days from the date of receiving the notice or within forty-five days from the date of publication of the announcement (for those who do not receive the notice), have a right to require the Company to settle their debts or to offer corresponding guarantees for their settlement.

The registered capital of the Company after such reduction shall not be lower than the statutory minimum amount.

**Article 25** Under the following circumstances, the Company may, according to the requirements of the laws, administrative regulations, departmental rules and these Articles of Association and obtaining the approval from relevant national competent authorities, repurchase its outstanding shares in accordance with statutory procedures:

- (1) reducing the Company's registered capital and cancelling shares;
- (2) merging with other companies which hold shares in the Company;
- (3) utilizing shares in the employee share ownership scheme or for share incentive;
- (4) acquiring shares held by shareholders, who vote against any resolution proposed in any general meeting on the merger or division of the Company, upon their request;
- (5) utilizing shares to satisfy the conversion of corporate bonds which are convertible into shares issued by the listed company;
- (6) safeguarding the corporate value and the shareholders' interests as the listed company deems necessary;
- (7) other circumstances as permitted by laws and administrative regulations.

**Article 26** The Company may repurchase its shares in one of the following manners with the approval from relevant national competent authorities:

- (1) by making a pro rata general offer of repurchase to all shareholders;
- (2) by repurchasing shares through public trading on a stock exchange;
- (3) by repurchasing shares through an off-market agreement;
- (4) by other means as permitted by laws, regulations, rules, normative documents and relevant competent authorities.

**Article 27** Where the Company repurchases its shares through an off-market agreement, it shall seek approval of the general meeting in accordance with the Articles of Association. The Company may terminate or amend an agreement entered into in the aforementioned manner or waive any of its rights thereunder with prior approval of the general meeting obtained in the same manner.

The agreement for the share repurchase referred to in the preceding paragraph includes but not limited to agreements assuming obligations of share repurchase and acquiring the rights of the shares repurchased.

The Company shall not transfer an agreement for repurchasing its own shares or any of its rights thereunder.

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

**Article 28** After the shares are acquired by the Company pursuant to the requirements, the Company shall cancel such shares within the period prescribed by laws and administrative regulations, and shall apply to the original company registration authority for registration of the change in the registered capital.

Acquisition of the Company's shares under circumstances specified in item (1) and item (2) of Article 25 of the Articles of Association shall be subject to the resolution of the general meeting. Acquisition of the Company's shares under circumstances specified in items (3), (5) and (6) of Article 25 of the Articles of Association shall be subject to approval by way of resolution at the Board meeting attended by a two-thirds majority of the Directors.

After the Company acquires its own shares according to Article 25, it shall cancel the shares acquired under the circumstance specified in item (1) within 10 days after the acquisition; transfer or cancel the shares under the circumstances specified in items (2) and (4) within 6 months after the acquisition. In case of the circumstances specified in items (3), (5) and (6), the total shares of the Company held by the Company itself shall not exceed 10% of its total shares in issue and shall be transferred or cancelled within 3 years after the acquisition.

When the Company repurchases the shares of the Company under the circumstances specified in items (3), (5) and (6) of Article 25 of the Articles of Association, it shall be conducted through open centralized trading.

The Company shall apply to the Administration for Industry and Commerce for registering the changes in registered capital or equity, and shall make an announcement according to the listing rules.

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

Where the laws, regulations and any other provisions of the relevant requirements of the Securities Regulatory Authority in the place where the Company's shares are listed in respect of the share repurchases, such provisions shall prevail.

**Article 29** Unless the Company is under liquidation, it shall comply with the following provisions in respect of the repurchase of its outstanding shares:

- (1) where the Company repurchases its shares at nominal value, the amount thereof shall be deducted from the book balance of the distributable profits of the Company and from the proceeds of a new issue of shares made for the repurchase of shares;
- (2) where the Company repurchases its shares at a price higher than nominal value, the portion corresponding to the nominal value shall be deducted from the book balance of the distributable profits of the Company and from the proceeds of a new issue of shares made for the repurchase of shares. The portion in excess of the nominal value shall be handled as follows:
  1. if the shares repurchased were issued at nominal value, payment shall be deducted from the book balance of the distributable profits of the Company;
  2. if the shares repurchased were issued at a price higher than their nominal value, payment shall be deducted from the book balance of the distributable profits of the Company and from the proceeds of a new issue of shares made for the repurchase of shares, provided that the amount deducted from the proceeds of the new issue of shares shall not be more than the aggregate of premiums received by the Company at the time of the issue of the shares repurchased nor shall it be more than the amount of the Company's capital common reserve account (including the premiums on the new issue of shares) at the time of such repurchase;
- (3) payment by the Company for the following purposes shall be paid out of the Company's distributable profits:
  1. acquisition of rights to repurchase shares of the Company;
  2. modification of any agreement for repurchasing shares of the Company;
  3. release the Company's obligations under any agreement for repurchasing its shares.
- (4) after the aggregate nominal value of the cancelled shares has been deducted from the registered capital of the Company in accordance with the relevant requirements, the amount deducted from the distributable profits for payment for repurchasing shares at their nominal value shall be accounted for in the Company's capital common reserve account.

Where the laws, regulations and relevant requirements of the Securities Regulatory Authorities in the place where the Company's shares are listed contain any other provisions in respect of the accounting treatment related to the aforementioned share repurchases, such provisions shall prevail.

## Chapter 5 Transfer of Shares

**Article 30** Save as otherwise specified by laws, regulations, normative documents and relevant provisions of the Securities Regulatory Authorities of the place where the Company's shares are listed, shares of the Company may be transferred freely and are not subject to any liens. Transfer of overseas listed shares shall be registered with the share registrar designated by the Company in Hong Kong.

**Article 31** All fully paid overseas listed shares listed on the Hong Kong Stock Exchange may be transferred freely in accordance with these Articles of Association. However, the Board may refuse to recognize any instrument of transfer without any reasons unless the following conditions are satisfied:

- (1) the instrument of transfer and any other documents related to or affecting the title of any shares shall be registered, and payment shall be made to the Company for such registration according to the standard charges stipulated by the Hong Kong Listing Rules, and such payment shall not exceed the maximum amount stipulated by the Hong Kong Listing Rules from time to time;
- (2) the instrument of transfer only relates to the overseas listed shares listed on the Hong Kong Stock Exchange;
- (3) the stamp duty required by the laws of Hong Kong for the instrument of transfer has been paid;
- (4) the relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares shall be provided;
- (5) if the shares are to be transferred to joint holders, the number of joint shareholders registered shall not exceed four;
- (6) the relevant shares are free from all liens of the Company;
- (7) no shares shall be transferred to a minor or a person of unsound mind or under other legal disability.

If the Board of Directors refuses to register the transfer of shares, a notice of the rejection of registration of such transfer of shares shall be issued to the transferor and the transferee within two months upon the duly submission of transfer application.

**Article 32** All transfers of overseas listed shares listed in Hong Kong shall be effected by instruments of transfer in writing in a general or common form or in any other form acceptable to the Board, including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time. The instruments of transfer may be signed by hand only or (where the transferor or transferee is a corporation) stamped with the corporation's chop. If the transferor or transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong (the "Recognized Clearing House") or its nominee, the form of transfer may be signed by hand or in a machine-imprinted format.

All instruments of transfer shall be deposited with the legal address of the Company, address of the share registrar of the Company or such places as the Board may designate from time to time.

**Article 33** The Company shall not accept its own shares as the subject matter of a pledge.

**Article 34** The shares of the Company held by the promoters shall not be transferred within one year after the incorporation of the Company. Shares already issued by the Company before public offering shall not be transferred within one year after the shares of the Company are listed and traded on the stock exchange.

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

## **Chapter 6 Financial Assistance for Purchase of Company Shares**

**Article 35** The Company or its subsidiaries shall not, by any means and at any time, provide any financial assistance to purchasers or potential purchasers of the Company's shares. The aforesaid purchasers of the Company's shares include persons directly or indirectly undertaking obligations due to purchase of the Company's shares.

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

The provisions of this Article shall not apply to the circumstances described in Article 37 of these Articles of Association.

**Article 36** The term “financial assistance” mentioned in this chapter shall include (but not limited to) the following ways:

- (1) gift;
- (2) guarantee (including the undertaking of liability or provisions of property by the guarantor in order to guarantee the performance of the obligation by the obligor), indemnity (excluding, however, indemnity arising from the Company’s own fault) and termination or waiver of rights;
- (3) provision of a loan or signing of a contract under which the obligations of the Company are to be fulfilled prior to the fulfillment of the obligations of the other party to the contract, and a change in the party to such loan or agreement as well as the assignment of rights under such loan or contract;
- (4) financial assistance provided in any other form when the Company is insolvent or has no net assets or when such assistance would lead to a significant reduction in the Company’s net assets.

For the purposes of these Articles of Association, the term “undertake obligations” shall include the undertaking of an obligation by the obligor by entering into a contract or making an arrangement, whether or not such contract or arrangement is enforceable and whether or not such obligation is assumed by the obligor individually or jointly with any other person, or by changing its financial position in any other way.

**Article 37** The acts listed below shall not be regarded as the acts prohibited under Article 35 of these Articles of Association:

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

## **Chapter 7 Share Certificates and Register of Shareholders**

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

The following shall be specified in the Company's share certificates:

- (1) the name of the Company;
- (2) the date on which the Company was established;
- (3) the class and par value of the shares and the number of shares represented;
- (4) the serial number of the share certificates;
- (5) other matters needed to be specified as required by the Company Law, the Special Regulations and the securities regulatory authorities of the place where the Company's shares are listed;
- (6) where the equity of the Company includes shares without voting rights, the words "non-voting shares" must appear in the designation of such shares;
- (7) where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting" or "limited voting".

The overseas listed shares issued by the Company may take the form of overseas depository receipt or other derivative forms of share certificate in accordance with laws and securities registration and depository practice of the place where the Company's shares are listed.

**Article 39** During the period when overseas listed shares are listed on the Hong Kong Stock Exchange, the Company must ensure that documents related to overseas listed shares include the statements as follows, and the Company shall instruct and procure its share registrar not to register the subscription, purchase or transfer of shares in the name of any individual holder unless and until he/she submits properly executed forms related to such shares to the share registrar which shall include the statements as follows:

- (1) the share purchasers and the Company and each of the shareholders, and the Company and each of the shareholders shall agree to observe and comply with the requirements of the Company Law, the Special Regulations and other relevant laws, administrative regulations and the Articles of Association.
- (2) the share purchasers and the Company, each of the shareholders, Directors, Supervisors, General Manager (President) and other senior management members of the Company shall agree, and the Company acting for itself and on behalf of each Director, Supervisor, General Manager (President) and other senior management members shall agree with each shareholder, that the disputes or claims for rights incurred as a result of the rights and obligation provided by the Articles of Association or the Company Law or other relevant laws or administrative regulations and in relation to the affairs of the Company shall be submitted to arbitration in accordance with the Articles of Association, and any submission to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and publish its award. Such arbitration shall be final and conclusive.
- (3) the share purchasers and the Company and each of the shareholders agree that the shares of the Company may be freely transferred by the holder thereof;
- (4) the share purchasers authorize the Company to enter into a contract on their behalf with each of the Directors, General Manager (President) and other senior management members. Pursuant to the contract, the Directors, General Manager (President) and other senior management members undertake to observe and fulfill their responsibilities to the shareholders under the Articles of Association.

**Article 40** The share certificates shall be signed by the Chairman of the Board. Where the signatures of other senior management of the Company are required by the stock exchange(s) where the Company's shares are listed, the share certificates shall also be signed by such other senior management. The share certificates shall become valid after the Company seal is affixed thereto or imprinted thereon. The affixing of the Company seal to the share certificates shall be authorized by the Board. The signature of the Chairman of the Board or such other senior management of the Company on the share certificates may also be in printed form. In case of paperless issuance and trading of the shares of the Company, provisions otherwise provided by the Securities Regulatory Authorities, the stock exchange(s) in the place where the Company's shares are listed shall apply.



**Article 41** The Company shall establish a register of shareholders and shall register therein the following particulars:

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

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

Subject to the Articles of Association and other applicable requirements and upon transfer of the Company's shares, the transferees of the shares will become the holders of such shares with their names (titles) being listed in the register of shareholders.

Transfer of shares shall be recorded in the register of shareholders.

Where two or more persons are registered as joint holders of any shares, they shall be deemed as the common owners of the said shares subject to the following restrictions:

- (1) the Company shall not need to register more than four persons as joint shareholders of any shares;
- (2) the joint holders of any share shall jointly and individually assume the liabilities for all amounts payable for relevant share;
- (3) where any of the joint shareholders deceases, only the surviving joint shareholders shall be deemed by the Company as having title to the relevant shares, but the Board may, for the purpose of modifying the register of shareholders, require the provision of a death certificate of the relevant shareholder as it deems appropriate;
- (4) for joint shareholders of any share, only the person whose name stands first in the register of shareholders shall be entitled to receive such certificate of the relevant share or receive notice from the Company, and the service of notice to the aforesaid person shall be deemed as service of notice to all joint shareholders of the relevant shares. Any joint shareholder may sign the form of proxy. Where there are more than one joint shareholders present in person or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. For this purpose, seniority of the shareholders will be determined by the order in which the names of the joint shareholders of the relevant shares stand in the shareholders' register;
- (5) where one of the joint shareholders delivers receipt to the Company as regards to any dividends, bonus or return of capital which shall be distributed to such joint shareholders, such receipt shall be deemed as valid receipt from such joint shareholders to the Company.

**Article 42** The Company may keep overseas the register of holders of overseas listed shares and entrust the administration thereof to an overseas agent in accordance with the understanding and agreement reached between the Securities Regulatory Authorities of the State Council and the overseas Securities Regulatory Authorities. The original register of holders of overseas listed shares listed in Hong Kong shall be kept in Hong Kong.

The register of holders of overseas listed shares shall be open for inspection by shareholders, but the Company is permitted to close the register on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong).

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

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

**Article 43** The Company shall keep a complete shareholders' register.

The shareholders' register shall include the following parts:

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

**Article 44** The various parts of the register of shareholders shall not overlap with each another. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register of shareholders.

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

**Article 45** Where there are laws, regulations and provisions provided by the Securities Regulatory Authorities in the place(s) where the securities of the Company are listed in respect of the period for closure for transfer of shares prior to the date of a shareholders' general meeting or the record date of the Company for determining entitlement to distributions, such provisions shall prevail.

**Article 46** When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities requiring the recognition of shareholdings; the Board shall designate a certain date as the record date, at the end of which the shareholders in the register shall be shareholders of the Company.

**Article 47** If any person objects to the register of shareholders and requests to have his/her name (title) recorded in or deleted from the register of shareholders, the said person may apply to the court with jurisdiction to correct the register of shareholders.

**Article 48** If any shareholder in the register of shareholders or any person requesting to have his/her name (title) recorded in the register of shareholders loses his/ her share certificates (hereinafter referred to as the “Original Share Certificates”), the said shareholder or person may apply to the Company to issue replacement certificates in respect of the said shares (hereinafter referred to as the “Relevant Shares”).

If a shareholder whose share certificate of Domestic Shares has been lost applies to the Company for a replacement new share certificate, it shall be dealt with in accordance with the relevant provisions of the Company Law.

If a shareholder whose share certificate of overseas listed shares has been lost applies to the Company for a replacement new share certificate, it may be dealt with in accordance with the laws, rules of the stock exchange or other relevant provisions of the place where the original register of holders of overseas listed shares is maintained.

The issue of a replacement new share certificate to a holder of overseas listed shares of a company listed in Hong Kong, who has lost his/her shares certificate and applied for the replacement, shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in a prescribed form accompanied by a notarial certificate or a statutory declaration stating the grounds upon which the application is made and the circumstances and the evidence of the loss, and declaring that no other person is entitled to have his/her name entered in the register of shareholders in respect of the Relevant Shares.
- (2) Before the Company decides to issue the replacement new share certificate, no statement made by any person other than the applicant declaring that his/ her name shall be entered in the register of shareholders in respect of such shares has been received.
- (3) The Company shall, if it decides to issue a replacement new share certificate to the applicant, publish an announcement in respect of the issue of a replacement new share certificate in such newspapers as may be designated by the Board; the period of announcement shall be 90 days and the announcement shall be reissued at least once every 30 days.

- (4) The Company shall, prior to the publication of the announcement of its proposed issue of a replacement new share certificate, submit to the stock exchange on which its shares are listed a copy of the announcement to be published, and may publish the announcement upon receiving confirmation from such stock exchange that the announcement has been exhibited at the premises of the said stock exchange. Such announcement shall be exhibited at the premises of the said stock exchange for a period of 90 days.

If the application for replacement of a share certificate is made without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such registered shareholder a photocopy of the announcement to be published.

- (5) If, upon expiry of the 90-day period of announcement and exhibition referred to in items (3) and (4) of this Article, the Company has not received from any person any objection to such application in respect of the issue of replacement share certificate, the Company may issue a replacement new share certificate to the applicant accordingly.
- (6) Where the Company issues a replacement new share certificate under this Article, it shall immediately cancel the Original Share Certificates and record the cancellation and replacement issue in the register of shareholders accordingly.
- (7) All expenses relating to the cancellation of the Original Share Certificates and the issue of a replacement new share certificate by the Company shall be borne by the applicant and the Company is entitled to refuse to take any action until the applicant has provided reasonable security.

**Article 49** Where the Company issues a new replacement share certificate pursuant to the Articles of Association, the name (title) of a bona fide purchaser gaining possession of such new share certificate or the person who is subsequently entered in the register of shareholders as holder of such shares (if he/she is a bona fide purchaser) shall not be removed from the register of shareholders.

**Article 50** The Company shall not be liable for any damages suffered by any person arising from the cancellation of the Original Share Certificates or the issuance of a new replacement share certificate, unless the claimant can prove that the Company has committed a fraudulent act.

## **Chapter 8 Rights and Obligations of Shareholders**

**Article 51** A shareholder of the Company is a person who lawfully holds shares of the Company and has his/her name (title) recorded in the register of shareholders.

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

If the shareholder of the Company is a legal entity, the rights shall be enforced by its legal representative or a proxy of such legal representative.

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

**Article 52** The ordinary shareholders of the Company shall enjoy the following rights:

- (1) the right to receive dividends and other profit distributions in proportion to their shareholdings;
- (2) the right to attend or appoint proxies to attend general meetings and to exercise the voting rights;
- (3) the right to supervise and manage the Company's business activities, to present proposals or to raise enquires;
- (4) the right to transfer shares in accordance with laws, administrative regulations and provisions of the Articles of Association;

- (5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:
1. the right to obtain a copy of the Articles of Association, subject to payment of cost;
  2. the right to inspect and copy, subject to payment of a reasonable charge:
    - i. the register of all the shareholders;
    - ii. personal particulars of each of the Company's Directors, Supervisors, General Manager (President) and other senior management members, including:
      - (a) present and former name and alias;
      - (b) principal address (domicile);
      - (c) nationality;
      - (d) primary and all other part-time occupations and duties;
      - (e) identification documents and the numbers thereof.
    - iii. reports showing the status of the Company's issued share capital;
    - iv. reports showing the aggregate nominal value, quantity, maximum and minimum prices paid in respect of each class of shares repurchased by the Company since the end of the last financial year and the aggregate amount incurred by the Company for this purpose (with a breakdown between Domestic Shares and foreign shares);
    - v. minutes of general meetings (only available for inspection to shareholders) and copies of the Company's resolutions of general meetings, Board meetings and meeting of Supervisory Committee;
    - vi. the latest audited financial statements, and reports of Board of Directors, auditors and Supervisory Committee of the Company;
    - vii. a copy of the latest Annual Inspection Form that has been filed with the PRC Administration for Industry and Commerce or other competent authorities;

3. Counterfoils of corporate bonds.

Documents of item 2ii to vii mentioned above and any other applicable documents shall be made available by the Company, according to the requirements of the Hong Kong Listing Rules, at the Company's address in Hong Kong, for the public and the shareholders to inspect free of charge (provided that minutes of general meetings are available for inspection by the shareholders only). When a shareholder requests to inspect the relevant information mentioned in the preceding Article or obtain such materials, he/she shall provide the Company with such written documents evidencing the class and amount of shares he/she holds in the Company. The Company may provide such information per the shareholder's request after verifying his/her identity.

- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the shareholdings;
- (7) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to buy back their shares;
- (8) the right to initiate legal proceedings to the People's Court against acts which are detrimental to the interests of Company or infringe on the lawful interests of shareholders, and to claim the relevant interests pursuant to the Company Law or other laws and administrative regulations;
- (9) other rights under laws, administrative regulations, listing rules of the place(s) where the shares of the Company are listed and these Articles of Association.

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

**Article 53** The ordinary shareholders of the Company shall have the following obligations:

- (1) to abide by laws, administrative regulations and these Articles of Association;
- (2) to pay capital contribution for the shares subscribed for in the prescribed method of subscription;
- (3) except as otherwise provided by laws and regulations, withdrawal of share capital shall not be permitted;
- (4) not to abuse shareholder's right to prejudice the interests of the Company or other shareholders; not to abuse the independent status of legal person of the Company or shareholder's limited liability to prejudice the interests of the creditors of the Company. Shareholders of the Company who abuse their shareholder's rights and thereby causing loss to the Company or other shareholders shall be liable for compensation according to the law. Where shareholders of the Company abuse the independent status of legal person of the Company and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.
- (5) to fulfill other obligations as stipulated by laws, administrative regulations and these Articles of Association.

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

**Article 54** Where shareholders holding five percent or more of voting shares of the Company pledges any shares he/she holds, he/she shall notify the Company in writing on the day such pledge occurs.

**Article 55** The controlling shareholders and the de facto controllers of the Company shall not use the related (connected) relations to prejudice the interests of the Company; otherwise, they shall be liable for compensation for the loss suffered by the Company.

The controlling shareholders and the de facto controllers of the Company owe fiduciary duties towards the Company and other shareholders of the Company. The controlling shareholders shall exercise his/her rights as a capital contributor in strict compliance with laws. The controlling shareholders shall not make use of methods such as the distribution of profits, restructuring of assets, external investments, misappropriation of assets, borrowing or loan guarantees to prejudice the legitimate interests of the Company and other shareholders, and shall not make use of their controlling positions to prejudice the interests of the Company and other shareholders.



**Article 56** Save for the obligations imposed by laws, administrative regulations or required by the listing rules of the place where the shares of the Company are listed, the controlling shareholders shall not, in the exercise of their shareholders' rights, make decisions prejudicial to the interests of all or part of the shareholders in the exercise of their voting rights on the issues set forth below:

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

**Article 57** The term "Controlling Shareholder" referred to in the foregoing Article refers to a person that satisfies any of the following conditions:

- (1) he/she, acting alone or in concert with others, has the power to elect half or more of the total number of Directors;
- (2) he/she, acting alone or in concert with others, has the power to exercise or control the exercise of thirty percent or more of the Company's voting rights;
- (3) he/she, acting alone or in concert with others, holds thirty percent or more of the issued and outstanding shares of the Company;
- (4) he/she, acting alone or in concert with others, has de facto control over the Company in any other manner.

## Chapter 9 General Meetings

**Article 58** The general meeting is the authority of power of the Company, and shall exercise the following duties and powers in accordance with the law:

- (1) to decide the Company's operational policies and investment plans;
- (2) to elect and change the Directors and Supervisors who are not representatives of the employees and decide on the remunerations of Directors and Supervisors;
- (3) to examine and approve reports of the Board of Directors;
- (4) to examine and approve reports of the Supervisory Committee;
- (5) to examine and approve the proposed annual financial budgets, final accounts, balance sheets, profit statements and other financial statements of the Company;
- (6) to examine and approve the profit distribution plans and loss recovery plans of the Company;
- (7) to examine and approve the annual reports of the Company;
- (8) to make resolutions on the increase or reduction of the registered capital of the Company as well as issuance of any classes of shares, warrants, and other similar securities;
- (9) to make resolutions on the merger, division, dissolution, liquidation or change in the form of the Company;
- (10) to make resolutions on the issuance of corporate bonds and other securities and listing of the Company;
- (11) to make resolutions on the engagement, removal, or discontinuance of engagement of accounting firms by the Company;
- (12) to amend the Articles of Association;
- (13) to examine the proposals by the shareholders severally or jointly holding three percent or more of the voting shares of the Company;
- (14) to examine the matters relating to the purchases and disposals of the Company's material assets or the provisions of guarantees within one year with an amount exceeding thirty percent of the Company's latest audited total assets;

- (15) to examine and approve the external guarantees that shall be approved by the general meeting;
- (16) to examine the share incentive schemes;
- (17) to examine other matters required to be resolved at the general meeting pursuant to laws, administrative regulations, the listing rules of the place where the Company's shares are listed or provisions of the Articles of Association.

The general meeting can authorize or entrust the Board to handle the matters authorized or entrusted thereby, provided that the laws and regulations, and the mandatory laws and regulations of the place where the Company's shares are listed are not violated.

The general meeting may authorize or entrust the Board to handle the matters authorized or entrusted thereby, including but not limited to handling the following matters at the general meeting:

1. subject to the applicable laws, regulations and listing rules, to grant the Board the general mandate to issue, allot and deal with additional overseas listed shares not exceeding 20% (or other proportions as stipulated by applicable laws, regulations and listing rules) of the overseas listed shares issued; and to authorize the Board to make corresponding amendments to the Articles of Association as it thinks appropriate, so as to reflect the new capital structure upon allotment or issuance of shares.
2. to authorize the Board to, within the cap amount of bonds issuance and based on the needs of production, operation, capital expenditure and market conditions, determine the specific items and relevant matters of issuing debt financing instruments such as domestic short-term financing bills, medium-term notes, corporate bonds and overseas USD bonds, including (but not limited to), within the aforesaid scope, determining the amount, interest rate, term, target subscribers, use of proceeds of bonds actually issued and preparing, signing and disclosing all necessary documents.

**Article 59** Any external guarantee of the Company shall be considered and approved by the Board. The Company's guarantees provided to shareholders or de facto controller(s) shall be subject to consideration of the general meeting.

When the general meeting is considering a proposal to provide guarantee for any shareholder, de facto controller(s) or its related (connected) party, the shareholder or shareholders controlled by the de facto controller(s) shall not participate in voting on the proposal, and the proposal shall be passed by other attending shareholders holding more than half of the voting rights. The voting result of non-related (non-connected) shareholders shall be adequately disclosed in the announcement of the resolutions at the general meeting.

If a Director, General Manager (President) and any other senior management member violates the requirements on the approval authority and consideration procedures for external guarantees as specified in laws, administrative regulations or the Articles of Association, thereby causing the Company to suffer a loss, he or she shall be held liable for compensation, and the Company may institute a legal action against him or her according to the laws.

**Article 60** In addition to the situation that the Company is in crisis or other special circumstances, the Company shall not enter into contracts with a party (other than a Director, Supervisor, the General Manager (President) and other senior management members) in relation to handover of the administration of all business or the important business of the Company to that party without the approval of the general meeting by special resolution.

**Article 61** The general meetings consist of annual general meetings and extraordinary general meetings. The annual general meeting shall be held once every year within six months from the end of the previous accounting year.

The extraordinary general meeting shall be convened as and when necessary. In the occurrence of any of the following events, the Board of Directors shall convene an extraordinary general meeting within two months:

- (1) when the number of Directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;
- (2) when the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;
- (3) when shareholder(s) individually or jointly holding ten percent or more of the Company's issued shares carrying voting rights request(s) in writing to convene an extraordinary general meeting (the number of shares held shall be the figure as at the date of the written request from the shareholder);
- (4) when deemed necessary by the Board or when proposed by the Supervisory Committee;
- (5) any other circumstances stipulated by laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed or the Articles of Association.

**Article 62** Where an annual general meeting is convened by the Company, a written notice shall be given twenty-one days prior to the convening of the meeting to notify all the registered shareholders of the matters to be considered at the meeting, as well as the time and venue of the meeting; where an extraordinary general meeting is convened by the Company, a written notice shall be given fifteen days prior to the convening of the meeting to notify all the registered shareholders of the matters to be considered at the meeting, as well as the time and venue of the meeting.

**Article 63** When a general meeting is convened by the Company, the Board, Supervisory Committee and shareholders who individually or jointly hold three percent or more of the shares of the Company, shall be entitled to make proposals to the Company.

Shareholders, who individually or jointly hold three percent or more of the shares of the Company, may submit ad hoc proposals in writing to the convener ten days before the convening of the general meeting. The convener shall issue a supplemental notice of the general meeting within two days upon receipt of the proposals.

Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the general meeting, shall neither modify the proposals stated in the notice of general meetings nor add new proposals.

The general meeting shall not vote or resolve on any proposals which are not contained in a notice of the general meeting or are not in compliance with this article herein.

**Article 64** Notice of a general meeting shall satisfy the following requirements:

- (1) be in writing;
- (2) specific venue, date and time of the meeting;
- (3) matters to be considered at the meeting;
- (4) any information and explanations necessary to be made available to the shareholders for such shareholders to make sound decisions about the matters to be discussed. This principle includes (but not limited to) the provision of the specific terms and contract(s), if any, of the proposed transaction(s) and serious explanations about the reasons and effects when the Company proposes mergers, repurchase of shares, equity restructuring or other restructuring;
- (5) in the event that any of the Directors, Supervisors, General Manager (President) and other senior management has material interests in matters to be discussed, the nature and extent of the interests shall be disclosed. If the matters to be discussed affect any Director, Supervisor, General Manager (President) and other senior management as a shareholder in a manner different from the manner they affect other shareholders of the same class, the difference shall be explained;
- (6) the full text of any special resolution to be proposed for approval at the meeting;
- (7) a prominent statement that all shareholders are eligible for attending the general meeting and are entitled to appoint proxies in writing to attend and vote at such meeting on his/her behalf, and that such proxy does not need to be a member of the Company;
- (8) the time and venue for lodging a proxy form for the meeting;
- (9) the record date for shareholders who are entitled to attend the general meeting;
- (10) the name and telephone number of the contact person for the meeting.

**Article 65** Unless otherwise specified herein, the notice of the general meeting shall be served on the shareholders (whether or not such shareholder is entitled to vote at the general meeting) by hand or postage prepaid mail. The address of the recipient shall be the registered address as shown in the register of shareholders. For holders of domestic shares, the notice of the general meeting may also be given by way of announcement.

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

Notices, materials or written statements of shareholders' general meetings issued to shareholders of overseas listed foreign shares shall be delivered twenty-one days before the annual general meeting and fifteen days before the extraordinary general meeting in any of the following ways:

- (1) to each holder of overseas listed foreign shares by hand or by post according to their registered addresses;
- (2) on the website of the Company and on the website designated by the exchange where the Company's shares are listed, in compliance with applicable laws and regulations and the listing rules of the place where the Company's shares are listed;
- (3) issued in accordance with other requirements under the listing rules of the exchanges of the place where the Company's shares are listed.

**Article 66** The accidental omission to give the notice of a meeting to, or the failure to receive the notice of a meeting by any person entitled to receive such notice, shall not invalidate the meeting or the resolutions passed thereat.

**Article 67** All shareholders whose names appear on the register of shareholders on the shareholding record date or their proxies are entitled to attend the general meeting and exercise their voting rights in accordance with the relevant laws, regulations, listing rules of the place where the shares of the Company are listed and the Articles of Association.

Shareholders may attend the general meeting in person or appoint proxies to attend and vote on their behalf.

Any shareholder entitled to attend and vote at the general meeting shall have the right to appoint one or several persons (who may not be shareholders) to act as his or her proxy to attend and vote at the meeting on his or her behalf. The proxy(ies) so appointed by the shareholder(s) may, pursuant to the instructions of the shareholder(s), exercise the following rights:



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

If the shareholder is a corporation, an authorized clearing house or its agent, such shareholder is entitled to appoint one or more persons it deems suitable or corporate representatives to act as its proxy(ies) in any general meeting or shareholders' class meeting or any meeting of creditors, and these proxies or representatives shall have the same statutory rights as other shareholders, including the right to speak and to vote. If one or more persons is/are appointed as proxy(ies), the power of attorney shall clearly state the number and the class of shares represented by each of the proxies. The power of attorney shall be subject to the signature of the appointer of the corporation or authorized clearing house. The proxies so appointed may attend meetings (without certifying their due authorization by show of shareholding certificate, notarized power of attorney and/or further evidence) and exercise rights on behalf of the corporation or authorized clearing house (or its agent) as if that proxy is an individual shareholder of the Company, including the right to speak and to vote.

**Article 68** The appointment of a proxy shall be in writing and signed by the appointing shareholder or his/her attorney duly authorized in writing; where the appointing shareholder is a legal person, such appointment shall be affixed with its seal or signed by its Director or attorney duly authorized.

**Article 69** The proxy form shall be deposited at the domicile of the Company or such other place as the notice of meeting may specify not less than twenty-four hours prior to convening of the meeting at which the relevant matters will be voted on, or twenty-four hours before the designated voting time. If the principal authorizes any other person to sign the proxy form, the power of attorney or other authorization shall be notarized. The notarized power of attorney or other authorization must be delivered to the domicile of the Company or such other places specified in the notice of the meeting together with the proxy form.

If the principal is a corporation, its legal representatives or any other person authorized by its Board of Directors or other governing body shall attend the general meeting of the Company as a representative.

**Article 70** Any proxy forms issued to a shareholder by the Board of the Company for use in appointing a proxy shall be in such format as to enable the shareholder to instruct the proxy to vote in favor of or against the proposals according to his/her free will, and instructions shall be given in respect of each single matter to be voted on at the meeting. The proxy forms shall contain a statement that in the absence of specific instructions by the shareholder, the proxy may vote as he/she thinks fit.

**Article 71** If the principal dies, loses capacity, withdraws his/her appointment or the authorization to execute the appointment or if relevant shares in respect of which the proxy is given are transferred before voting, the voting made by the proxies according to the proxy form shall remain valid, provided that the Company has not received any written notice in respect of such matters before the commencement of the meeting.

**Article 72** Resolutions of the general meeting include ordinary resolutions and special resolutions.

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

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

Shareholders 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 73** Shareholders (including their proxies) who vote at a general meeting shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share. However, shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.

Pursuant to the applicable laws and regulations and the listing rules of the stock exchange on which the Company's shares are listed, where any shareholder shall abstain from voting on any particular resolution or is restricted to vote only for or against such resolution, any vote in violation of such requirement or restriction cast by such shareholder or proxy thereof shall not be counted in the voting results.

**Article 74** Voting at general meetings shall be conducted by a show of hands, unless the following persons demand a poll before or after voting by a show of hands, or relevant regulations of securities regulatory authority at the location where the shares of the Company are listed require voting by a poll:

- (1) the chairman of the meeting;
- (2) at least two shareholders with voting rights or proxies thereof;
- (3) one or more shareholders (including their proxies) individually or jointly holding ten percent or more of all shares carrying the right to vote at the meeting.

Unless someone demands a poll, the chairman of the meeting shall announce the result of voting by a show of hands on proposals, and shall record the result in the minutes as final evidence, without specifying the number or percentage of in favor of or against the resolutions approved at the meeting.

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

Where a poll is required by relevant regulations of securities regulatory authority at the location where the shares of the Company are listed, the chairman of the meeting may, in the spirit of fairness and honesty, allow voting by a show of hands with respect to resolutions relating merely to procedure or administrative issues.

In the case of a poll, the Company shall appoint a scrutinizer for counting votes in accordance with the Hong Kong Listing Rules and shall disclose relevant votes as required by laws, administrative regulations, relevant regulatory authority or the Hong Kong Listing Rules.

**Article 75** If the matter required to be voted by way of a poll relates to election of chairman or adjournment of meeting, a poll shall be conducted immediately; in respect of other matters required to be voted by way of a poll, the chairman may decide the time of a poll, and the meeting may proceed to consider other matters. The voting results shall still be deemed as resolutions passed at the said meeting.

**Article 76** When voting by a poll, shareholders (including their proxies) entitled to two or more votes need not cast all their votes for or against in the same way.

The general meeting shall vote on all the proposed resolutions separately.

**Article 77** When the number of votes against and in favor are equal, either by a show of hands or by a poll, the chairman of the meeting shall be entitled to an additional vote.

**Article 78** The following matters shall be resolved by way of ordinary resolutions at a general meeting:

- (1) work reports of the Board and the Supervisory Committee;
- (2) profit distribution plan and loss recovery plan formulated by the Board;
- (3) dismissal of the members of the Board and Supervisory Committee, and remuneration and payment methods thereof;
- (4) annual financial budget report, final accounts report, balance sheets, income statements and other financial statements of the Company;
- (5) the Company's annual report;
- (6) matters other than those requiring approval by special resolutions in accordance with laws, administrative regulations or these Articles of Association.

**Article 79** The following matters shall be resolved by way of special resolutions at a general meeting:

- (1) increase or reduction of registered capital of the Company and issue of shares of any class, stock warrants or other similar securities;
- (2) issuance of corporate bonds;
- (3) division, merger, dissolution, liquidation or change in the form of the Company;
- (4) amendments to these Articles of Association;
- (5) purchase or disposal of major assets or the provision of security by the Company within one year with the value exceeding thirty percent of the latest audited total assets of the Company;
- (6) share incentive schemes;
- (7) 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;
- (8) matters requiring approval by special resolutions in accordance with laws, administrative regulations, listing rules of the stock exchange on which the shares of the Company are listed or these Articles of Association.

**Article 80** The Supervisory Committee and shareholder(s) individually or jointly holding ten percent or more of the Company's total voting shares may require convening an extraordinary general meeting or class general meeting, and shall follow the procedures below:

- (1) the Supervisory Committee and shareholder(s) individually or jointly holding more than ten percent of the Company's total voting shares may sign one or several written requests with the same format and content, to propose to the Board to convene an extraordinary general meeting or class general meeting, and specify the topics of the meeting. The Board shall convene an extraordinary general meeting or class general meeting responsively after receipt of the aforesaid written request. The aforesaid amount of shareholding is calculated based on the shareholding on the day when the shareholder(s) make the written request.
- (2) if the Board fails to issue a notice of convening a meeting within thirty days after receipt of the aforesaid written request, the Supervisory Committee may by itself convene a meeting within four months after the Board receives the said request; if the Supervisory Committee fails to convene and preside over a meeting, shareholders holding more than ten percent of the Company's shares, individually or jointly, for more than ninety consecutive days may convene and preside over a meeting by themselves, and the convening procedures shall be as similar as possible to the procedures by which the Board convenes a general meeting.

Where the Supervisory Committee or shareholders convene and preside over a meeting by themselves as the Board 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 81** The general meeting shall be convened by the Chairman of the Board, who shall also act as the chairman of the meeting. If the Chairman is unable or fails to perform his duties, the co-chairman shall convene and act as the chairman of the meeting. In the event that the Chairman and co-chairman are both unable or fail to perform their duties, more than half of the Directors may elect a Director to convene and act as the chairman of the meeting.

If the Board is unable or fails to perform the duty of convening a general meeting, the Supervisory Committee shall duly convene and preside over a general meeting; if the Supervisory Committee fails to convene and preside over a general meeting, the shareholders individually or jointly holding ten percent or more of the Company's shares for more than ninety consecutive days shall have the right to convene and preside over a general meeting.

A general meeting convened by the Supervisory Committee itself shall be presided over by the chairman of Supervisory Committee. Where the chairman of Supervisory Committee is unable or fails to fulfil the duty thereof, more than half of the Supervisors shall jointly elect a Supervisor to preside over.

A general meeting convened by the shareholders themselves shall be presided over by a representative elected by the convener. In the event that no chairman is so elected, the attending shareholders shall elect one person to act as the chairman of the meeting; if, for any reason, the shareholders fail to elect a chairman of the general meeting, the shareholder (including his/her proxy) holding the largest number of voting shares among the attending shareholders shall be the chairman of the general meeting.

Where the Supervisory Committee or shareholders convene a general meeting by themselves in accordance with the provisions, the necessary expenses incurred therefrom shall be borne by the Company and be deducted from the amounts due by the Company to the negligent Directors.

**Article 82** The methods and procedures to nominate candidates for Directors and Supervisors (excluding Employee Representative Supervisors) for election at a general meeting are as follows:

- (1) shareholder(s) individually or jointly holding three percent or more of the total issued and outstanding voting shares of the Company may propose in writing to the general meeting for the nomination of candidates for Directors and Non-employee Representative Supervisors, but the number of persons nominated shall comply with the provisions of the Articles of Association and shall not exceed the number of persons to be elected. The aforesaid proposal by the shareholders to the Company shall be given to the Company no less than seven days prior to the date of convening the general meeting.
- (2) the list of candidates for Directors and Supervisors may be nominated by the Directors and Supervisors based on the number for persons to be elected subject to the number specified in the Articles of Association, and proposed to the Board of Directors and Supervisory Committee respectively for review. The list of candidates for Directors and Supervisors shall be proposed to the general meeting by way of written proposal after being considered and adopted by resolutions by the Board of Directors and Supervisory Committee.
- (3) the written notices of the intention to nominate a candidate for Directors or non-employee Representative Supervisors and the acceptance of nomination by such candidate and the written information of the nominated candidate, shall be given to the Company no less than seven days prior to the date of convening the general meeting (such seven-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which the election shall be conducted and end no later than seven days prior to the general meeting). The Board of Directors or Supervisory Committee shall provide shareholders with the biographical details and basic information of the candidates for Directors or Supervisors.
- (4) the period given by the Company for the nomination of candidates for Directors or Supervisors and submission of the aforesaid notices and documents by the nominees (which period shall commence from the day following the issue date of the notice of general meeting) shall be no less than seven days.
- (5) voting for the election of each candidate for a Director and Supervisor shall be carried out separately in the general meeting.
- (6) where there is a need to fill the casual vacancy of Director or Supervisor, the Board of Directors or Supervisory Committee shall submit a proposal to the general meeting for the election or change of a Director or Supervisor.

**Article 83** The chairman of the meeting shall be responsible for determining whether a resolution of a general meeting has been passed. His/her decision shall be final and conclusive. It shall be announced at the meeting and recorded in the minutes of the meeting.

**Article 84** In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, he/she may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy who objects to the result announced by the chairman of the meeting may demand that the votes counting immediately after the announcement of the voting result, and the chairman of the meeting shall have the votes counted immediately.

**Article 85** In the event that the votes are counted at the general meeting, the counting results shall be recorded in the minutes of the meeting.

The Board of Directors shall keep minutes of its resolutions on the matters discussed at the general meeting. Chairman of the meeting and Directors, who attended the meeting, shall sign on the minutes of that meeting. The minutes of meeting together with the attendance record of the attending shareholders, the power of attorney of the proxies shall be kept at the Company's domicile.

**Article 86** The shareholders shall be entitled to inspect copies of minutes of meeting(s) free of charge during office hours of the Company. Upon the request of any shareholder for a copy of the relevant minutes of meeting, the Company shall send out the copy of the minutes within seven days of receipt of the reasonable payment therefor.

## **Chapter 10 Special Procedures for Voting by Class Shareholders**

**Article 87** Shareholders holding different classes of shares shall be class shareholders.

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

**Article 88** The Company shall not proceed to change or abrogate the rights of class shareholders unless such proposed change or abrogation has been approved by way of a special resolution at a general meeting and by a separate shareholder meeting convened by the class shareholders so affected in accordance with Articles 90 to 94.

The transfer by the Company's holders of all or part of Domestic Shares held thereby to overseas investors for listing overseas, or the conversion of all or part of Domestic Shares into overseas listed shares for listing and trading on overseas stock exchange(s), shall not be deemed as the Company's intention to vary or abrogate the rights of class shareholders.



**Article 89** The following circumstances shall be deemed as change or abrogation of the rights of a certain class shareholder:

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

**Article 90** Shareholders of the affected class, whether or not with the rights to vote at general meetings originally, shall have the right to vote at shareholders' class meetings in respect of matters referred to in items (2) to (8) and (11) to (12) in Article 89 hereof, except that interested shareholders shall not vote at such shareholders' class meetings.

The term "interested shareholders" in the preceding paragraph shall mean:

- (1) in case of a buy-back of shares by the Company by way of a general offer to all shareholders in equal proportion or by way of open market transactions on a stock exchange in accordance with Article 26 hereof, the controlling shareholders as defined in Article 57 of these Articles of Association shall be the "interested shareholders";
- (2) in case of a buy-back of shares by the Company by an off market agreement in accordance with Article 26 of these Articles of Association, holders of shares in relation to such agreement shall be the "interested shareholders";
- (3) in case of a proposed restructuring of the Company, shareholders who assume a relatively lower proportion of obligation than the obligations imposed on the other shareholders of that class or who have an interest in the proposed restructuring that is different from the general interests in such proposed restructuring of the other shareholders of that class shall be the "interested shareholders".

**Article 91** Resolution of a shareholders' class meeting shall be passed only by two-thirds or more of the total voting rights being held by the shareholders of that class, who are entitled to do so, present and vote at the shareholders' class meeting in accordance with Article 90.

**Article 92** When the Company is to convene a shareholders' class meeting, it shall issue a written notice twenty-one days prior to the convening of the annual general meeting and fifteen days prior to the convening of the extraordinary general meeting informing all the shareholders who are registered as holders of that class in the register of shareholders of the matters to be considered at the meeting as well as the time and place of the meeting.

If there are special requirements by the listing rules of the stock exchange where the Company's shares are listed, such requirements shall prevail.

**Article 93** The notice of a shareholders' class meeting shall be sent to the shareholders entitled to vote at such meeting only.

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

**Article 94** Apart from holders of other classes of shares, holders of Domestic Shares and overseas listed shares are deemed to be shareholders of different classes.

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

- (1) with the approval by a special resolution at the general meeting, the Company issues Domestic Shares or overseas listed shares alone or at the same time at each interval of twelve months and the number of the proposed Domestic Shares and overseas listed shares does not exceed twenty percent of the respective outstanding shares of such class;
- (2) the Company has made the plans to issue Domestic Shares or overseas listed shares at the time of incorporation and the implementation of such plan has been completed within fifteen months from the date of approval by the Securities Commission of the State Council;
- (3) with the approval of the securities regulatory authorities of the State Council, holders of Domestic Shares of the Company may transfer all or part of the shares held by them to foreign investors for listing overseas (subject to the approval of overseas stock exchange(s)), or the Company converts all or part of the already issued but unlisted shares (including Domestic Shares and foreign shares) into overseas listed shares.

## **Chapter 11 Board of Directors**

### **Section 1 Directors**

**Article 95** Directors shall be elected at the general meeting with a term of three years. A Director may serve consecutive terms if re-elected upon the expiry of his/her term.

The chairman and co-chairman shall be elected and removed by more than one half of all the Directors. The chairman and co-chairman shall serve a term of three years and may be re-elected upon the expiry of his/her term.

A Director need not hold any shares in the Company.

**Article 96** The term of office of a Director shall be calculated from the date when such Director takes office, until the expiry of the term of the Board of Directors. If no re-election is timely conducted upon the expiry of the term of office of a Director, the existing Director shall continue to perform his/her duties as a Director in accordance with relevant laws, administrative regulations, department rules and the provisions of these Articles of Association until a newly elected Director takes office.

**Article 97** A general meeting may remove a Director (including the Managing Director (President) or other Executive Directors) before expiry of his/her term of office by an ordinary resolution subject to compliance with relevant laws and administrative regulations, but it shall not prejudice such Director's right to claim for compensation under any contract.

**Article 98** A Director may request to resign prior to the expiry of his/her term of office. If a Director resigns, such Director shall tender in writing a letter of resignation to the Board of Directors.

If the number of members of the Board of Directors falls below the statutory minimum number because of the resignation of a Director, the existing Director shall continue to perform his/her duties as a Director in accordance with relevant laws, administrative regulations, department rules and the provisions of these Articles of Association until a newly elected Director takes office. The remaining Directors shall convene a general meeting at the earliest opportunity to elect a new Director to fill the vacancy caused by such resignation.

Other than the circumstances specified in the preceding paragraph, the resignation of a Director shall take effect upon receipt of the resignation by the Board of Directors.

Subject to the Company Law and other provisions of the laws and regulations in the PRC, the provisions of the laws and regulations and related regulatory rules of the place where the Company is listed, if the Board of Directors fills the temporary vacancy by appointing a new Director or as an addition to the existing Board of Directors, he/she shall hold office only until the first annual general meeting by the shareholders and shall then be eligible for re-election at that meeting.

**Article 99** If no re-election is timely conducted upon the expiry of the term of office of a Director, the existing Director shall continue to perform his/her duties as a Director in accordance with relevant laws, administrative regulations, department rules and the provisions of these Articles of Association until a newly elected Director takes office.

**Article 100** If a Director fails to attend any two consecutive meetings of the Board of Directors in person or by appointing other Directors to attend such meetings on his/her behalf, such Director shall be deemed incapable of performing his/her duties, and the Board of Directors shall make recommendation to a general meeting for replacement.

**Article 101** If the Company suffers any losses due to a Director who withdraws from his/her office without authorization prior to the expiry of his/her term of office or violates the laws, administrative regulations, department rules and the provisions of these Articles of Association while performing his/her duties, such Director shall be liable to compensate.

**Article 102** Without any legal authorization by these Articles of Association or the Board of Directors, no Director shall use his/her own capacity to act on behalf of the Company or the Board of Directors. If any third parties reasonably believe that a Director acts on behalf of the Company or the Board of Directors while such Director acts in his/her own capacity, such Director shall make a prior statement as to his/her position and capacity.

**Article 103** The Company shall appoint independent Directors who shall comprise no less than one-third of the Board of Directors and shall be no less than three.

The powers and duties and relevant matters relating to independent Directors shall be executed in accordance with relevant laws, administrative regulations, department rules and the provisions of the listing rules of the stock exchange where our shares are listed, and the election and appointment of an independent Director shall meet the independence requirement of the Hong Kong Listing Rules. Unless otherwise specified herein, the provisions on qualification and obligations for Directors set out in Chapter 15 of these Articles of Association shall apply to independent Directors.

Independent Directors of the Company shall comprise at least one financial professional or professional accountant.

Independent Directors shall faithfully execute their duties and protect the Company's interests, especially ensuring that the legal rights and interests of public shareholders will not be infringed and the interests of all shareholders will be adequately represented.

**Article 104** An independent Director may request to resign prior to the expiry of his/her term of office.

## **Section 2 The Board of Directors**

**Article 105** The Company shall have a Board of Directors which consists of eight Directors with one chairman and three independent Directors, and co-chairman may also be appointed.

Independent Directors may report to the general meeting and other related regulatory departments directly.

The General Manager (President) or other senior management may also concurrently act as Director, provided that the number of General Manager (President) or other senior management who hold the offices of Director shall not be more than half of the total number of Directors of the Company.

**Article 106** The Board of Directors shall be accountable to the general meeting and exercise the following powers and duties:

- (1) to convene a general meeting and submit a work report to such meeting;
- (2) to implement the resolutions of a general meeting;
- (3) to decide on the operation plan and investment scheme of the Company;
- (4) to prepare the draft annual budget and final accounts of the Company;
- (5) to prepare the profit distribution plan and loss recovery plan of the Company;
- (6) to prepare the plan for the Company to increase or reduce its registered capital, issuance of bonds or other securities and listing plans;
- (7) to prepare plans for major assets acquisition and disposal, repurchase of the shares of the Company or the merger, divisions, dissolution and changes of the form of the Company;
- (8) to decide on the establishment of the internal management organizations of the Company;
- (9) to appoint or remove the General Manager (President) and Secretary of the Board (and joint company secretaries) of the Company; to appoint or remove senior management members, such as Vice General Manager (Vice President) and Chief Financial Officer of the Company pursuant to the nominations of the General Manager (President); and to decide on the remuneration and rewards and penalties of them;
- (10) to establish a basic management system of the Company;
- (11) to prepare plans to amend these Articles of Association;
- (12) to prepare share incentive schemes;
- (13) to approve the matters in relation to investment, acquisition or disposal of assets, financing and related (connected) transactions as required by the listing rules of the stock exchange where our shares are listed;
- (14) to decide on other major matters of the Company except for those as required by relevant laws, administrative regulations, the listing rules of the stock exchange where our shares are listed and the provisions of these Articles of Association to be passed by resolutions at the general meetings;
- (15) to exercise other functions and powers conferred by relevant laws, administrative regulations, the listing rules of the stock exchange where our shares are listed, these Articles of Association or the general meetings.

Resolutions relating to the above, with the exception of items (6), (7) and (11) which shall be approved by not less than two-thirds of the Directors, shall be approved by not less than half of the Directors.

**Article 107** In cases where the expected value of fixed assets proposed for disposal by the Board of Directors, when aggregated with the value of fixed assets disposed within four months before the proposed disposal, exceeds thirty-three percent of the fixed assets value set out in the latest balance sheet approved by the general meetings, the Board of Directors shall not dispose of or consent to dispose of such fixed assets without prior approval by the general meeting.

The term “fixed assets disposal” referred to in this Article includes (among other things) transferring certain interests in assets, but excludes provision of guarantees with fixed assets.

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

**Article 108** The chairman shall exercise the following functions and powers:

- (1) to preside over general meetings and to convene and preside over meetings of the Board of Directors;
- (2) to procure and check the implementation of resolution of the Board of Directors;
- (3) to sign on securities issued by the Company and other important documents;
- (4) other functions and powers authorized by the Board of Directors or the listing rules of the stock exchange where our shares are listed;

When the chairman is unable to or does not carry out his/her duties, they shall be carried out by one Director nominated by more than one half of the Directors.

**Article 109** Board meetings include regular meetings and extraordinary meetings. Meetings of the Board of Directors shall be held at least four times a year and convened by chairman of the Board. A notice shall be delivered at least fourteen days prior to the regular Board meeting and at least five days prior to the extraordinary board meeting; and the required period of notice above may be waived upon consent of each Director of the Company. Where an extraordinary board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means at any time, but the convener shall give explanations at the meeting.

The chairman shall convene the extraordinary meeting of the Board of Directors within ten days upon receipt of the proposal in any of the following circumstances:

- (1) proposal of shareholders holding one-tenth or more of the voting rights;
- (2) proposal of one-third or more of the Directors jointly;
- (3) proposal of the Supervisory Committee;
- (4) when the chairman considers necessary;
- (5) proposal of one half or more of the independent Directors.

Any major matters to be decided by the Board of the Company shall be notified to all Directors within the required period under the Articles of Association and sufficient data shall be supplied at the same time in strict compliance with the required procedures. The Directors may request for supplementary data. If more than one-fourth of the Directors or more than two independent Directors believe they cannot make judgements on relevant matters because the provided information is inadequate or otherwise, they may jointly propose to postpone the meeting or defer the discussion of certain matters on the agenda of the meeting, and the Board of Directors shall accept such proposal.

**Article 110** The Board shall send the notice of a regular or extraordinary meeting by hand, e-mail, fax or phone.

When a Director has attended a meeting, he/she shall be deemed to have been served with a notice of the meeting if he/she fails to state he/she did not receive the notice of the meeting before or during the meeting.

Regular meetings or extraordinary meetings of the Board of Directors may be held by way of teleconference, video conference or similar communication equipment. The Directors attending a meeting by such means shall be deemed to be present at the meeting in person provided all Directors present at the meeting can hear and communicate with each other.

Unless otherwise specified by laws and regulations or the listing rules, the Board of Directors may adopt a written resolution to replace the Board meeting. A written resolution shall be deemed to be passed upon signature of Directors of proper proportion and quorum for a Board of Directors stipulated by laws and regulations and the Articles of Association. Such written resolutions shall be filed together with Board meeting minutes and other archives of the Company, and shall have the same binding force and validity as the resolutions made by Directors attending Board meetings in person.



**Article 111** The Board meeting shall not be held unless more than one half of the Directors (including the Directors who are entrusted to attend the meeting as stipulated in Article 112 of the Articles of Association) are present.

Each Director shall have one vote. Unless otherwise provided in the Articles of Association, a resolution of the Board must be passed by more than one half of the Directors of the Company. Where the number of votes for and against a resolution is the same, the chairman shall be entitled to an additional vote.

Resolutions in respect of related (connected) transactions made by the Board of the Company shall come into effect only after they are signed by the independent Directors. When the Board of Directors of the Company considers any related (connected) transaction matters, the related (connected) Directors shall abstain from voting and shall not vote on behalf of other Directors. If less than three non-related (connected) Directors attend the Board meeting, the transaction shall be submitted to the general meeting for consideration. Related (connected) Directors shall include Directors who fall into any of the followings: (1) the counterparty of a transaction; (2) owning direct or indirect control over the counterparty of a transaction; (3) holding a position in the counterparty or a legal person or other organization directly or indirectly controlling or controlled by such counterparty; (4) a close family member of the counterparty or the person who has direct or indirect control over the counterparty; (5) a close family member of any Director, Supervisor or senior management of the counterparty or the person who has direct or indirect control over the counterparty; (6) a person which is considered to be able to affect the independent commercial judgment of the Company for other reasons as determined by the Company.

**Article 112** The Directors shall attend the Board meeting in person. If a Director is unable to attend for any reasons, he/she may appoint another Director in writing to attend on his/her behalf. Such power of attorney shall specify the scope of authorization.

The Director that attends the meeting on behalf of another Director shall exercise the rights of a Director to the extent of the authorization given. If a Director does not attend a Board meeting in person and does not appoint a representative to attend the meeting, he/she shall be deemed to have waived the voting rights in the meeting.

**Article 113** The Board of Directors consists of four special committees, namely the Audit Committee, Nomination Committee, Remuneration and Appraisal Committee and Risk Management Committee, the responsibilities, personnel composition and terms of reference of which shall be resolved separately by the Board. Where necessary, the Board may establish other special committees. These special committees are ad hoc committees under the Board which provide advice or advisory opinions to the Board on material decisions. The special committees shall not make any decision in the name of the Board. However, the committees may exercise decision-making power in respect of the authorized matters in accordance with a special power given by the Board.

**Article 114** The Board and its special committees shall keep minutes of resolutions on matters discussed at meetings. Sufficient details of the matters considered and the decisions resolved at the meeting shall be recorded in the minutes, which shall include any concerns or dissenting views raised by the Directors. Draft and final versions of minutes of meetings shall be sent to all Directors for their comment and record within a reasonable time after each Board meeting.

The minutes of the meeting shall be signed by the Directors and recorder present at the meeting. The minutes of the meeting shall be kept as archives of the Company by the Secretary of the Board or his/her authorized representatives.

The Directors shall be responsible for the resolutions of the Board of Directors. Where a resolution of the Board of Directors is in violation of laws, administrative regulations or these Articles of Association, thereby causing serious losses to the Company, the Directors who took part in the resolution shall be liable for the damages suffered by the Company. However, where a Director can prove that he/she expressed his/her opposition to such resolution when it was put to the vote, and that such opposition was recorded in the minutes of the meeting, the Director shall be relieved from such liability.

The Independent Directors' opinions shall be set out in the resolutions of the Board of Directors.

## **Chapter 12 Secretary of the Board of the Company**

**Article 115** The Company shall have one Secretary of the Board of Directors, who is a senior management member of the Company.

**Article 116** The Secretary of the Board of the Company shall be a natural person with prerequisite professional knowledge and experience and be engaged or dismissed by the Board of Directors. The main duties of Secretary of the Board are:

- (1) to ensure that the Company has a complete set of constitution documents and records;
- (2) to ensure that the Company prepares and submits the reports and documents required by competent authorities according to the laws;
- (3) to ensure that the register of shareholders of the Company is properly created and the persons entitled to obtain the relevant records and documents of the Company obtain such records and documents promptly;
- (4) to be responsible for matters such as preparation for general meetings and Board meetings, maintenance of documents and management of shareholders' information of the Company;
- (5) to handle information disclosures and other matters.
- (6) to exercise other functions and powers as conferred by the Board as well as other functions and powers as required by the stock exchange of the place where the Company's shares are listed.

**Article 117** Any Directors or other senior management members of the Company may serve concurrently as the Secretary of the Board of the Company. The accountants of the accounting firm engaged by the Company shall not serve concurrently as the Secretary of the Board of the Company.

In the case of a Director serving concurrently as the Secretary of the Board of the Company, if an act should be made separately by a Director and the Secretary of the Board of the Company, the Director serving concurrently as the Secretary of the Board of the Company shall not make such an act in both capacities.

## **Chapter 13 General Manager (President) and Other Senior Management**

**Article 118** The Company shall have one General Manager (President) who shall be appointed or dismissed by the Board of Directors.

The Company shall have several Vice General Managers (Vice Presidents) and one Chief Financial Officer who shall be appointed or dismissed by the Board as nominated by the General Manager (President). Upon approval of the Board of the Company, a Director may serve concurrently as the General Manager (President) and other senior management.

The General Manager (President), Vice General Managers (Vice Presidents), Chief Financial Officer and Secretary of the Board of the Company are senior management of the Company. The General Manager (President) and other senior management shall serve a term of three years for each session and may serve consecutive terms if re-elected.

**Article 119** The General Manager (President) shall be accountable to the Board of Directors and exercise the following duties:

- (1) to take charge of the operation and management of the Company, organize the implementation of resolutions of the Board of Directors and report to the Board of Directors;
- (2) to organize the implementation of the annual business plan and investment scheme of the Company;
- (3) to draft the plan for the establishment of an internal management organization of the Company;
- (4) to draft the Company's basic management system;
- (5) to formulate the basic rules and regulations of the Company;
- (6) to propose to the Board of Directors for the appointment or dismissal of the Vice General Managers (Vice Presidents) and Chief Financial Officer of the Company;
- (7) to decide to appoint or dismiss executives other than those who shall be appointed or dismissed by the Board;
- (8) to perform other powers and duties authorized by the Articles of Association or the Board of Directors.

The General Manager (President) may present at the Board meetings but shall have no voting right if he/she is not a Director.

**Article 120** In exercising his/her functions and powers, the General Manager (President) of the Company shall fulfill the obligation of honesty and diligence in accordance with laws, administrative regulations and the Articles of Association.

## **Chapter 14 Supervisory Committee**

**Article 121** The Company shall have a Supervisory Committee.

**Article 122** The Supervisory Committee shall be comprised of five members, of which one shall be the chairman of the Supervisory Committee. The term of office of a Supervisor shall be three years, and is renewable upon re-election.

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

**Article 123** Members of the Supervisory Committee consist of one Shareholder Representative Supervisor, two Employee Representative Supervisors and two Independent Supervisors (Supervisors independent from shareholders of the Company and holding no positions in the Company). The Shareholder Representative Supervisor and Independent Supervisors shall be elected and dismissed by the general meeting; while Employee Representative Supervisors shall be elected and dismissed democratically by the employees of the Company. The proportion of Employee Representative Supervisors shall not be less than one-third of the members of the Supervisory Committee, and the proportion of External Supervisors (Supervisors holding no positions in the Company) shall be more than half of the members of the Supervisory Committee, and have more than two Independent Supervisors.

**Article 124** Directors, General Manager (President) and Chief Financial Officer of the Company shall not hold the position of Supervisors.

**Article 125** Meetings of the Supervisory Committee shall consist of regular meetings and extraordinary meetings. Regular meetings of the Supervisory Committee shall be held at least once every six months, and shall be convened and presided over by the chairman/chairwoman of the Supervisory Committee. Any Supervisor may propose to hold an extraordinary meeting of the Supervisory Committee. If the chairman/chairwoman of the Supervisory Committee is unable to or fails to perform and exercise his/her functions and powers, a meeting of the Supervisory Committee shall be convened and presided over by a Supervisor jointly nominated by more than half of the Supervisors.

**Article 126** The Supervisory Committee shall be accountable to the general meeting, and exercise the following duties and powers according to the laws:

- (1) to review the financial position of the Company;
- (2) to supervise the performance of Directors and senior management members if they violate laws, administrative regulations or these Articles of Association in fulfilling their duties to the Company, and propose dismissal of Directors and senior management members that have violated laws, administrative regulations, these Articles of Association or resolutions of the general meeting;
- (3) to demand rectification by Directors and senior management members of the Company when the acts of such persons are prejudicial to the Company's interest;
- (4) to review financial information such as financial reports, business reports, and profit distribution plans as proposed by the Board to the general meetings, and to engage certified public accountants and practicing auditors to assist with further examination in the name of the Company if there are any queries;
- (5) to propose the convening of an extraordinary general meeting, and to convene and preside over the general meeting when the Board fails to perform such duties;
- (6) to put forward proposals to general meetings;
- (7) to propose the convening of extraordinary meetings of the Board of Directors;
- (8) to negotiate with Directors on behalf of the Company or initiate litigations against Directors and senior management members;
- (9) other duties and powers conferred by laws, administrative regulations and these Articles of Association.

Supervisors may present at meetings of the Board of Directors.

**Article 127** A meeting of the Supervisory Committee shall be attended by two-thirds or more of the members of the Supervisory Committee. The meeting of the Supervisory Committee shall vote by way of disclosed ballot. Each Supervisor has one vote. Supervisors shall attend meetings of the Supervisory Committee in person. In the event a Supervisor is unable to attend the meeting for any reason, he/she may authorize another Supervisor in writing to attend the meeting on his/her behalf. Such power of attorney shall specify the scope of authorization.

Every resolution of the Supervisory Committee shall be passed by the votes representing two-thirds or more of the members of the Supervisory Committee.

**Article 128** Minutes shall be made for all meetings of the Supervisory Committee. The Supervisors and the recorder, who attended the meeting, shall sign the minutes of that meeting. The minutes of the Supervisory Committee meetings shall be kept as corporate archives by ad hoc person designated by the chairman of the Supervisory Committee.

**Article 129** All reasonable fees incurred in the engagement of professionals such as lawyers, certified public accountants and practicing auditors by the Supervisory Committee in the exercising of its duties and powers shall be borne by the Company.

**Article 130** The Supervisors shall discharge supervisory duties in good faith in accordance with the laws, administrative regulations and the Articles of Association.

## **Chapter 15 Qualifications and Obligations of Directors, Supervisors, General Manager (President) and Other Senior Management Members of the Company**

**Article 131** A person may not serve as a Director, Supervisor, General Manager (President) or other senior management member of the Company if any of the following circumstances apply:

- (1) a person without legal capacity or with restricted legal capacity;
- (2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging social economic order and has been punished for committing such offence; or who has been deprived of his/her political rights, in each case where less than five years have elapsed since the date of the end of such punishment or deprivation;
- (3) a person who is a former Director, factory manager or General Manager (President) of a company or enterprise, which has entered into insolvent liquidation because of mismanagement and who incurred personal liability for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise, which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three years have elapsed since the date of the revocation of the business license;
- (5) a person who has a relatively large amount of overdue debts;
- (6) a person whose case has been established for investigation by the judicial authorities as a result of violation of the criminal law, and such case has not been closed;
- (7) a person who is not eligible for enterprise leadership according to laws and administrative regulations;
- (8) a non-natural person;
- (9) a person convicted of the contravention of provisions of relevant securities regulations by a relevant government authority, and such conviction involves a finding that he/she has acted fraudulently or dishonestly, where less than five years have elapsed since the date of the conviction;
- (10) such a person as specified in the listing rules or the laws and rules of the stock exchange where the Company's shares are listed.



**Article 132** The validity of an act carried out by a Director, General Manager (President) and other senior management members of the Company on its behalf shall, as against a bona fide third party, not be affected by any non-compliance in his/her office, election or any defect in his/her qualification.

**Article 133** In addition to the obligations imposed by laws, administrative regulations or the listing rules of the stock exchange on which shares of the Company are listed, each of the Company's Directors, Supervisors, General Manager (President) and other senior management members owes the following duties to each shareholder when exercising the functions and powers of the Company entrusted to him/her:

- (1) not to cause the Company to exceed the scope of business stipulated in its business license;
- (2) to act honestly and in the best interests of the Company;
- (3) not to expropriate the Company's property in any way, including, but not limited to, usurpation of opportunities which benefit the Company;
- (4) not to expropriate individual rights of shareholders, including, but not limited to, rights to distribution and voting rights, except for the restructuring of the Company, which has been submitted to the general meetings for approval in accordance with the Articles of Association.

**Article 134** The Directors, Supervisors, General Manager (President) and other senior management members of the Company, in the exercise of his/her powers or in the discharge of his/her duties, shall be liable to exercise the care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

**Article 135** The Directors, Supervisors, General Manager (President) and other senior management members of the Company shall exercise his/her powers or perform his/her duties in accordance with the fiduciary principle; and shall not put himself/herself in a position where his/her interest and his/her duty may conflict. This principle includes, but is not limited to, discharging the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to act within the scope of his/her powers and shall not exceed such powers;
- (3) to exercise the discretion conferred on him/her in person and shall not allow himself/herself to act under the control of others, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given at a general meeting, not to delegate the exercise of his/her discretion to others;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) unless otherwise provided for in the Articles of Association or except with the informed consent of the shareholders given at a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) not to use the Company's property in any way for his/her own benefit, without the informed consent of the shareholders given at a general meeting;
- (7) not to exploit his/her position to accept bribes or other illegal income or expropriate the Company's property in any way, including, but not limited to, opportunities which are favorable to the Company;
- (8) not to accept commissions in connection with the Company's transactions, except with the informed consent of the shareholders given at a general meeting;
- (9) to comply with these Articles of Association, to perform his/her duties in a faithful manner, to protect the Company's interests and not to exploit his/her position and power in the Company to advance his/her own interests;
- (10) not to compete with the Company in any way, except with the informed consent of the shareholders given at a general meeting;
- (11) not to misappropriate the Company's funds or lend such funds to any other person, not to use the Company's assets to set up deposit accounts in his/her own name or in the name of any other person or to use such assets to provide guarantee for the debts of a shareholder of the Company or any other personal liabilities;

(12) not to disclose any confidential information in connection with the Company, which he/she has obtained during his/her term of office, except with the informed consent of the shareholders given at a general meeting; nor shall he/she use such information other than for the Company's benefit, save that disclosure of such information to the court or other competent governmental authorities is permitted if:

1. disclosure is required by law;
2. required in the public interests;
3. the interests of such Director, Supervisor, General Manager (President) or other senior management member so require.

**Article 136** The Directors, Supervisors, General Manager (President) and other senior management members of the Company shall not direct the following persons or institutions (hereinafter referred to as the "associate(s)") to act in a manner, which he/she is prohibited from acting:

- (1) the spouse or minor child of the Directors, Supervisors, General Manager (President) or other senior management members of the Company;
- (2) the trustee of the Directors, Supervisors, General Manager (President) or other senior management members of the Company or of any person referred to in item (1) of this Article;
- (3) the partner of the Directors, Supervisors, General Manager (President) or other senior management members or any person referred to in items (1) and (2) of this Article;
- (4) a company in which the Directors, Supervisors, General Manager (President) or other senior management members of the Company, whether alone or jointly with the persons referred to in items (1), (2) and (3) of this Article or other Directors, Supervisors, General Manager (President) and other senior management members, has de facto controlling interest;
- (5) the Directors, Supervisors, General Manager (President) and other senior management members of a company, which is being controlled in the manner referred to in item (4) of this Article.

**Article 137** The fiduciary duties of the Directors, Supervisors, General Manager (President) and other senior management members of the Company do not necessarily cease with the termination of their tenure. Their duties of confidentiality in respect of trade secrets of the Company survive the termination of their tenure. Other duties may continue for such period as the principle of fairness may require depending on the amount of time which has elapsed between the termination and the occurrence of the event concerned, and the circumstances and the terms under which the relationship between such Directors, Supervisors, General Manager (President) and the senior management members and the Company was terminated.

**Article 138** Subject to situations provided under Article 56 of these Articles of Association, the Directors, Supervisors, General Manager (President) and other senior management members of the Company may be released from liabilities for specific breaches of his/her duty with the informed consent of the shareholders given at a general meeting.

**Article 139** Where the Directors, Supervisors, General Manager (President) or other senior management members of the Company is in any way, directly or indirectly, materially interested in a contract, transaction, arrangement or proposed contract, transaction or arrangement with the Company (other than the service contracts between the Company and the Directors, Supervisors, General Manager (President) and other senior management members), he/she shall declare the nature and extent of his/her interests to the Board of Directors at the earliest opportunity, whether or not the matter therefor is subject to the approval of the Board of Directors in normal circumstances.

Unless the interested Directors, Supervisors, General Manager (President) and other senior management members of the Company discloses his/her interests to the Board in accordance with the preceding paragraph of this Article and the said matter is approved by the Board of Directors at a meeting in which the interested Directors, Supervisors, General Manager (President) or other senior management members of the Company are not counted as part of the quorum and refrains from voting, such contract, transaction or arrangement is voidable at the discretion of the Company except as against a bona fide party thereto who does not have notice of the breach of duty by such Directors, Supervisors, General Manager (President) or other senior management members.

The Directors, Supervisors, General Manager (President) or other senior management members of the Company are deemed to be interested in a contract, transaction or arrangement in which the associate of such Directors, Supervisors, General Manager (President) and other senior management members is interested.

**Article 140** Where the Directors, Supervisors, General Manager (President) or other senior management members of the Company give to the Board of Directors a notice in writing stating that, by reason of the facts specified in the notice, he/she is interested in contracts, transactions or arrangements, which may subsequently be made by the Company, that notice shall be deemed for the purposes of the preceding Article to be a sufficient disclosure of his/her interests, so far as the content stated in such notice is concerned, provided that such notice shall have been given before the date on which the execution of the relevant contract, transaction or arrangement is first taken into consideration by the Company.

**Article 141** The Company shall not pay taxes for its Directors, Supervisors, General Manager (President) or other senior management members in any manner.

**Article 142** The Company shall neither directly or indirectly make a loan to or provide any security for the Directors, Supervisors, General Manager (President) and other senior management members of the Company or its parent, nor make a loan or provide any security for any of their respective associates.

The foregoing provision is not applicable in the following circumstances:

- (1) the provision by the Company of a loan to or a security for its subsidiaries;
- (2) the provision by the Company of a loan or a security or any other funds available to its Directors, Supervisors, General Manager (President) and other senior management members to meet expenditures incurred by him/her for the purpose of the Company or for the purpose of enabling him/her to perform his/her duties properly, in accordance with the terms of a service contract approved by the shareholders in a general meeting;
- (3) if the ordinary business scope of the Company includes the lending of money and provision of security, the Company may make a loan to or provide a security to the relevant Directors, Supervisors, General Manager (President) and other senior management members or their respective associates on normal commercial terms.

**Article 143** Any person who receives funds from a loan, which has been made by the Company in breach of the preceding Article shall, irrespective of the terms of the loan, forthwith repay such funds.

**Article 144** A loan guarantee provided by the Company in breach of Article 142(1) shall not be enforceable against the Company, save in respect of the following circumstances:

- (1) the loan was advanced to an associate of the Directors, Supervisors, General Manager (President) and other senior management members of the Company or its parents and the lender of such funds is not informed;
- (2) the collateral, which has been provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.

**Article 145** The “guarantee” in the foregoing articles of this Chapter includes an undertaking or property provided by the guarantor to secure the obligor’s performance of his/her obligations.

**Article 146** In addition to any rights and remedies provided by the laws and administrative regulations, where the Directors, Supervisors, General Manager (President) and other senior management members of the Company breach the duties which he/she is liable to the Company for, the Company has the right to adopt the following measures:

- (1) to demand such Directors, Supervisors, General Manager (President) or other senior management members to compensate for losses sustained by the Company as a result of such breach;
- (2) to rescind any contract or transaction, which has been entered into between the Company and such Directors, Supervisors, General Manager (President) or other senior management members, or between the Company and a third party (where such third party knows or should have known that such Directors, Supervisors, General Manager (President) or other senior management members on behalf of the Company have breached his/her duties liable to the Company);
- (3) to demand such Directors, Supervisors, General Manager (President) or other senior management members to turn in the profits gained as a result of the breach of his/her duties;
- (4) to recover any monies, which should have been received by the Company but were received by such Directors, Supervisors, General Manager (President) or other senior management members instead, including (but without limitation to) commissions;
- (5) to demand repayment of interest earned or which may have been earned by such Directors, Supervisors, General Manager (President) or other senior management members on monies that should have been paid to the Company.

**Article 147** The Company shall enter into written contracts with each Director, Supervisor and senior management members, which shall at least include the following provisions:

- (1) the Directors, Supervisors or senior management shall undertake to the Company to abide by the Company Law, the Special Regulations, the Company's Articles of Association and Code on Takeovers and Mergers and Code on Share Buy-backs approved (amended from time to time) by Hong Kong Securities and Futures Commission and other rules of Hong Kong Stock Exchange, and agree that the Company will be entitled to take remedies specified in the Articles of Association, and the contract and its position shall not be transferred;
- (2) the Directors, Supervisors or senior management shall undertake to the Company on behalf of each shareholder, to abide by and perform their obligations to shareholders provided by the Articles of Association;
- (3) arbitration provisions stipulated in Article 188 of the Articles of Association.

**Article 148** With prior approval given at a general meeting, the Company shall enter into written contracts relating to emoluments with the Directors and Supervisors. Such emoluments include:

- (1) emoluments in respect of his/her service as Directors, Supervisors or senior management members of the Company;
- (2) emoluments in respect of his/her service as Directors, Supervisors or senior management members of subsidiaries of the Company;
- (3) emoluments in respect of the provision of other services in connection with the management of the Company and its subsidiaries;
- (4) payment by way of compensation for loss of office, or as consideration for or in connection with his/her retirement from office.

No litigation shall be brought by the Directors or Supervisors against the Company for any benefit due to him/her in respect of the abovementioned matters except pursuant to the contracts mentioned above.

**Article 149** The contract relating to the emoluments between the Company and its Directors and Supervisors should provide that in the event that the Company is acquired, the Directors and Supervisors of the Company shall, subject to the prior approval of shareholders in a general meeting, have the right to receive compensation or other payment in respect of his/her loss of office or retirement. For the purpose of this paragraph, the acquisition of the Company includes any of the following:

- (1) an offer made by any person to all the shareholders;
- (2) an offer made by any person with a view to become a controlling shareholder. The “controlling shareholder” shall have the same meaning with that of the controlling shareholder in Article 57 of the Articles of Association.

If such Directors and Supervisors do 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 such offer. The expenses incurred in distributing such sum on a pro rata basis among such persons shall be borne by such Directors or Supervisors and shall not be paid out of such sum.

## **Chapter 16 Financial Accounting System and Distribution of Profits**

**Article 150** The Company shall establish its financial and accounting system in accordance with relevant laws and administrative regulations, and PRC accounting standards formulated by the competent financial authorities under the State Council.

**Article 151** The Company shall prepare a financial report at the end of each fiscal year, and such financial report shall be audited by an accounting firm in compliance with laws. The financial report of the Company shall include the following financial accounting statements and their respective breakdowns:

- (1) balance sheet;
- (2) profit and loss statement;
- (3) cash flow statement;
- (4) notes to financial accounting statements;
- (5) profit distribution statement.

The fiscal year of the Company is based on the Gregorian calendar year, that is, a fiscal year ranges from January 1 to December 31 of the Gregorian calendar. The Company’s account books are kept in RMB and Chinese.



**Article 152** The Board of Directors of the Company shall submit the financial report prepared by the Company under relevant laws, administrative regulations and normative documents issued by local government and competent authorities to shareholders at each annual general meeting.

**Article 153** The financial report of the Company shall be kept at the Company and shall be made available to the shareholders twenty days before the annual general meeting is held. Each shareholder of the Company shall have the right to obtain the financial report mentioned in this Chapter.

The Company shall send the report mentioned above or the report of the Board of Directors together with the balance sheet (including all documents which are required to be attached to the balance sheet under the laws) and profit and loss statement or statement of income and expenditure to each holder of overseas listed shares by prepaid mail at least twenty-one days before the convening of the annual general meeting of shareholders. The address of the recipient shall be the registered address as shown on the register of shareholders.

**Article 154** The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with either international accounting standards, or those of the place outside the PRC where the Company's shares are listed. If there is any material difference between the financial statements prepared in accordance with the two accounting standards, such difference shall be stated in the notes to financial statements. In distributing its after-tax profits of relevant fiscal year, the lower of the two amounts shown in the foregoing financial statements shall be adopted.

**Article 155** Any interim results or financial information published or disclosed by the Company must also be prepared in accordance with the PRC accounting standards and regulations, and also in accordance with either international accounting standards or those of the place outside the PRC where the Company's shares are listed.

**Article 156** The Company shall publish two financial reports in each fiscal year; the interim financial report shall be published within sixty days after the end of the first six months of a fiscal year; the annual financial report shall be published within one hundred and twenty days after the end of the fiscal year.

Other regulations of the securities regulatory authorities at the place where the shares of the Company are listed shall prevail.

**Article 157** The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

**Article 158** The Company shall, when distributing its after-tax profits of the year, withdraw ten percent of the profits into the Company's statutory reserve fund. The Company may not withdraw a statutory reserve fund if the cumulative amount has reached fifty percent or more of the Company's registered capital.

If the Company's statutory reserve fund could not cover the losses of the preceding year, profit of the year shall be used to cover the losses before withdrawing, according to the foregoing provision, the statutory reserve fund.

After the Company has withdrawn the statutory reserve fund from the after-tax profits, the Company may also withdraw discretionary statutory reserve fund from the after-tax profits upon the approval of the general meeting.

After losses have been covered and the statutory reserve fund has been allocated, any remaining after-tax profits shall be distributed to the shareholders in proportion to their shareholdings, unless otherwise stipulated in the Articles of Association.

Where the general meeting distributes profits to shareholders before losses have been covered and the statutory reserve fund has been allocated, which is in violation of the foregoing provision, the shareholders concerned shall refund to the Company the profits distributed in violation of the foregoing provision.

The shares of the Company held by the Company shall not be subject to profit distribution.

**Article 159** Capital reserve includes the following:

- (1) premium arising from issuance exceeding the nominal value of the stock;
- (2) other revenues required by the financial authority under the State Council to be stated as capital reserve.

**Article 160** Reserves of the Company may be applied towards the following objectives:

- (1) making up for losses, except that capital reserves may not be used to make up for losses;
- (2) conversion into capital. In the case of conversion of statutory reserves into capital through capitalization, the balance of the statutory reserves shall not be less than twenty-five percent of the registered capital of the Company prior to the conversion;
- (3) expansion of the Company's production and operation.

**Article 161** The Company may distribute dividends in the following forms:

- (1) cash;
- (2) shares.

**Article 162** The Company shall appoint collection agents for holders of overseas listed shares. The collection agents shall, on behalf of the related shareholders, collect distributed dividends and other payables by the Company for the overseas listed shares.

The collection agents appointed by the Company shall be in compliance with the requirements of the laws or local stock exchange at the place where the shares of the Company are listed.

The collection agents appointed by the Company for holders of overseas listed shares, which are listed in Hong Kong, shall be trust companies registered pursuant to Trustee Ordinance of Hong Kong.

The Company may exercise the power to cease sending dividend warrants to holders of overseas listed shares by post if such warrants have been left uncashed for two consecutive times. Nevertheless, the Company may exercise such power after the first occasion on which such undelivered warrants are returned.

The Company may sell the shares held by a holder of overseas listed shares who is untraceable in such ways as the Board of Directors thinks fit, provided that the following conditions shall be complied with:

- (1) at least three dividends have been distributed in respect of such shares during the period of 12 years, and no dividend has been claimed by the shareholder during that period; and
- (2) upon the expiry of the 12-year period, the Company shall make an announcement in one or more newspapers at the place where the shares of the Company are listed stating the Company's intention to sell the shares, and notify the Hong Kong Stock Exchange of such intention.

Subject to the relevant laws and regulations in China, the Company may exercise its right to confiscate any unclaimed dividends, provided that such right may only be exercised upon the expiry of the relevant time frame.

Interests shall accrue on any stock capital paid with respect to any shares of the Company before any capital calls have been made by the Company but the holders of the shares shall not be entitled to participate in any dividends distributed subsequent to the prepayment of such stock capital.

## **Chapter 17 Appointment of an Accounting Firm**

**Article 163** The Company shall appoint an independent firm of accountants, which is qualified under relevant national regulations to audit the Company's annual financial report and review other financial reports of the Company.

The first accounting firm of the Company may be appointed by the inaugural meeting before the first annual general meeting and the term of appointment of the accounting firm shall end at the close of the first annual general meeting.

If the inaugural meeting does not exercise its duties and powers in accordance with the aforementioned provisions, then the Board of Directors shall exercise its duties and powers.

**Article 164** The accounting firm appointed by the Company shall be determined at the general meeting. The accounting firm appointed by the Company shall hold office from the conclusion of the annual general meeting at which it was appointed until the conclusion of the next annual general meeting.

**Article 165** The accounting firm appointed by the Company shall have the following rights:

- (1) a right to access the account books, records or vouchers at any time, and to ask Directors, General Manager (President) or other senior management of the Company to provide relevant documents and explanations;
- (2) a right to require the Company to take all reasonable actions to obtain from its subsidiaries any information and explanations necessary for the discharge of its duties;
- (3) a right to be present at a general meeting and to receive notices of, and information relating to, any general meeting, which any shareholder is entitled to receive, and to speak at any general meeting for matters in relation to its capacity as the Company's accounting firm.

**Article 166** If there is a vacancy in the position of auditor of the Company, the Board may appoint an accounting firm to fill such vacancy before the convening of the general meeting. Any other accounting firm which has been appointed by the Company may continue to act during the period of existence of such vacancy.

**Article 167** Regardless of the terms in the contract concluded between the accounting firm and the Company, the general meeting may, through an ordinary resolution, resolve to dismiss the said accounting firm before the expiration of the term thereof. In the event of any rights claimed by the accounting firm against the Company, the said rights shall not be affected.

**Article 168** The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined at the general meeting. The remuneration of an accounting firm appointed by the Board shall be determined by the Board.

**Article 169** The appointment, removal or discontinuance of engagement of the accounting firm shall be subject to the decision of the general meeting and shall be filed with the Securities Regulatory Authorities of the State Council.

Where it is proposed that any resolution be passed at a general meeting concerning the appointment of an accounting firm, which is not an incumbent firm to fill a casual vacancy in the office of the accounting firm, the re-appointment of a retiring accounting firm, which was appointed by the Board to fill a casual vacancy, or the dismissal of an accounting firm before the expiration of its term of office, the following provisions shall apply:

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

The leaving of an accounting firm includes the removal, resignation and retirement of such firm.

- (2) if the accounting firm leaving its post makes representations in writing and requests the Company to notify such representations to the shareholders, the Company shall (unless the representations have been received after the prescribed time) take the following measures:

1. state the fact that the retiring accounting firm has made such representations in any notice of the resolution given to shareholders; and
2. attach a copy of the representations to the notice and deliver it to the shareholders entitled to receive notices of general meetings in the manner stipulated in these Articles of Association.

- (3) if the Company fails to send out the representations of the accounting firm in the manner set out in item (2) of this Article, such accounting firm may require that the representations be read out at the general meeting and may make a further appeal.

- (4) the leaving accounting firm shall be entitled to attend the following meetings:

1. the general meeting at which its term of office expires;
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 leaving accounting firm shall be entitled to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meetings in relation to matters concerning its role as the former accounting firm of the Company.

**Article 170** In dismissing or discontinuing the appointment of an accounting firm, the Company shall notify the said accounting firm in advance and the said accounting firm has the right to make representations to the shareholders at a general meeting. If an accounting firm resigns from the post, it shall clarify to the shareholders at a general meeting whether or not there is any improper affair in the Company.

An accounting firm may resign its office by depositing a written resignation notice at the Company's legal address. Such notice shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following statements:

- (1) a statement to the effect that there are no circumstances connected with its resignation, which it considers should be brought to the notice of the shareholders or creditors of the Company; or
- (2) a statement of any other circumstances requiring an explanation.

The Company shall send a copy of the notice referred to in the preceding paragraph to the relevant responsible department within fourteen days after receipt. If the notice contains a statement as mentioned in item (2) of the preceding paragraph, a copy of such statement shall be placed at the Company for the inspection of shareholders. The Company shall also send the said copy of such statement to each shareholder entitled to receive financial reports of the Company. The addresses of addressees shall be those registered in the register of shareholders.

If the notice of resignation of the accounting firm contains a statement referred to in item (2) under the second paragraph of this Article, the accounting firm may require the Board to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances in connection with its resignation.

## **Chapter 18 Merger and Division of the Company**

**Article 171** The merger or division of the Company shall be proposed by the Board of Directors and shall go through the relevant approval process according to the law after being approved by the procedures required by these Articles of Association. The shareholders who object to such merger or division shall have the right to require the Company or shareholders who consent to the proposal for merger or division of the Company to purchase their shares at a fair price. Specific documents shall be prepared with regard to the content of the resolutions on the Company's merger and division for shareholders' inspection.

The aforesaid documents shall be delivered by mail to each holder of overseas listed shares. The addresses of recipients shall be those registered in the register of shareholders.

**Article 172** Merger of the Company may take the form either merger by absorption or merger by establishment of a new company.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and checklists of properties. The Company shall notify its creditors within ten days from the date of the Company's resolution on merger and shall make at least three announcements in newspapers within thirty days.

Upon the completion of a merger, the respective accounts payable and receivable will be inherited by the continuing company or the newly formed company after the merger.

**Article 173** As for the division of a company, the properties thereof shall be divided accordingly.

In the event of a division, the parties to the division shall enter into a division agreement and prepare balance sheets and checklists of properties. The Company shall notify its creditors within ten days from the date of the Company's resolution on division and shall make at least three announcements in newspapers within thirty days.

Debts owed by the Company prior to the division shall be jointly assumed by the companies in existence after the division, save as otherwise agreed by written agreement on settlement of debts with creditors prior to the division.

**Article 174** When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.

## **Chapter 19 Dissolution and Liquidation of the Company**

**Article 175** The Company shall be dissolved and liquidated according to laws in any of the following circumstances:

- (1) the general meeting has resolved to dissolve the Company;
- (2) merger or division of the Company requires a dissolution;
- (3) the Company is declared bankrupt in accordance with the law because it is unable to pay its debts as they fall due;
- (4) the business license is revoked in accordance with the law, or the Company is ordered to close or is cancelled;
- (5) if the Company gets into serious trouble in operations and management and continuation may incur material losses of the interests of the shareholders, and no solution can be found through any other means, the shareholders holding ten percent or more of the total voting rights of the Company may request the People's Court to dissolve the Company;
- (6) the term of its operations specified in these Articles of Association has expired and other circumstance for dissolution specified in these Articles of Association has occurred.

**Article 176** Where the Company is dissolved under the circumstances set out in items (2), (4) and (5) of the preceding article, the Company shall establish a liquidation committee within fifteen days, the composition of the liquidation committee shall be determined by ordinary resolution at the general meeting.

Where the Company is dissolved under the circumstance set out in item (3) of the preceding article, the People's Court shall, according to relevant laws, order the formation of a liquidation committee comprising shareholders, relevant authorities and professionals to process the liquidation.

**Article 177** Where the Board resolves to liquidate the Company for any reason other than bankruptcy, the Board shall include a statement in its notice convening a general meeting to the effect that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company shall be able to pay its debts in full within twelve months from the commencement of the liquidation.

The Board of the Company shall lose its powers immediately after the resolution for liquidation is passed at the general meeting.

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



**Article 178** The liquidation committee shall notify all creditors within ten days after its establishment and shall publish announcements in newspapers within sixty days. The creditors shall declare their rights to the liquidation committee within thirty days after receipt of the notice or within forty-five days after the announcement if the creditors have not received the notice.

When submitting their claims, creditors shall explain matters relating to their rights and provide evidential documents. The liquidation committee shall register the creditor's rights.

In the creditor's rights declaration period, the liquidation committee shall not make repayment to the creditors.

**Article 179** During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (1) to examine and take possession of the Company's assets and prepare the balance sheet and a property inventory;
- (2) to inform creditors by notice or announcement;
- (3) to deal with the outstanding businesses of the Company relating to liquidation;
- (4) to pay outstanding taxes;
- (5) to settle claims and debts;
- (6) to dispose of the remaining assets of the Company after repayment of debts;
- (7) to represent the Company in civil proceedings.

**Article 180** After the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and a property inventory, it shall formulate a liquidation proposal and submit it to the general meeting or relevant competent authorities for confirmation.

The assets of the Company shall be settled in the following order: payment of the liquidation expenses, employees' salaries, social insurance expenses and statutory compensations, payment of outstanding taxes, payment of the Company debts.

The assets of the Company remaining after settling debts pursuant to the foregoing provision shall be distributed to the shareholders as per the classes of their shares and their shareholding percentages.

During the liquidation period, the Company remains in existence; however, it shall not commence any new business activity.

The Company's assets shall not be distributed to shareholders prior to settling debts pursuant to the foregoing provision.

**Article 181** In the event of liquidation due to dissolution of the Company, after the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and a property inventory, if it discovers that the Company's assets are insufficient to repay its debts in full, it shall immediately apply to the People's Court to declare the Company bankrupt.

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

**Article 182** After completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report, a statement of revenue and expenditure and financial account books in respect of the liquidation period and, after verification thereof by an accountant registered in China, submit the same to the general meeting or the relevant authorities in charge for confirmation.

Within thirty days from the date of confirmation of the aforementioned documents by the general meeting or the relevant competent authorities, the liquidation committee shall deliver the same to the company registration authority, apply for cancellation of the Company's registration and publicly announce the Company's dissolution.

## **Chapter 20 Amendments to these Articles of Association**

**Article 183** The Company may amend the Articles of Association pursuant to laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

**Article 184** The Company shall amend its Articles of Association according to the following procedures:

- (1) The Board of Directors shall first approve the resolution on amendments to the Articles of Association and formulate amendments to the Articles of Association;
- (2) The Board of Directors shall convene a general meeting to vote on the amendment to the Articles of Association;
- (3) The general meeting makes a special resolution on passing the amendments to the Articles of Association;
- (4) The Company shall report the amended Articles of Association to the company registration authority for record.

**Article 185** If the amendments to the Articles of Association involve content of the Mandatory Provisions, the said amendments shall be subject to approval by the company examination and approval authority authorized by the State Council and the Securities Commission of the State Council; If such amendments involve any registered particulars of the Company, application shall be made for change of registration in accordance with laws.

## **Chapter 21 Notices**

**Article 186** Notices of the Company shall be served by the following methods:

- (1) by hand;
- (2) by mail;
- (3) by facsimile or e-mail;
- (4) by announcement on the website designated by the Company and the Hong Kong Stock Exchange in accordance with the laws, administrative regulations and listing rules of the stock exchange at the location where the Company's shares are listed;
- (5) by announcement;
- (6) by other means agreed before between the Company and the recipient or accepted by the recipient after receiving notice;
- (7) by other means approved by the relevant regulatory authority at the location where the Company's shares are listed or stipulated in the Articles of Association.

Unless the context otherwise requires, "announcement" referred to herein means an announcement published in newspapers in the PRC as to the announcement made to holders of Domestic Shares or the announcement required to be published in the PRC according to the relevant provisions and the Articles of Association, which shall be as specified in PRC laws and regulations or designated, approved or permitted by the Securities Regulatory Authorities of the State Council. In respect of the announcement sent to holders of overseas listed shares of the Company or required to be sent in Hong Kong pursuant to relevant regulations and the Articles of Association, the announcement shall be published in the newspapers and/or other designated media (including websites) as required by the relevant listing rules.

Unless otherwise provided in these Articles of Association, the notice delivered to each holder of the overseas listed shares, if delivered by public announcement, the Company shall submit an electronic version, which may be published immediately to the Hong Kong Stock Exchange through the electronic upload system to publish it on the website of Hong Kong Stock Exchange, or published (including advertising on newspapers) on newspapers according to the Hong Kong Listing Rules on the same date. The announcement shall be published on the Company's website at the same time. In addition, unless otherwise provided in these Articles of Association, the Company shall deliver the notice to each holder of overseas listed shares by hand or by prepaid mails according to their registered address, so that the shareholders are fully notified and have sufficient time to exercise their rights or act as per the notice.

The holders of overseas listed shares of the Company may choose in written form to obtain (by email or by post) the information of the Company that the Company shall send to the shareholders, and may choose to receive either or both of the Chinese and English versions. They may also change the method for receiving the aforesaid information and the language version to be received as per appropriate procedures by sending a written notice to the Company in advance within a reasonable period.

If any shareholder or Director wants to prove he/she has sent any notice, document, information or written statement to the Company, he/she shall provide evidence proving that the relevant notice, document, information or written statement has been served in a usual way or by prepaid mail to the correct address within the specified time.

Although the preceding paragraphs specify that the Company shall provide and/or send the information of the Company to the shareholders in written form, regarding the method used by the Company to provide and/or send information of the Company to the shareholders according to the requirements of the Hong Kong Listing Rules, if the Company has obtained the shareholders' prior written consent or implied consent according to the relevant laws and regulations and the Hong Kong Listing Rules amended from time to time, the Company may send or provide the information of the Company to its shareholders in an electronic way or by announcement on its website. Information of the Company includes but is not limited to: circular, annual report, interim report, notice of a general meeting and other information set out in the Hong Kong Listing Rules.

**Article 187** If the notice is sent by post, it is only required to specify the address and prepaid postage and put the notice in the envelope, and putting the envelope enclosing the said notice into the mailbox shall be deemed as sending out the notice, and the notice shall be deemed as served forty-eight hours after it is sent out.

## Chapter 22 Settlement of Disputes

**Article 188** The Company follows the following rules for the settlement of disputes:

- (1) all disputes and claims between shareholders of overseas listed shares and the Company, between shareholders of overseas listed shares and the Company's Directors, Supervisors, General Manager (President) or other senior management, or between shareholders of overseas listed shares and shareholders of Domestic Shares arising from these Articles of Association or any rights or obligations conferred or imposed by the Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company shall be referred by the relevant parties to arbitration.

The aforementioned disputes or claims shall be referred to arbitration as a whole. All parties involved in the same dispute or claim shall abide by the arbitration if such parties are the Company or the shareholders, Directors, Supervisors, General Manager (President) or other senior management of the Company.

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

- (2) a claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its Arbitration Rules or the Hong Kong International Arbitration Centre in accordance with its Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.

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

- (3) if any disputes or claims of rights prescribed in item (1) above are referred to arbitration, the laws of the People's Republic of China shall apply, save as otherwise provided in laws and administrative regulations.
- (4) The award of an arbitration body shall be final and conclusive and binding on all parties.

## Chapter 23 Miscellaneous

**Article 189** The term “or more”, “within”, “below”, as stated in these Articles of Association shall all include the given figure; the term “not exceeding”, “except”, “less than”, “more than” shall all exclude the given figure.

In these Articles of Association, references to “accounting firm” shall have the same meaning as “auditors”.

In these Articles of Association, references to “de facto controller” refers to that although such controller is not a shareholder of the Company, he/she is a person who can actually dominate the Company through investment relations, agreements or other arrangements.

In these Articles of Association, references to “related (connected) transaction” shall have the meaning ascribed to it under the Hong Kong Listing Rules.

**Article 190** These Articles of Association are written in Chinese. In case of any inconsistency between these Articles and the articles of association in any other language, the Chinese version of these Articles of Association shall prevail.

**Article 191** The Board shall be responsible for the interpretation of these Articles of Association. Any matters unspecified in these Articles of Association shall be decided by resolutions of the general meeting by the Board.