



中國冶金科工股份有限公司

**Metallurgical Corporation of China Ltd.\***

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

**(Stock Code: 1618)**

# Articles of Association

(Amended in June 2023)

*\* For identification purposes only*

# **Articles of Association**

## **of**

## **Metallurgical Corporation of China, Ltd.\***

### **Chapter 1 General Provisions**

**Article 1** In a bid to safeguard the legitimate rights and interests of Metallurgical Corporation of China Ltd. (the “Company”), its Shareholders and creditors, and to regulate the organization and activities of the Company, the Company formulated the Articles of Association in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the State Council’s Extraordinary Regulations on Overseas Offering and Listing of Shares by Joint Stock Limited Companies” (the “Extraordinary Regulations”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”), the Guidelines on Articles of Association of Listed Companies (the “Guidelines on Articles of Association”), the Constitution of the Communist Party of China and other relevant regulations.

**Article 2** The Company is a joint stock limited company incorporated pursuant to the Company Law, Securities Law, the Extraordinary Regulations and other relevant laws and regulations in the PRC.

The Company was established by way of promotion with the approval of the State-owned Assets Supervision and Administration Commission of the State Council. The Company was registered with the State Administration for Industry and Commerce of the People’s Republic of China and was granted the corporate legal person’s business license on 1 December 2008. The unified social credit code of the Company is: 91110000710935716X.

The promoters of the Company include China Metallurgical Group Corporation and Baosteel Group Corporation.

**Article 3** The registered Company name (in Chinese): 中國冶金科工股份有限公司

The English Company name: Metallurgical Corporation of China, Ltd.

**Article 4** Company Address: MCC Tower, No. 28, Shuguang Xili, Chaoyang District, Beijing

Postal code: 100028

Telephone number: 010-59869999

Fax number: 010-59869988

**Article 5** The President of the Company shall be its legal representative.

**Article 6** The Company's total assets are divided into equally valued Shares. Shareholders' liabilities of the Company are limited to the Shares subscribed by them, and the Company is liable for its debts to the extent of its entire assets.

**Article 7** The Company is a joint stock limited company with perpetual existence.

**Article 8** Upon the passing of a resolution at the general meeting of the Company and approval from relevant authorities of the state, the Articles of Association took effect from the date on which the Shares issued by the Company were listed and traded on The Stock Exchange of Hong Kong Limited.

From the date when the Articles of Association took effect, it shall become a legally binding instrument applicable to the organization and activities of the Company, the relationship between the Company and its Shareholders and that between the Shareholders, and will have a binding legal effect on the Company and its Shareholders, Directors, Supervisors and senior management managers. All the aforementioned persons shall be entitled to, pursuant to the Articles of Association, put forward claims concerning the affairs of the Company and shall undertake obligations accordingly.

Subject to the requirement of the Articles of Association, Shareholders may, in accordance with the Articles of Association, bring litigation against each other. The Shareholders may bring litigations against the Directors, Supervisors and senior management members of the Company. The Shareholders may bring litigation against the Company. The Company may bring litigation against Shareholders, Directors, Supervisor and senior management members.

The litigations referred to in the preceding paragraph include court proceedings and arbitration proceedings.

**Article 9** The Company may invest in other enterprises. Unless otherwise stated by law, however, the Company shall not become a financier assuming joint liability for debts of the enterprise so invested.

## **Chapter 2 Business Objectives and Scope**

**Article 10** The business objectives of the Company are: to implement national industry policies in compliance with laws and regulations at home and abroad, to strive for returns to Shareholders in compliance with regulatory requirements; to ensure asset preservation and appreciation and step up standard on asset operation, to achieve synergy between economic and social efficiencies; and to operate under law to the satisfaction of the customers and to gain confidence of the Shareholders by virtue of integrity.

**Article 11** The business scope of the Company shall be as approved by the company registration authorities.

The business scope of the Company includes: domestic and international engineering consulting, surveying, design, general contracting; engineering technical consulting services; leasing of engineering equipment; technical development, technical services, technical exchange and transfer of technology of new materials, new processes and new products related to engineering and construction; development, production and sales of equipment required by the metallurgical industry; planning, survey, design, supervision, service and relevant researches with respect to construction and electromechanical equipment installation works; investment, processing and utilization, and marketing of metallic mineral products; real estate development and operation; bidding agent; import & export business; sales of electromechanical products, cars, building materials, instruments and apparatuses, hardware and electric materials.

The Company may set up subsidiaries, branches, representative offices and other institutions to meet the needs of its business development. The Company, according to market orientation and business needs and its own capacity, may adjust its business scope to orient itself to the market trends upon the approval of competent authority and consent of the company registration authority, and establish branches and representative offices in Mainland China, Hong Kong, Macau, Taiwan and foreign countries.

Subject to PRC laws and administrative regulations, the Company shall be entitled to raise capital through, including but not limited to, seeking loans, issuing corporate stocks or bonds, mortgaging or pledging the ownership or use right of all or part of the assets of the Company or other rights and interests as permitted by PRC laws and administrative regulations; and providing guarantees for the debts of a third party in line with relevant laws, regulations and the Articles of Association.

### **Chapter 3 Shares, Registered Capital and Transfer of Shares**

**Article 12** There must, at all times, be ordinary Shares in the Company. Subject to the approval from the companies approving department authorized by the State Council, the Company may issue other kinds of Shares according to its requirements.

**Article 13** The Company's stock takes the form of Shares.

The Shares of the Company are evidenced by Share certificates, with a par value of Renminbi 1 yuan each.

The Renminbi referred to in the preceding paragraph is the legal currency of the People's Republic of China.

**Article 14** The Company's Shares shall be issued in an open, fair and just manner. Shares of the same kind shall carry with the same rights.

For the same kind of Shares issued in the same tranche, each Share shall be issued at the same price and subject to the same conditions. Any organization or individual shall pay the same price to subscribe for the same Shares.

**Article 15** The Company may, upon the approval of the securities regulatory of the State Council, issue Shares to domestic investors and foreign investors.

The term "foreign investors" under the preceding paragraph refers to those investors from foreign countries and from the region of Hong Kong, Macau and Taiwan, who subscribe for Shares issued by the Company. The term "domestic investors" under the preceding paragraph refers to the Shareholders within the territory of the People's Republic of China, excluding the aforesaid regions, who subscribe for Shares issued by the Company.

**Article 16** The Shares issued by the Company to the domestic investors and subscribed in RMB shall be called domestic Shares. The domestic Shares listed at a domestic stock exchange shall be called A Shares. The Shares issued by the Company to overseas investors and subscribed in foreign currencies are called foreign Shares. The foreign Shares listed at an overseas stock exchange shall be called overseas listed foreign Shares.

The term "foreign currencies" as mentioned in the preceding paragraph refers to the legal currency freely convertible in other countries or areas other than Renminbi, recognized by the foreign exchange administration of PRC for the purpose of payment for the Shares to the Company.

Upon the approval of the securities regulatory of the State Council, the domestic Shareholders of the Company may transfer their holding Shares to overseas investors. Such Shares may be listed and traded overseas. Where Shares to be transferred are listed and traded on overseas securities stock exchange, they are also subject to regulatory procedures, regulations and requirements of overseas securities market. Where Shares to be transferred are listed and traded on overseas securities stock exchange, voting at class meeting is not required.

The foreign Shares of the Company listed in Hong Kong shall be called H Shares, that is, Shares which have been admitted for listing on The Stock Exchange of Hong Kong Limited (referred to as the "Hong Kong Stock Exchange"), and the par value of which is denominated in RMB and are subscribed and traded in Hong Kong dollars. Domestic Shares may be converted into H Shares upon the approval of the State Council or the institution authorized by the State Council and with the consent from Hong Kong Stock Exchange.

**Article 17** As approved by the approving department authorized by the State Council, the Company is allowed to offer a total of 13 billion ordinary Shares. At the time of incorporation, the Company

issued 13 billion ordinary Shares to the promoter, among which China Metallurgical Group Corporation had subscribed for and holds 12.87 billion Shares via currency, equity interest, physical assets and other non-monetary assets, representing 99% of the total ordinary Shares issued by the Company; whereas Baosteel Group Corporation had subscribed for and holds 130 million Shares with currency, representing 1% of the total ordinary Shares issued by the Company.

**Article 18** Upon establishment of the Company, and as approved by the Reply on Approving the Initial Public Offering of Metallurgical Corporation of China Ltd. (CSRC License [2009] No. 863) issued by the China Securities Regulatory Commission (the “CSRC”) on 28 August 2009, the Company initially issued 3,500 million RMB ordinary Shares to the public and such Shares were listed on the Shanghai Stock Exchange on 21 September 2009.

After completion of the issuance of the above RMB ordinary Shares, the registered capital of the Company was RMB16,500 million, and the Share capital structure of the Company was as follows: China Metallurgical Group Corporation held 12,523.5 million Shares, representing 75.90% of the Share capital; Baosteel Group Corporation held 126.5 million Shares, representing 0.77% of the Share capital; the public in the PRC held 3,500 million Shares, representing 21.21% of the Share capital; and the National Council for Social Security Fund held 350 million Shares, representing 2.12% of the Share capital.

With the approval of the CSRC, the Company issued 2,871 million overseas listed foreign Shares (H Shares) after completion of the issuance of the above RMB ordinary Shares.

After completion of the issuance of the above overseas listed foreign Shares (H Shares), the Share capital structure of the Company was as follows: the total number of Shares was 19,110 million Shares, including 16,239 million RMB ordinary Shares, and 2,871 million overseas listed foreign Shares (H Shares).

With the approval of the CSRC (CSRC License [2016] No. 1794), the Company issued 1,613,619,170 A Shares through a non-public issuance. Upon completion of the issuance, the Share capital structure of the Company is as follows: the total number of Shares is 20,723,619,170 Shares, including 17,852,619,170 RMB ordinary Shares, and 2,871,000,000 overseas listed foreign Shares (H Shares).

The registered capital of the Company is RMB20,723,619,170, and the paid-up capital is RMB20,723,619,170.

**Article 19** The domestic Shares issued by the Company shall be kept under custody of the China Securities Depository and Clearing Corporation Limited. The H Shares of the Company shall primarily be placed in the custody of the Central Depository under the Hong Kong Securities Clearing Company Nominees Limited, or alternatively be held by Shareholders in their own names as well.

**Article 20** The Board of Directors of the Company may arrange a separate implementation to issue domestic Shares and overseas listed foreign Shares after obtaining the approval of the securities regulatory authority of the State Council.

The Company's proposal for issue of overseas listed foreign Shares pursuant to the preceding paragraph may be implemented within 15 months from the date of approval by the securities regulatory authority of the State Council.

**Article 21** Where the total number of Shares to be issued by the Company as determined under the plan includes the number of overseas listed foreign Shares and the number of domestic Shares, the capital shall be raised by one installment; where the capital shall not be raised by one installment under special circumstances, it may be raised by separate installments with the approval of the securities authority of the State Council.

**Article 22** The registered capital of the Company was RMB13 billion at the time of incorporation. After the initial public offering of domestic Shares and/or overseas listed foreign Shares, any changes in the registered capital of the Company shall be registered with the registration and administration departments for industry and commerce according to actual conditions and shall be filed under the approving department authorized by the State Council and the securities regulatory authority of the State Council.

**Article 23** The Shares of the Company are transferable according to the law without any right of lien, unless otherwise stipulated by the law and regulations.

**Article 24** The Company shall not accept any Shares of the Company as the subject of pledges.

**Article 25** The Shares of the Company held by the promoter shall not be transferred within one year from the date of the establishment of the Company. Shares issued prior to the public offering of Shares by the Company shall not be transferred within one year from the date the Shares of the Company were listed and traded at the stock exchanges.

The Directors, Supervisors and senior management members of the Company shall report to the Company their shareholdings in the Company and any changes thereof, and shall not transfer more than 25% of the total number of Shares held by them in each year of their respective term of office. The Company Shares held by them shall not be transferred within one year from the date the Shares of the Company being listed and traded on the stock exchanges. The aforesaid person(s) shall not assign the Shares of the Company held by them within six months after their term of office expires. Where the aforementioned restrictions on transfer involve H Shares, approval by Hong Kong Stock Exchange is required.

**Article 26** If the Directors, Supervisors and senior management members of the Company as well as

the Shareholders holding more than 5% of the Company Shares sell the Company Shares they hold or other equity securities within six months after purchase or buy Company Shares within six months after the sale, the gains generated from such trade shall be disgorged and paid to the Company. The Board of Directors of the Company shall forfeit such gains from the abovementioned parties. Where the aforementioned restrictions on transfer involve H Shares, approval by Hong Kong Stock Exchange is required. Nevertheless, if a securities company holds more than 5% of the Company Shares by buying the remaining Shares pursuant to an underwriting arrangement, the six-month limitation for selling the said Shares shall not apply.

The Shares or other equity securities held by the Directors, Supervisors, senior management and individual Shareholders referred to in the preceding provisions include the Shares or other equity securities held by their spouses, parents, children and accounts of other people.

Should the Board of Directors of the Company does not observe the provisions set forth in the first paragraph, the Shareholders shall be entitled to require the Board to effect the same within 30 days. If the Board of Directors of the Company fails to do so within the aforesaid time limit, the Shareholders may directly initiate court proceedings in their own name for the interests of the Company.

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

## **Chapter 4 Change in Capital and Repurchase of Shares**

**Article 27** Pursuant to laws and regulations and upon approval at the general meeting, the Company may, based on its operation and business requirements, approve a capital increase in line with the provisions of the Articles of Association.

The Company may increase capital in the following ways:

- (1) public offering;
- (2) non-public offering;
- (3) bonus issue of Shares to existing Shareholders;
- (4) convert surplus reserve into capital;
- (5) other ways as permitted by the laws and regulations and relevant regulatory authorities.

The increase in the capital of the Company by way of issuing new Shares shall be implemented pursuant to the provisions of the Articles of Association and in accordance with relevant laws and regulations of the PRC.



**Article 28** The Company may reduce its registered capital. The Company may decrease its capital in line with the Company Law, other relevant regulations and the procedures stipulated by the Articles of Association.

**Article 29** Upon the reduction of registered capital, the Company shall prepare a balance sheet and a list of its assets.

The Company shall notify its creditors within 10 days from the date when the resolution for the reduction of registered capital is made, and shall publish the notice within 30 days at least three times in newspapers authorized by the stock exchanges where the Company Shares are listed. The creditors who have received the said notice shall have the right within 30 days from the date of receiving the notice, and the creditors who have not received the notice shall have the right within 90 days from the date of the notice being first published to demand the Company to settle the debt or to provide corresponding security in respect of the debt.

The registered capital of the Company shall not be less than the minimum capital requirement by law after the reduction of capital.

**Article 30** In the following circumstances, the Company may repurchase its Shares in accordance with laws, administrative regulations, departmental rules and provisions under the Articles of Association:

- (1) to reduce the registered capital of the Company;
- (2) to amalgamate with other companies which own Shares in the Company;
- (3) to use Shares in the employee stock ownership plan or as equity incentive;
- (4) to acquire Shares held by Shareholders (upon their request) who vote against any resolution proposed at any General Meeting on the merger or division of the Company;
- (5) to use Shares to satisfy the conversion of corporate bonds convertible into Shares issued by the Company;
- (6) to safeguard corporate value and Shareholders' equity as the Company deems necessary.

Save as the above conditions, the Company shall not repurchase its Shares.

**Article 31** The Company may repurchase its Shares through public and centralized trading or other methods as permitted by laws and regulations and the CSRC.

Where the Company repurchases its own Shares in the circumstances set out in clauses (3), (5) and (6) of the first paragraph of Article 30 of the Articles of Association, such repurchase shall be conducted through public and centralized trading method.

**Article 32** Where the Company repurchases its Shares in the circumstances set out in clauses (1) and (2) of the first paragraph of Article 30 of the Articles of Association, it shall be subject to approval at the General Meeting.

Where the Company repurchases its Shares in the circumstances set out in clauses (3), (5) and (6) of the first paragraph of Article 30 of the Articles of Association, it may be resolved by more than two-thirds of the Directors present at a meeting of the Board of Directors in accordance with the provisions of the Articles of Association or the authorization of the General Meeting.

In the event that the Company has repurchased its Shares in accordance with the first paragraph of Article 30, such Shares shall be cancelled within 10 days in the circumstance set out in clause (1), or shall be transferred or cancelled within 6 months in the circumstances set out in clauses (2) and (4); the aggregate number of Shares held by the Company shall not exceed 10% of the total issued Shares of the Company, and shall be transferred or cancelled within 3 years in the circumstances set out in clauses (3), (5) and (6).

Where the relevant laws and regulations and the securities regulators and the stock exchanges of the places where the Shares of the Company are listed provide otherwise in relation to the aforementioned Share repurchase and cancellation, such provisions shall prevail.

**Article 33** Where the Company repurchases its Shares by way of agreement other than through a stock exchange, it shall obtain the prior approval of the Shareholders in a General Meeting according to the provisions of the Articles of Association. Where prior approval has been obtained from the Shareholders in a General Meeting in the same manner, the Company may release or modify the contract entered into in the aforesaid manner or waive any right granted under such contract.

The contract to repurchase Shares under the preceding paragraph shall include (but not limited to) the agreement to undertake the obligation to repurchase Shares or acquiring the rights to repurchase Shares.

The Company shall not assign the contract to repurchase Shares of the Company or any rights under the contract.

As to the redeemable Shares which the Company is entitled to repurchase, where Shares are not repurchased by market transaction or bidding, the repurchase price shall not exceed a particular price ceiling; where Shares are repurchased by bidding, the Company shall issue a tender offer to all Shareholders under the same conditions.

**Article 34** In the event that the Company cancels Shares because of Share repurchases, the Company shall apply to the original company registration authority for registration of alteration of such registered capital. The total nominal value of the Shares thus canceled shall be deducted from the

registered capital of the Company.

**Article 35** Unless the Company is in the process of liquidation, the repurchase of issued Shares by the Company shall observe the following provisions:

(1) if the Shares are repurchased at the face value, payment may be made out of the balance of the distributable profits in the books of the Company and from the proceeds of fresh issue of new Shares for the purpose of repurchase of issued Shares;

(2) if the Shares are repurchased at a premium, payment up to the face value may be made out of the balance of the distributable profits in the books of the Company and from the proceeds of fresh issue of new Shares for the purpose of repurchase. Payment of the portion in excess of the face value shall be effected in the following manner:

(i) if the repurchased Shares were issued at par value, payment shall be made out of the balance of distributable profits in the books of the Company;

(ii) if the repurchased Shares were issued at a premium, payment shall be made out of the balance of distributable profits in the books of the Company and from the proceeds of fresh issue of new Shares for the purpose of Share repurchase provided that, the amount paid out of the proceeds of fresh issue of new Shares shall not exceed the aggregate of premium received on the issue of the Shares repurchased, nor the amount of premium account (or the capital surplus reserve fund account) of the Company at the time of such repurchase (including the amount of the premium received on the fresh issue of new Shares);

(3) The payment for the following purposes shall be made out of the distributable profit of the Company:

(i) to acquire rights to repurchase its Shares;

(ii) to amend the contract of the repurchase of its Shares;

(iii) to release any of its obligations under the repurchase contract.

(4) After the registered capital of the Company has been diminished by the total nominal amount of the Shares so canceled pursuant to relevant provisions, the amount which has been deducted from the distributable profits and used for repurchasing the nominal value of the Shares shall be credited to the premium account (or the capital surplus reserve fund account) of the Company.

## **Chapter 5 Financial Assistance in Buying the Shares of the Company**

**Article 36** The Company or its subsidiaries (including the affiliates of the Company) shall not provide at any time and in any manner any financial assistance to any person buying or planning to buy the Shares of the Company. The person(s) buying the Shares of the Company aforesaid shall include the person(s) who undertake(s), directly or indirectly, obligations as a result of an acquisition of Shares of

the Company.

The Company or its subsidiaries (including the affiliates of the Company) shall not provide financial assistance at any time and in any manner to reduce or release the obligations of the aforesaid obligator.

This provision shall not apply to the situations set forth under Article 38 in this chapter.

**Article 37** The term “financial assistance” under this chapter shall include (but not limited to) the following:

(1) gift;

(2) guarantee (including provision by the guarantor of an undertaking or property to secure the performance of obligations by the obligor), indemnity (other than an indemnity in respect of the Company’s own neglect or default) or a release or waiver thereof;

(3) provision of loan or making of a contract under which the obligations of the Company are to be fulfilled before the obligations of another party to the contract, the novation of the loan or changes of the parties to the contract and the assignment of rights under the loan and the contract;

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

Undertaking under this chapter shall include the obligation undertaken by the obligator of contract or arrangement (whether the contract or arrangement is enforceable or to be undertaken individually or jointly with others) or changes in his/her financial position in any manner.

**Article 38** The restrictions described in Article 36 shall not apply to the following:

(1) relevant financial assistance provided by the Company is intended for the interests of the Company in good faith, and the major purpose of such financial assistance is not to buy the Shares of the Company, or it is an incidental part of the overall plan of the Company;

(2) to distribute the assets of the Company as dividends according to the law;

(3) the allotment of bonus Shares as dividends;

(4) to reduce the registered capital, repurchase Shares and adjust the shareholding structure of the Company according to the Articles of Association;

(5) the Company extends loans for normal business activities within its business scope (but such loan extensions shall not result in a decrease in the net assets of the Company, or even if it constitutes a decrease in net assets, such financial assistance is paid out of the distributable profit of the Company);

(6) the Company provides funding for the employee stock ownership plan (but such expenditure shall not result in a decrease in the net assets of the Company, or even if it constitutes a decrease in

net assets, such financial assistance is paid out of the distributable profit of the Company).

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

**Article 39** The Shares of the Company shall be in registered form.

The share certificate of the Company shall indicate any other items required by the stock exchanges where the Company Shares are listed, in addition to those specified under the Company Law.

Overseas listed foreign Shares issued by the Company may, according to the laws of the place where the Shares of Company are listed and the practices of securities registration and custody, take the form of overseas stock depository receipt or other derivative forms of Shares.

**Article 40** The Share certificates shall be signed by the legal representative. The Share certificates shall also be signed by the senior management members of the Company if required by the stock exchanges where the Shares of the Company are listed. The Share certificates shall take effect after they are affixed with the common seal of the Company or being affixed in the mode of printing. The authorization from the Board of Directors shall be required before the common seal of the Company is affixed on the Shares. The signatures of the legal representative or relevant senior management members of the Company on the Shares may also take the printed form. Where the Shares of the Company are offered and traded in a non-paper form, it shall comply with regulations otherwise stipulated by the securities regulatory authority of the place where the Shares of the Company are listed.

**Article 41** The Company shall keep a register of shareholders according to the certificates issued by the securities registration authority. The register of shareholders shall be sufficient evidence of shareholdings in the Company, unless there is evidence to the contrary.

The register of shareholders shall record the following items:

- (1) name (title), address (residential), occupation or description of each Shareholder;
- (2) category and quantity 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 Shares held by each Shareholder;
- (5) the date on which each person was registered as a Shareholder;
- (6) the date on which each Shareholder ceased to be a Shareholder.

**Article 42** The Company may keep overseas the register of holders of overseas listed foreign shares and entrust it to the care of an overseas agency in accordance with the understanding and agreement reached between the securities regulatory authority under the State Council and the overseas securities

regulatory authority. The original of the H shareholders' register shall be kept in Hong Kong.

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

When there is a discrepancy between the original and copies of the register of holders of overseas listed foreign shares, the original shall prevail.

Any register of Shareholders kept by the Company in Hong Kong shall be available for inspection by any Shareholder during business hours, except during the period when the registration of the Shares is suspended. The registration of the Shares of the Company may be suspended in a manner that complies with the Companies Ordinance.

**Article 43** The Company shall maintain a complete register of Shareholders. The complete register of Shareholders shall include the following parts:

- (1) the register of Shareholders kept at the seat of the Company, other than those provided in paragraphs (2) and (3) below;
- (2) the register of holders of overseas listed foreign Shares of the Company kept at the place of the overseas stock exchange where the Company is listed;
- (3) the register of Shareholders kept in other place(s) as the Board of Directors of the Company thinks fit for the purpose of listing the Shares of the Company.

**Article 44** Different parts of the register of Shareholders shall not overlap with each other. No transfer of any Shares registered in any part of the register of Shareholders shall, during the continuance of that registration, be registered in any other part of the register of Shareholders.

The modification or correction to any part of the register of Shareholders shall be conducted according to the law in the place where the said part of the list of Shareholders is kept.

**Article 45** All the H Shares for which the Share capital has been paid up are freely transferable according to the Articles of Association. Nevertheless, the Board of Directors may refuse to acknowledge any transfer document without giving any cause, unless the following conditions are fulfilled:

- (1) any transfer document and other documents related to, or possibly affect, the ownership of Shares shall be registered, with a payment of a fee of HK\$2.5 (for each transfer document) to the Company or higher as determined by the Board of Directors, but such fee shall not exceed the maximum fee limit specified by the Hong Kong Listing Rules of the Hong Kong Stock Exchange from time to time;

- (2) the transfer document involves only the H Shares listed in Hong Kong;
- (3) the stamp duty payable on the transfer document has been paid;
- (4) relevant Share certificates and other evidences reasonably required by the Board of Directors to prove the transferor has the right to transfer the Shares have been submitted;
- (5) if the Shares are intended to be transferred to joint holders, the number of such joint holders shall not exceed 4;
- (6) relevant Shares are free from any lien of the Company;
- (7) No Share shall be transferred to minors, mentally unsound persons or persons with other legal disability.

Any Shareholder of foreign Shares may use the transfer document in the common written format in the listing region of the foreign Shares or other formats acceptable to the Board of Directors to transfer all or part of the Shares held in the Company. The H Shares may be transferred by using the standard transfer form specified by the Hong Kong Stock Exchange. The transfer document may be manually signed only, or manually signed or signed in printing if the transferor or transferee is a recognized clearing institution defined under the Hong Kong Securities and Futures Ordinance (hereafter referred to as “recognized clearing institution”) or its agent.

**Article 46** No registration of the changes relating to Share transfer shall be made in the register of Shareholders within 5 days prior to the reference date on which dividends are to be distributed as determined by the Company. The registration of changes in the Shareholder’s register resulting from transfer of Shares prior to a general meeting shall comply with relevant laws, administrative regulations, departmental regulations, regulatory documents and the requirements of the relevant stock exchange or regulatory bodies in the place where the Company’s Shares are listed.

**Article 47** In the event the Company convenes the General Meeting, distributes the dividend, undergoes liquidation or has other tasks involving the identification of Shareholders, the convener of the Board of Directors or the General Meeting shall fix the date as a record date for determining the shareholdings. The Shareholders of the Company shall be those Shareholders registered on the register at the end of the record date.

**Article 48** Any person who disagrees with the register of Shareholders and requests to have his/her name registered thereon or removed therefrom may apply to the court of law having jurisdiction on the register for rectification of the register.

**Article 49** Any Shareholder registered in the register of Shareholders or any person who requests to

have his/her name registered in the register of Shareholders has lost his/her Share certificate (the “Original Certificate”), may apply to the Company for a new Share certificate in respect of such Shares (the “Relevant Shares”).

Domestic Shareholder who loses his/her Share certificate may apply for the issue of a new Share certificate according to the relevant provisions of the Company Law.

Holder of overseas listed foreign Shares who loses his/her Shares may apply for the issue of a new Share certificate in accordance with the laws and regulations and the rules of the stock exchange and other relevant provisions of the region where the original register of Shareholders of overseas listed foreign Shares is kept.

Application for replacement of lost Share certificate made by a holder of H Shares shall be subject to the following requirements:

(1) The applicant shall submit the application in standard format designated by the Company and attach a notarial certificate or legal announcement document. The contents of the notarial certificate or legal announcement document shall include the reason of the application, the situation and evidence for the loss of Shares and the statement that no other person shall be entitled to register as a Shareholder in respect of the Relevant Shares.

(2) The Company does not receive the statement from any person other than the applicant requesting to be registered as the Shareholder of such Shares before the Company decides to issue a new certificate.

(3) If the Company decides to issue a new certificate to the applicant, the Company shall publish an announcement for issuing new certificate for replacement purpose in the newspapers designated by the Board of Directors. The period for such announcement shall be 90 days and it shall be published at least once every 30 days. The newspapers designated by the Board of Directors shall be the Chinese and English newspapers (at least one in either language) approved by the Hong Kong Stock Exchange.

(4) Prior to the publishing of the announcement for issuing new certificate for replacement purpose, the Company shall submit a copy of the announcement to be published to the stock exchange where the Shares of the Company are listed. The announcement may be published upon the reply of such stock exchange confirming that the said announcement has been exhibited in such stock exchange. The announcement shall be displayed in the stock exchange for a period of 90 days.

If the application for replacement of the certificate is not agreed upon by the registered Shareholder of the Relevant Shares, the Company shall post the copy of the announcement to be published to such Shareholder.



(5) Upon the expiry of 90 days for the publication and exhibition of the notification as provided in paragraphs (3) and (4) above and where no objection has been received from any person against the replacement of certificate, a new Share certificate shall be issued to the applicant based on his/her application.

(6) When the Company issues a new Share certificate pursuant to this article, the Company shall forthwith cancel the Original Certificate, and record such cancellation and issue on the register of Shareholders.

(7) All the expenses relating to the cancellation of Original Certificate and issue of the new Share certificate by the Company shall be borne by the applicant. The Company shall be entitled to refuse to take any action before the applicant provides reasonable guarantees.

**Article 50** Upon the issue by the Company of new Share certificate according to these Articles of Association, the names (titles) of the bona fide buyer of the said new Shares or subsequent Shareholders registered as the owner of such Shares (as a bona fide purchaser), shall not be removed from the register of Shareholders.

**Article 51** The Company shall assume no liability for any loss incurred by any person as a result of the cancellation of the Original Certificate or in issuing new Share certificate, unless it may be proved by such person that the Company is fraudulent.

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

**Article 52** Shareholders of the Company shall be the persons who hold the Shares of the Company in accordance with the laws and have their names registered in the register of Shareholders.

Shareholders shall enjoy the rights and undertake the obligations according to the type and proportion of Shares they hold. Shareholders holding the same type of Shares enjoy the same rights and undertake the same obligations.

Various categories of Shareholders of the Company shall have equal rights to the dividends and other forms of interest distribution.

If two or more persons are registered as the joint Shareholder of any Shares, they shall be considered as the joint Shareholder of Relevant Shares and shall be subject to the following restrictions:

(1) The Company does not have to register more than four persons as the joint Shareholder of any Shares;

(2) All the joint Shareholders of any Shares shall bear the joint liability to pay all the amounts payable for the Relevant Shares.

In the case of joint Shareholders:

(1) If one of the joint Shareholders dies, only the persons still living among the joint Shareholders shall be deemed by the Company as owners of the Relevant Shares. Nevertheless, the Board of Directors shall, for the purpose of revising the register of Shareholders, have the right to require the persons still living among the joint Shareholders to submit such death certificate as may be considered appropriate by the Company.

(2) As to the joint Shareholders of any Share, only the foremost Shareholder on the register of Shareholders shall have the right to take possession of the Relevant Share certificates, receive notices from the Company, attend the General Meeting or exercise the voting rights of the Relevant Shares, while any notice furnished to the aforesaid person shall be considered as delivered to all the joint Shareholders of the Relevant Share.

If any one of the joint Shareholders sends to the Company a receipt of any dividend, bonus or capital returns paid to such joint Shareholders, such receipt shall be deemed to be the valid receipt sent by such joint Shareholders to the Company.

**Article 53** A holder of ordinary Shares of the Company shall enjoy the following rights:

(I) to receive dividends and other forms of interest distribution according to the Shares they hold;

(II) to request, convene, to preside over, to participate in, or to assign a Shareholder agent to participate in, the General Meeting according to the law, and exercise the corresponding voting right;

(III) to supervise and manage the business activities of the Company, put forward suggestions or raise inquiries;

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

(V) to obtain relevant information in line with these Articles of Association, including:

1. to obtain these Articles of Association after paying the cost expense;
2. to have access to and make copies of the following after paying reasonable fees:

(1) all parts of the register of Shareholders;

(2) personal particulars of the Directors, Supervisors and senior management members of the Company, including:

- 1) current and previous names and aliases;

- 2) major addresses (residences);
- 3) nationalities;
- 4) full-time and any other part-time occupations and positions;
- 5) identification documents and numbers.

(3) status of the issued Shares of the Company;

(4) the report on the total face value, quantity, maximum price and minimum price of each category of Shares bought back by the Company at the end of the last financial year as well as all the expenses paid by the Company for such trade-in;

(5) the debenture receipts of the Company, minutes of the General Shareholders Meeting, resolutions of the meetings of the Board of Directors, resolutions of the Board of Supervisors and financial accounting report.

(VI) to participate in the distribution of the residual properties of the Company in proportion to the number of Shares they hold in the event of the termination or liquidation of the Company;

(VII) to require the Company to acquire the Shares they hold if they disagree with the merger and separation resolution made by the General Meeting;

(VIII) other rights granted by the laws, regulations and these Articles of Association.

The Company shall not exercise the right to freeze or otherwise prejudice any right attached to any Shares directly or indirectly held by any person on the ground that the said person has not disclosed his/her interest to the Company.

**Article 54** If a Shareholder asks to inquire about relevant information mentioned under the previous Article or ask for materials, the said Shareholder shall submit the written document proving the category and quantity of the Company Shares he/she holds to the Company. After verifying the Shareholder's identity, the Company shall provide the information as required and collect reasonable fees for the copies of the aforesaid materials.

**Article 55** If the contents of the resolution made by the General Meeting or the Board of Directors of the Company violate any laws or regulations, the Shareholders shall be entitled to request the court to invalidate the said resolution.

If the convening procedure and voting method of the General Meeting and Board meeting violate the laws, regulations or these Articles of Association, or the contents of the resolution go against these Articles of Association, the Shareholders shall have the right to request the court to cancel the

said procedure, method or resolution within sixty (60) days after adoption of the resolution.

**Article 56** If any Director or senior management member violates the laws, regulations and these Articles of Association in fulfilling his/her duties and incurs losses to the Company, the Shareholders severally or jointly holding 1% or more Shares of the Company for more than 180 days continuously shall have the right to request in writing to the Board of Supervisors to lodge a legal action in court; if the Board of Supervisors violates the laws, regulations and these Articles of Association in fulfilling its duties and incurs losses to the Company, the Shareholders shall have the right to request in writing to the Board of Directors to lodge a legal action in court.

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

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

**Article 57** If any Director or senior management member violates the laws, regulations or these Articles of Association, thereby causing any loss to the Shareholders, the Shareholders may initiate legal action in court.

**Article 58** A holder of ordinary Shares of the Company shall perform the following obligations:

- (1) to comply with the laws, regulations and these Articles of Association;
- (2) to pay the capital contribution according to the number of Shares subscribed and the prescribed subscription method;
- (3) shall not withdraw the capital contribution, unless otherwise specified by the laws and regulations;
- (4) shall not abuse the Shareholder's right to prejudice the interest of the Company or other Shareholders, or abuse the independent legal person status of the Company and the Shareholder's limited liability to impair the interests of the creditors of the Company;

Should the Shareholders abuse their rights to cause any losses to the Company or other Shareholders, they shall be liable for legal claims.

Should the Shareholders of the Company abuse the independent legal person status and

Shareholder's limited liability to avoid debts and seriously harm the interest of the creditors of the Company, the Shareholder shall be held liable for the debts of the Company.

(5) other obligations imposed by the laws, regulations and these Articles of Association.

A Shareholder shall not bear the liability for any additional Share capital, except for the conditions agreed by the Shareholder when subscribing the Shares as the subscriber.

**Article 59** If a Shareholder holding more than 5% of the Company Shares with voting right pledges the Shares held, the said Shareholder shall report such pledge in writing to the Company on the very day upon occurrence of the pledge.

**Article 60** The controlling Shareholders or actual controllers of the Company shall not use their connected relationships to harm the interests of the Company. These persons shall be liable for the compensation of any losses to the Company, if any, caused by such violation.

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

While performing its obligations as required by laws, regulations or the listing rules of the region where the Company Shares are listed, the controlling Shareholder, in exercising the power as a Shareholder, shall not exercise his/her voting rights in a manner prejudicial to the interests of all or some of the Shareholders when making a decision on the following matters:

(1) to relieve a Director or Supervisor of his/her duty to act honestly in the best interests of the Company;

(2) to approve Directors and Supervisors (in the interest of themselves or others) to deprive the Company of its property in whatever form, including (without limitation to) any opportunity in favor of the Company;

(3) to approve Directors and Supervisors (in the interest of themselves or others) to deprive the personal rights and interests of other Shareholders, including (without limitation to) any rights to distribution and voting rights, but excluding the Company reorganization submitted to and approved by the General Meeting according to these Articles of Association.

The controlling Shareholder described under this Article refers to the person who satisfies any one of the following conditions:

(1) the person may elect more than half of the Directors when acting independently or together with others;

(2) a Shareholder holding more than 50% of the total Share capital of the Company;

(3) a Shareholder who does not hold more than 50% of the total Share capital, but is capable of bearing a significant influence on the resolution made by the General Meeting with the Shares he/she holds, including (but without limitation to):

(i) the person may exercise, or control the exercise of, more than 30% of the voting rights of the Company when he/she acts independently or in accord with others;

(ii) the person may hold more than 30% of the outstanding Shares of the Company when he/she acts independently or in accord with others;

(iii) the person may control the Company de facto when he/she acts independently or in accord with others.

## **Chapter 8 General Meeting**

### **Section 1 General Provisions of General Meeting**

**Article 61** The General Meeting shall be an empowered authority of the Company, exercising its duties according to the laws.

**Article 62** The General Meeting performs the following duties:

(1) to determine the business policies and investment plan of the Company;

(2) to elect and replace the Directors and Supervisors who are not employee representatives, and decide on the remunerations of relevant Directors and Supervisors;

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

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

(5) to examine and approve the profit distribution plan and the loss recovery plan;

(6) to make resolutions on the changes in the registered capital of the Company;

(7) to make resolutions on the merger, spin-off, separation, dissolution, liquidation, voluntary liquidation or changes in the organizational structure of the Company;

(8) to make resolutions on the Company's plan to issue and list corporate bonds and other securities;

(9) to make resolutions on the appointment or dismissal of accounting firms and the remuneration of the accounting firms by the Company;

(10) to amend these Articles of Association;

(11) to examine and approve the guarantee issues specified under Article 63;

(12) to examine matters relating to connected transactions, financial assistance and external donations which require approval by the General Meeting;

(13) to examine and approve within a year the Company's purchase or sale of material assets exceeding 30% of the audited total assets of the Company in the most recent period within a year;

(14) to examine and approve changes in use of proceeds;

(15) to examine and approve the share incentive plan and employee stock ownership plan;

(16) to examine and approve proposal submitted by the Shareholder representing at least 3% of the Company's Shares with voting rights;

(17) to examine and approve other issues that shall be resolved by the General Meeting in line with the laws, administrative regulations, department rules, listing rules of the region where the Company Shares are listed or these Articles of Association.

**Article 63** The following guarantees of the Company shall be reviewed and approved at the General Meeting:

(1) any guarantee provided after the total amount of external guarantees of the Company and its controlled subsidiaries exceeds 50% of the latest audited net assets;

(2) any guarantee provided by the Company after the total external guarantee exceeds 30% of the latest audited total assets value;

(3) any guarantee provided by the Company within one year exceeds 30% of the Company's latest audited total assets;

(4) any guarantee provided to any guaranteed party with a debt-to-asset ratio of more than 70%;

(5) single guarantee exceeding 10% of the latest audited net assets;

(6) guarantee provided for Shareholders, actual controllers as well as the related parties of the

same;

(7) guarantee amount for 12 consecutive months accounting for more than 50% of the latest audited total assets of the Company and exceeding RMB50 million;

(8) other guarantees specified by the stock exchanges where the Company Shares are listed and these Articles of Association.

The “external guarantee” mentioned in these Articles of Association refers to the guarantee provided by the Company for other parties, including the guarantee provided by the Company to its controlling subsidiaries. The “total amount of the external guarantees provided by the Company and its controlling subsidiaries” refers to the sum of the total amount of the external guarantees provided by the Company (including the guarantees provided to its controlling subsidiaries) and the total amount of the external guarantees provided by its controlling subsidiaries.

The Company shall be entitled to hold the relevant persons accountable for any losses to the Company in the event of violation of requirements as to approval authority and procedure of providing external guarantees.

**Article 64** Save where the Company is in a crisis or other special circumstances, without approval of a special resolution of General Meeting, the Company shall not enter into contract with any person other than a Director, Supervisor or other senior management members of the Company whereby such person undertakes the management and administration of the whole or any substantial part of the business of the Company.

**Article 65** General meetings shall be classified as Annual General Meetings and Extraordinary General Meetings. Annual General Meetings shall be convened once a fiscal year within 6 months of the end of the previous fiscal year.

**Article 66** The Company shall hold an Extraordinary General Meeting within 2 months after the date on which any of the following events occurs:

(1) the number of Directors is less than the number specified by the Company Law or two-thirds of the number required by these Articles of Association;

(2) the uncovered loss of the Company reaches one-third of the actual paid-in Share capital;

(3) the Shareholders holding more than 10% of the Company Shares either independently or collectively request for a meeting in writing;

(4) the Board of Directors deems it necessary or it is proposed by the Board of Supervisors;

(5) two or more than half of the Independent Directors (whichever is higher) propose to hold the meeting;



(6) other situations specified by the laws, administrative regulations or these Articles of Association.

**Article 67** The Company shall hold the General Meeting in the address of the Company or such other place specifically notified by the convener of the General Meeting.

The General Meeting will set the meeting venue and take place in the form of site meeting. The Company will also provide online voting to facilitate the Shareholders' participation in the General Meeting. When attending the General Meeting in the aforesaid manner, the Shareholders shall be considered as present at the General Meeting.

**Article 68** When holding the General Meeting, the Company shall hire lawyers to issue legal opinion on the following issues and publish them:

- (1) whether the convening and holding procedures of the meeting comply with the laws, regulations and these Articles of Association;
- (2) whether the qualifications of the participants and convener of the meeting are legitimate and valid;
- (3) whether the voting procedure and voting results of the meeting are legitimate and valid;
- (4) legal opinions issued on other relevant matters as required by the Company.

## **Section 2 Convening of General Meeting**

**Article 69** Independent Directors shall be entitled to propose to hold an Extraordinary General Meeting to the Board of Directors. The Board of Directors shall, within 10 days after receipt of such proposal, give a written reply on the agreement or disagreement to hold such meeting according to the laws, regulations and these Articles of Association.

The Board of Directors shall send the notice for the Extraordinary General Meeting within 5 days after making the resolution if the Board of Directors agrees to hold the Extraordinary General Meeting, or explain the reason and publish an announcement if the Board of Directors disagrees to hold the Extraordinary General Meeting.

**Article 70** The Board of Supervisors shall have the right to propose to hold an Extraordinary General Meeting to the Board of Directors, and such proposal shall be made in writing. The Board of Directors shall, within 10 days after receipt of such proposal, provide a written reply on the agreement or disagreement to hold such meeting according to the laws, regulations and these Articles of Association.

If the Board of Directors agrees to hold the Extraordinary General Meeting, the Board of Directors shall

send the notice of the meeting within 5 days after the Board of Directors makes the resolution, and shall seek the approval of the Board of Supervisors if the notice contains any changes to the original proposal.

If the Board of Directors disagrees to hold the General Meeting or fails to give feedback within 10 days after receipt of the proposal, the Board of Directors shall be considered as being unable or failing to perform the responsibility of convening the General Meeting, and the Board of Supervisors may on its own convene and preside over the Extraordinary General Meeting.

**Article 71** If Shareholders request to convene an Extraordinary General Meeting or Class Meeting, the following procedures shall apply:

(1) The Shareholders independently or collectively holding more than 10% of the Shares with voting rights at the proposed meeting may sign one or more written requests with the same format and contents, requesting the Board of Directors to convene an Extraordinary General Shareholders Meeting or Class Meeting, and list the agenda of the meeting. The Board of Directors shall, within 10 days after receipt of such request, provide a written reply on the agreement or disagreement to hold such meeting according to the laws, regulations and these Articles of Association. The number of Shares held shall be calculated as of the date on which the Shareholders submit the written request.

If the Board of Directors agrees to hold the Extraordinary General Meeting or Class Meeting, the Board of Directors shall issue a notice of the meeting within 5 days after the Board of Directors makes the resolution, and shall seek the approval of relevant Shareholders if the notice contains any changes to the original request.

(2) If the Board of Directors disagrees to hold the Extraordinary General Meeting or Class Meeting or fails to give a feedback within 10 days after receipt of the request, the Shareholders independently or collectively holding more than 10% of the Shares with voting rights at the proposed meeting shall have the right to request in writing to the Board of Supervisors to hold the Extraordinary General Meeting or Class Meeting.

If the Board of Supervisors agrees to hold the Extraordinary General Meeting or Class Meeting, the Board of Supervisors shall issue a notice of the meeting within 5 days after receipt of the request, and seek the approval of relevant Shareholders if the notice contains any changes to the original proposal.

If the Board of Supervisors fails to issue the meeting notice within the specified period, the Board of Supervisors shall not convene and preside over the General Meeting, and the Shareholders holding more than 10% of the Shares independently or collectively for more than 90 consecutive days may convene and preside over the meeting on their own.

All reasonable expenses incurred by the Shareholders who tender the requisition in convening and holding the meeting as a result of the failure to duly convene the meeting upon the aforesaid requisitions

shall be borne by the Company, and shall be set off against any sums owed to the Directors in default by the Company.

**Article 72** If the Board of Supervisors or Shareholders decide to hold the General Meeting themselves, they shall notify the Board of Directors in writing and file the meeting notice with the stock exchange.

The convening Shareholders shall hold at least 10% of the Company Shares before the resolution of the General Meeting is announced.

When distributing the notice of the General Meeting and the announcement of the resolution made by the General Meeting, the convening Shareholders shall submit relevant evidences to the stock exchange.

**Article 73** If the Board of Supervisors or Shareholders convene the General Meeting on their own, the Board of Directors and the Secretary to the Board shall cooperate. The Board of Directors shall provide the register of Shareholders on the date of record.

**Article 74** If the Board of Supervisors or Shareholders convene the General Meeting on their own, the expenses thus incurred shall be covered by the Company.

### **Section 3 Proposal and Notice of General Meeting**

**Article 75** The contents of the proposal shall fall into the authority of the General Meeting, have clear agenda and concrete issues for resolution and shall comply with relevant provisions of the laws, regulations and these Articles of Association.

**Article 76** If the Company holds the General Meeting, the Board of Directors, the Board of Supervisors and the Shareholders holding more than 3% of the Company Shares either independently or collectively shall have the right to submit proposals in writing to the Company, and the Company shall list the issues which are the authorities of the General Meeting in the agenda of the meeting.

Shareholders independently or collectively holding more than 3% of the Company Shares may come up with special proposals and submit them to the convener 10 days before the General Meeting. The convener shall serve a supplementary notice on the General Meeting within 2 days after receipt of such proposals and announce the contents of such special proposals.

Except for the circumstances prescribed in the preceding provision, the convener shall not revise the proposals already listed in the notice on the General Meeting or add new proposals after sending the notice on the General Shareholders Meeting.

The General Shareholders Meeting shall not vote or make a resolution on the proposals not listed in the notice of the General Meeting or not in compliance with Article 75 of these Articles of

Association.

**Article 77** Before holding an Annual General Meeting, the Company shall issue a prior written notice 21 days before the meeting to the Shareholders registered in the list of Shareholders. Before holding an Extraordinary General Meeting, the Company shall issue a prior written notice 15 days before the meeting to the Shareholders registered in the list of Shareholders. The Shareholders planning to attend the General Meeting shall give a written reply on their participation in the meeting to the Company within the period specified in the notice.

The notice of the General Meeting shall be sent to the Shareholders (no matter whether they have voting rights at the General Shareholders Meeting) by hand or by mail with prepaid postage to the addresses registered in the register of Shareholders. The notice of the General Meeting may also be in the form of announcement in the case of local Shareholders.

The announcement mentioned in the previous paragraph shall be published in one or more newspapers designated by the securities regulator of the State Council before the meeting is held. Once such announcement is published, all local Shareholders shall be deemed to have received the notice of the General Meeting.

**Article 78** The Company shall count the Shares with voting rights represented by the Shareholders planning to attend the meeting according to the written replies received within the time period stipulated by Article 77 of the Articles of Association.

**Article 79** The notice of the General Meeting shall be made in writing, and shall contain the following information:

- (1) the time, venue and duration of the meeting;
- (2) issues and proposals submitted to the meeting for review;
- (3) materials and explanations necessary for the Shareholders to make a sound decision on the issues to be discussed; this principle includes (but is not limited to) providing concrete conditions and contracts (if any) on the proposed deal when the Company proposes a merger, acquisition of Shares, Share capital restructuring or other reorganizations, and explaining in earnest the causes and outcomes of the same;
- (4) the nature and degree of the material interest of any Director, Supervisor and other senior management members in the matters which they have material interest to be considered; in case that the impact of the matters to be considered on such Director, Supervisor and other senior management members personnel as a Shareholder is different from that of other holders of same class of Shares, the difference shall be clarified;

(5) the full text of the special resolution proposed to be passed at the meeting;

(6) a clear written statement as follows: All Shareholders have the right to attend or appoint proxies in writing to attend and vote at the meeting on their behalf and that the proxy needs not be a Shareholder of the Company;

(7) the specified time and place of the delivery of the letter of attorney;

(8) date of record of the Shareholders entitled to be present at the General Meeting;

(9) name and phone number of the resident contact person for the meeting;

(10) the time and procedures of voting conducted through network or through other means;

(11) in the event that independent Directors are required to express their opinions on the matters to be discussed, their opinions and the reasons therefor shall be disclosed simultaneously with the release of the notice of the General Meeting or a supplemental notice.

No voting at the General Meeting conducted through network or other means shall commence earlier than 3:00 pm on the day preceding the date of an on-site General Meeting, and later than 9:30 am on the date of the on-site General Meeting, and shall end earlier than 3:00 pm on the date of conclusion of the on-site General Meeting.

**Article 80** If the General Meeting plans to discuss the election of Directors and Supervisors, the notice of the General Meeting shall fully disclose the detailed information of the candidates for Directors and Supervisors, and shall contain at least the following information:

(1) personal information including educational background, work experience and any part-time jobs;

(2) whether there is any connected relationship between them and the Company or the controlling Shareholders or actual controllers of the Company;

(3) their Shareholdings in the Company;

(4) whether they have received any penalty imposed by the CSRC and other relevant authorities or any disciplinary sanction by the stock exchange.

Each Director or Supervisor candidate shall be proposed through a separate proposal, except when Directors and Supervisors are elected through accumulative voting.

**Article 81** If the notice of the General Shareholders Meeting fails to be delivered by accident to a person entitled to receive the notice or such person fails to receive the notice, the meeting and the resolution made shall not become invalid on account of such failure.

**Article 82** Upon the delivery of the notice of a Shareholders' General Meeting, the Board shall not delay or cancel the meeting to be held without due cause, and the proposals listed in the notice of the General Meeting shall not be canceled. Where the General Meeting is to be delayed or canceled, the convener shall publish an announcement at least 2 working days before the original date of meeting and specify the cause. If the listing rules of the region where the Company Shares are listed provide for the aforesaid matters, such provisions shall prevail.

#### **Section 4 Convention of General Meeting**

**Article 83** The Board of Directors of the Company and other conveners shall take necessary measures to ensure the normal order of the General Meeting. They shall take measures to stop disrupting conduct during the General Meeting, violation and infringement of the legitimate rights and interests of the Shareholders, and report these to the relevant department in time for investigation and treatment.

**Article 84** All Shareholders whose names appear on the register of members on the date of registration of equity entitlements shall be entitled to attend and speak at the General Meeting and exercise their voting rights in accordance with relevant laws, regulations and the Articles of Association, except where a Shareholder is required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited to abstain from voting to approve the matter under consideration.

Any Shareholders entitled to attend and vote at a general meeting shall have the right to appoint one or several persons (who may not be Shareholders) to act as their proxies to attend and vote at the meeting on their behalf. The proxies so appointed by the Shareholders shall exercise the following rights:

- (1) have the same right as the Shareholder to speak at the meeting;
- (2) have authority to demand or, jointly with others, in demanding a poll;
- (3) exercise the voting right according to the requirements of relevant laws, regulations and these Articles of Association.

Nevertheless, when more than one Shareholder representative is appointed, such representatives may only exercise the voting right through a poll.

If such Shareholder is a corporation, it may appoint a representative to attend and vote at any General Meeting. If the corporation does so, it should be regarded as attendance in-person.

If the aforesaid Shareholder happens to be a recognized settlement and clearing institution (or its agent), he/she may authorize the company representative or one or more persons he / she deems fit to represent himself at any General Meeting or Class Meeting or Creditors' Meeting, and such representatives shall have the same legal rights as other Shareholders, including the right to speak and vote; however, if more

than one person is authorized as such, the authorization shall specify the number and category of the Shares that are specifically relevant to the said representatives as a result of the authorization. The person authorized as such may exercise powers on behalf of the settlement and clearing institution (or its agent), including the right to attend and speak, as if he/she was one of the individual Shareholders of the Company. The settlement and clearing institution mentioned in this paragraph includes Hong Kong Exchanges and Clearing Limited.

**Article 85** When an individual Shareholder is present at the General Meeting in person, he/she shall show his/her ID card or other effective certificates or evidences that may prove his/her identity as well as the stock account card. In the case of attendance by proxies, the proxies shall produce valid proof of their identities and the letters of authorization.

An institutional Shareholder shall dispatch its legal representative or a proxy consigned by the legal representative to be present at the meeting. If the legal representative attends the meeting, he/she shall produce his/her ID card and effective evidence that may prove his/her qualification as the legal representative. If the legal representative consigns a proxy to participate in the meeting, the proxy shall show his/her ID card and the letter of attorney legally granted by the legal representative of the institutional Shareholder.

**Article 86** A Shareholder shall entrust a proxy in writing, and the letter of attorney shall be signed by the appointing party or the proxy entrusted by the appointing party in writing. If the appointing party is an institution, the letter of attorney shall be affixed with the common seal of the institution or signed by the director of the institution or the proxy formally appointed by the institution.

The letter of attorney produced by the Shareholder to consign others to participate in the General Meeting shall indicate the following:

- (1) Name of the proxy;
- (2) Whether the proxy has voting rights;
- (3) instructions to cast affirmative, negative or abstention votes on each review issue listed in the agenda of the General Meeting;
- (4) date of issuance and valid term of the letter of attorney;
- (5) signature (or seal) of the appointing party. If the appointing party is an institutional Shareholder, the letter of attorney shall be affixed with the common seal of the institution;
- (6) the number of Shares of the appointing party in respect of which the proxy is given;
- (7) if more than one person are appointed as proxies, the letter of attorney shall state the

number of Shares in respect of which the proxy is given to each such person.

**Article 87** The letter of attorney shall be placed at the address of the Company or other places designated in the notice of the meeting 24 hours before the relevant meeting for which the letter of attorney is drawn for voting is held or 24 hours before the designated voting time. If the letter of attorney is signed by a person authorized by the appointer, the letter of attorney for the authorized signature or other documents of authorization must be notarized. The notarized letter of attorney or other documents of authorization shall be compiled together with the letter of attorney and kept at the address of the Company or other places specified in the notice of the meeting.

If the appointer is a legal person, the legal representative or the person authorized by the Board of Directors or other decision-makers of the institution shall be present at the General Meeting of the Company on behalf of the institution.

**Article 88** A Shareholder shall, at his/her own discretion, have the right to instruct his/her Shareholder proxy to cast affirmative or negative votes according to the format of any letter of attorney sent by the Board of Directors of the Company to the Shareholder to appoint proxy, and give instructions on each issue to be resolved at the meeting. The letter of attorney shall specify that the proxy may vote at his/her own discretion if the Shareholder did not give concrete instructions.

**Article 89** If the appointer dies, loses the capacity to act, withdraws the appointment, withdraws the authorization for signing the appointment or transfers the relevant Shares before the voting, the vote cast by the proxy subject to the letter of attorney shall still be valid as long as the Company has not received the written notice on such issues before the relevant meeting starts.

**Article 90** The Company shall prepare a registration book of all the participants at the meeting. The registration book shall record the names (or institution titles), ID card numbers and residential addresses of the participants in the meeting; the number of Shares with voting rights held or represented by these participants; name of the appointer (or the appointing corporation), etc.

**Article 91** The convener and the lawyer appointed by the Company shall together verify the legality of the Shareholder qualifications according to the register of Shareholders provided by the securities registration and settlement institution, and register the names (or titles) of the Shareholders and the number of Shares with voting rights that they hold. The meeting registration shall be completed before the chairman of the meeting announces the number of Shareholders and agents present at the meeting on site as well as the corresponding total Shares with voting rights that they hold.

**Article 92** When the General Meeting is held, all the Directors, Supervisors and secretary to the Board of Directors of the Company shall be present at the meeting, and other senior management members shall attend the meeting as non-voting participants, unless there is reasonable ground for absence.

**Article 93** The General Meeting shall be presided over by the Chairman of the Board. When the



Chairman is unable or fails to perform this duty, the Vice Chairman shall act as the chairman of the meeting. If the Vice Chairman is unable or fails to perform this duty, a director jointly elected by more than half of the Directors shall chair the meeting.

When the Board of Supervisors holds the General Meeting on its own, the Chairman of the Board of Supervisors shall preside over the General Meeting. When the Chairman of the Board of Supervisors is unable or fails to perform this duty, a supervisor jointly elected by more than half of the Supervisors shall preside over the meeting.

If the Shareholders convene the General Meeting on their own, the convener shall elect a representative to preside over the meeting. If the Shareholders are unable to elect a chairperson for whatever reason, the Shareholder holding the highest number of Shares with voting rights present at the meeting (including proxy) shall act as the chairman.

If the chairperson violates the rules of procedure at the General Meeting and is unable to proceed with the meeting, the General Meeting may elect a person to preside over the meeting and thus continue the meeting. If the Shareholders are unable to elect a chairperson for whatever reason, the Shareholder holding the highest number of Shares with voting rights present at the meeting (including proxy) shall act as the chairman.

**Article 94** The Company shall establish the rules of procedure for the General Meeting and set forth the convention and voting procedure, including the notice, registration, review of proposals, voting, counting of votes, announcement of voting results, formation of resolution, minutes and its signing, announcement and other contents as well as the principle for the authorization of the General Meeting on the Board of Directors. The rules of procedure of the General Meeting constitute an appendix to these Articles of Association, and shall be drafted by the Board of Directors and approved by the General Meeting.

**Article 95** The Board of Directors and the Board of Supervisors shall report their work for the past year at the Annual General Meeting. Each independent director shall also report their duty performance at the meeting.

**Article 96** The Directors, Supervisors and senior management members shall respond to the inquiries and recommendations of the Shareholders at the General Meeting.

**Article 97** The chairperson shall, before the voting, announce the number of Shareholders and representatives present at the meeting on site as well as the total Shares with voting rights that they hold, which shall be subject to the meeting registration.

**Article 98** The minutes of the meeting shall be prepared by the Secretary to the Board of Directors for the General Meeting. The minutes shall record the following:

- (1) time, venue and agenda of the meeting and the name or title of the convener;
- (2) names of the chairperson as well as the Directors, Supervisors and senior management members participating in the meeting;
- (3) number of Shareholders (including holders of local Shares and holders of overseas listed foreign Shares (if any)), the total Shares with voting rights that they hold and the respective proportions in the total Shares of the Company;
- (4) review process, speech points and voting results concerning each proposal;
- (5) Shareholders' inquires/suggestions and corresponding feedback and explanations;
- (6) names of the lawyers, vote counters and scrutineers;
- (7) other contents that shall be recorded in the minutes according to these Articles of Association.

**Article 99** The convener shall ensure that the contents of the minutes are reliable, accurate and complete. The minutes shall be signed by the Directors, Supervisors, Secretary to the Board of Directors, the convener or his/ her representative, and the chairperson. The minutes shall be kept together with the signature list of shareholders attending the on-site meeting, the proxy form and valid information concerning voting through internet and other methods for a permanent term.

**Article 100** The convener shall ensure that the General Meeting goes on continuously until the final resolution is made. If the General Meeting is interrupted or is unable to come to a resolution due to force majeure and other special causes, the convener shall take necessary measures to resume the General Meeting as soon as possible or directly terminate the meeting and publish an announcement. At the same time, the convener shall report such issue to the local branch of the CSRC in the region where the Company is based and to the stock exchange.

### **Section 5 Voting and Resolution of General Meeting**

**Article 101** A resolution of the General Meeting is either an ordinary resolution or a special resolution.

If the General Shareholders Meeting makes an ordinary resolution, the resolution shall be adopted by more than half of the voting rights held by the Shareholders (including proxies) present at the meeting.

If the General Meeting makes a special resolution, the resolution shall be adopted by more than two-thirds of the voting rights held by the Shareholders (including proxies) present at the meeting.

**Article 102** When voting at the General Meeting, the Shareholders (including proxies) shall exercise the voting rights according to the number of Shares with voting rights they represent, with each Share representing voting right of one vote.

The Company Shares held by the Company shall have no voting rights, and shall not be included in the total Shares with voting rights present at the General Meeting.

The Board of Directors, Independent Directors, Shareholders holding more than 1% of the voting shares or investment protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may solicit the voting rights of Shareholders. Except for statutory conditions, the Company shall not impose any limitation related to minimum shareholdings on the collection of voting rights.

According to the applicable laws, regulations and the listing rules of the region where the Company Shares are listed, when a Shareholder has to give up voting or is restricted to cast an affirmative vote or negative vote on a specific resolution, any vote cast by the Shareholder (or his/her proxy) in violation of relevant provisions or restrictions shall not be counted.

Where material issues affecting the interests of small and medium investors are being considered in the General Meeting, the votes casted by small and medium investors shall be counted separately, and the counting result shall be publicly disclosed.

**Article 103** The General Meeting shall adopt voting by open ballot.

**Article 104** In case of an equality of votes, the chairman of the meeting shall have a casting vote.

**Article 105** Among the authorities exercised by the General Meeting specified under Article 62, those issues set forth under (1), (2), (3), (4), (5), (9) and (16) or issues other than those that shall be adopted through a special resolution according to the laws, regulations or these Articles of Association, shall be handled by the General Meeting through an ordinary resolution.

**Article 106** Among the authorities exercised by the General Meeting specified under Article 62, those issues set forth under (6), (7), (8), (10), (12), (13) and (14), or those issues that shall be adopted through a special resolution according to the laws, regulations or these Articles of Association or that the General Meeting considers will have a material impact on the Company through an ordinary resolution, shall be treated by the General Meeting through a special resolution. Those issues set forth under (11) and (15) shall be governed by the provisions hereto concerning ordinary resolution and special resolution according to the concrete contents of the proposal of the Shareholder.

**Article 107** The chairperson shall announce whether the resolution of the General Meeting shall be adopted according to the voting results, and his/her decision shall be final. The voting results shall be announced at the meeting and recorded in the minutes.

**Article 108** When the General Meeting reviews the issues concerning connected transactions, connected Shareholders shall not participate in the voting. The Shares with voting rights held by such Shareholders shall not be included in the total valid votes. The announcement of the resolution of the General Meeting shall fully disclose the voting of the non-connected Shareholders.

**Article 109** The list of candidates for the position of Director or Supervisor shall be put in the form of a proposal before the General Meeting for voting.

When the shareholding of a single Shareholder and the persons acting in concert with him/her/it exceeds 30%, the accumulative voting system shall be adopted to elect two or more Directors or Supervisors at the General Meeting.

The accumulative voting system as described in the previous paragraph means that when the General Meeting elects Directors or Supervisors, each Share shall have a voting right equal to the number of Directors and Supervisors to be elected, and Shareholders may collectively use their voting rights. The Shareholders' voting power can be used in a concentrated way to elect one person, or used in decentralized voting to elect several people, and the Directors and Supervisors are elected successively according to their number of votes obtained. The Board of Directors shall disclose to the Shareholders the resumes and basic information of the candidates.

Under the accumulative voting system, the independent Directors and non-independent Directors of the Company shall be elected separately. All the Shareholders' voting rights in the election of independent Directors equal to the total number of shares held by them times the number of independent Directors to be elected, the portion of which shall only be voted for independent Director candidates. All the Shareholders' voting rights in the election of non-independent Directors equal to the total number of shares held by them times the number of non-independent Directors to be elected, the portion of which shall only be voted for non-independent Director candidates.

When the Company convenes the General Meeting for the election of Directors and Supervisors, it shall explain to the Shareholders the specific contents of the accumulative voting system and the voting rules, and shall inform them of the voting rights for each share in the election of Directors and Supervisors. When implementing the accumulative voting system, the voting Shareholders shall specify the names of all the Directors and Supervisors they elect on a ballot paper and mark the number of voting rights used by them immediately after the name of each Director and Supervisor they elect. In counting the ballot papers, the total number of voting rights obtained by each Director and Supervisor candidate shall be calculated for determination of the elected Directors and Supervisors.

When accumulative voting is adopted at the General Meeting to elect Directors and Supervisors, the following rules shall be followed:

(I) When the accumulative voting system is adopted at the General Meeting to elect Directors and Supervisors, all the Shareholders are entitled to cast the total number of voting rights held by them to one or several Director and Supervisor candidates at their own wish (proxies shall follow the instructions on the proxy forms), provided that the number of Director and Supervisor candidates voted by a Shareholder shall not exceed the number of Directors and Supervisors to be elected; if so exceeded, all the Shareholder's votes will be deemed invalid;

(II) If the total number of voting rights exercised by a Shareholder to one or several Director and Supervisor candidates in a concentrated or decentralized way exceeds the total number of voting rights held by him or her, all the Shareholder's votes will be deemed invalid;

(III) If the total number of voting rights exercised by a Shareholder to one or several Director and Supervisor candidates in a concentrated or decentralized way is less than the total number of voting rights held by him or her, the Shareholder's votes are valid, and the difference will be deemed as abstaining;

(IV) Director or Supervisor candidates are ranked in descending order according to their total number of votes obtained, and the Director or Supervisor candidates who are ranked prior to the number of Directors or Supervisors to be elected (including the number) shall be elected. However, the total number of votes obtained to be elected as Directors or Supervisors shall exceed half of the total number voting rights held by the Shareholders attending the General Meeting (based on the number of unaccumulated shares);

(V) If the total number of votes obtained by two or more candidates is identical, and the total number of votes is the least among all candidates, a second round of voting shall be conducted at the General Meeting in relation to the Director or Supervisor candidates obtaining the identical total number of votes in accordance with the prescribed procedures where all of them being elected would cause the number of elected candidates exceeding the number of Directors or Supervisors to be elected. If it fails to determine the elected candidates at the second round of voting, the corresponding election shall be conducted at the next General Meeting. If the members of the Board of Directors or the Supervisory Committee are less than two-thirds as prescribed in the Articles of Association, another General Meeting shall be convened within two months after the conclusion of the current one to elect the outstanding Directors or Supervisors.

**Article 110** The method and procedure for the nomination of Directors and Supervisors are as follows:

(1) Shareholders holding, either independently or collectively, more than 3% of the total Shares with voting rights issued by the Company may nominate non-employee representatives as candidates for Directors and Supervisors in writing to the General Meeting. Nevertheless, the number of nominees shall be subject to the provisions of these Articles of Association and shall not

exceed the number of Directors and Supervisors to be elected. The Shareholders shall deliver the aforesaid proposal to the Company at least 14 days before the General Meeting begins.

(2) the Board of Directors and the Board of Supervisors may put forward the list of Director candidates and Supervisor candidates according to the number of Directors and Supervisors to be elected to the extent of the number specified by these Articles of Association, and submit such list to the General Meeting through a written proposal.

(3) nomination of independent Directors shall be subject to special procedures to be separately formulated by the Company.

(4) the shortest period shall be no less than 7 days for the written notice on the intent to permit the nomination of candidates of Directors and Supervisors and the written notice of the candidates stating they are willing to accept the nomination.

(5) the period as mentioned in the paragraph above shall commence after the notice of the General Meeting is sent at the earliest, and shall end no later than 7 days before the General Meeting is held.

(6) the General Meeting shall vote for the individual candidates for the Director and Supervisor position on an individual basis, except when the accumulative voting system is applied.

(7) Any temporary addition of Directors or Supervisors shall be proposed by the Board of Directors or Board of Supervisors to the General Meeting for election or replacement.

**Article 111** The Meeting shall vote on all the proposals on an individual basis except when the accumulative voting system applies. If there are different proposals on the same issue, voting shall be conducted according to the time sequence of the proposals. No proposal shall be left unnoticed or unresolved at the General Meeting, unless the General Meeting is terminated or is unable to make resolutions due to force majeure or other special causes.

**Article 112** When reviewing a proposal, the General Meeting shall not revise the proposal. Otherwise, relevant revisions shall be considered as a new proposal, which shall not be voted on at the current General Meeting.

**Article 113** One voting right may only be exercised either on site, online or through any one of other voting methods. The first voting result shall prevail when one voting right is used repeatedly.

**Article 114** Before the General Meeting votes on a motion, two Shareholder representatives shall be elected to participate in the vote counting and vote scrutiny. When a Shareholder is related to a matter being considered, he or she and his or her proxies may not participate in the vote counting or vote scrutiny.

When the General Meeting is voting on the proposals, the lawyer, Shareholder representatives and Supervisor representatives shall be jointly responsible for counting and checking the votes. The voting results shall be announced on site, and the voting results for relevant resolutions shall be recorded in the minutes.

A Shareholder or his/her proxy casting the vote online or in other ways shall have the right to check the voting results through the corresponding voting system.

**Article 115** The site meeting of the General Meeting shall not be closed earlier than that held online or by other means, and the chairperson shall announce the voting results for each proposal, and declare whether the proposal is passed according to the result.

Before the voting results are announced, the companies, vote counters and scrutineers, major Shareholders, internet service providers and other relevant parties involved in the site meeting, the online meeting and other forms of the General Meeting shall have the obligation to keep the voting results confidential.

**Article 116** Shareholders present at the General Meeting shall express one of the following opinions on each proposal submitted for voting: affirmative, negative or abstain, unless securities registration and settlement institutions, as the nominal holders of Shares that can be traded through the Stock Connect Program between Mainland China and Hong Kong, make declarations according to the intention of actual holders.

If a vote is not filled out, or filled out incorrectly, or is indecipherable, or not cast at all, the voter of such vote shall be deemed to have waived their voting right, and the voting result for the Shares held by such voter shall be considered as “abstained”.

**Article 117** If the chairperson has any doubt about the result of the resolution submitted for voting, he/she may organize a recount of the votes that have been cast. If the chairperson fails to do so, the Shareholders or proxies present at the meeting shall have the right to demand to recount the votes immediately after the voting results are announced if they disagree with the results, and the chairperson shall forthwith organize the recount of votes.

**Article 118** If the General Meeting recounts the votes, the result shall be recorded in the minutes. The minutes shall be kept at the address of the Company together with the book of signatures of the Shareholders present at the meeting and the letter of attorney of proxies.

**Article 119** The resolution of the General Meeting shall be announced in time according to the listing rules of the region where the Company Shares are listed. The announcement shall specify the number of Shareholders and proxies present at the meeting, the total Shares with voting rights held by the participants, the proportion of such Shares to the total Shares with voting rights of the Company, the

voting method, the voting result of each proposal, and details of each proposal passed. The participation of the holders of domestic Shares and foreign Shares and the voting results shall be counted separately and announced accordingly.

**Article 120** Should the resolution not be passed or the current General Meeting alters the resolutions of the previous meeting, a special note shall be made in the announcement on the resolutions of the general meeting.

**Article 121** If the General Meeting passes a relevant resolution on the election of Directors and Supervisors, the beginning of the term of office of the newly elected Directors and Supervisors shall coincide with the date when the relevant proposal is passed.

**Article 122** If the General Meeting adopts a proposal on cash dividend distribution, bonus shares or on the transfer of provident fund to share capital, the Company shall implement a concrete plan within 2 months after the conclusion of the General Meeting.

## **Chapter 9 Special Procedures for Class Shareholders' Votes**

**Article 123** When the Company issues different categories of Shares, the Shareholders holding these different categories of Shares are referred to as Class Shareholders.

Class Shareholders shall be entitled to the rights and undertake obligations in line with the laws, regulations and these Articles of Association.

When the Share capital of the Company includes Shares without voting rights, the name of such Shares shall be annotated with “No Voting Rights”.

If the Share capital embodies Shares with different voting rights, the name of each category of Shares (except for the Shares with the most preferential voting right) shall be annotated with “Restricted Voting Rights” or “Limited Voting Rights”.

**Article 124** If the Company decides to change or revoke the rights of Class Shareholders, such decision shall be passed by the General Meeting through a special resolution and approved by the affected Shareholders of that class at a separate meeting held in accordance with Articles 127 to 131.

No approval by a General Meeting or a Class Meeting is required for variation or abrogation of rights resulting from any change in domestic and foreign laws and regulations and the listing rules of the place where the Company’s shares are listed, or those resulting from decisions made by domestic and foreign regulatory authorities.

**Article 125** The following cases shall be deemed to change or revoke the rights of certain Class Shareholders:



(1) to increase or decrease the number of such Class Shares, or increase or decrease the number of shares of another class having rights on voting, distribution or other privileges equal or superior to those of the shares of such class;

(2) to effect an exchange of all or part of shares of such class into shares of other classes, or to effect an exchange or grant a right of exchange of all or part of the shares of other classes into shares of such class;

(3) to cancel or reduce rights to accrued dividends or cumulative dividends attached to shares of such class;

(4) to reduce or remove the rights to a dividend preference or a liquidation preference to distribution of property attached to shares of such class;

(5) to increase, cancel or reduce the rights to conversion, options, voting, transfer, pre-emptive rights to placement and acquire securities of the Company attached to shares of such class;

(6) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to shares of such class;

(7) to create a new class of shares having rights on voting, distribution or other privileges equal or superior to those of the shares of such class;

(8) to restrict the transfer or ownership of the shares of such class or increase such restrictions;

(9) to issue subscription rights or share conversion rights for shares of such class or other classes;

(10) to increase the rights and privileges of shares of other classes;

(11) to restructure the Company where the proposed restructuring scheme will result in different classes of Shareholders bearing a disproportionate burden of obligations of such restructuring; and

(12) to revise or abolish of the terms under this Chapter.

**Article 126** Shareholders of the affected class shall have voting rights at the Class Shareholders' Meeting on the issues involved in clause (2) to (8) and (11) to (12) of Article 125 of the Articles of Association, regardless of whether or not they originally have voting rights at the General Meeting. Nevertheless, interested Shareholders shall have no voting rights at the Class Shareholders' meeting.

Interested Shareholders as described in the previous paragraph refers to:

(1) in the case of an acquisition of its own shares by the Company by making offers to all Shareholders on a same pro rata basis or through public dealing on a stock exchange in accordance with

Article 31 of the Articles of Association, “interested Shareholder” shall refer to the controlling Shareholders defined by these Articles of Association;

(2) in the case of an acquisition of its own shares by the Company through an off-market agreement in accordance with the provisions of Article 31 of the Articles of Association, “interested Shareholders” shall refer to the Shareholders to which the proposed agreement relates;

(3) in the case of a restructuring of the Company, “interested Shareholder” shall refer to a Shareholder within a class who bears liabilities less than the proportion burden imposed on other Shareholders of that class or who has interests different from those held by Shareholders of the same class.

**Article 127** A resolution of the Class Shareholders’ meeting shall be made when the resolution is passed by more than two-thirds of the Shares with voting rights present at the Class Shareholders’ meeting, according to Article 127.

**Article 128** Written notice of a Class Shareholders’ meeting convened by the Company shall be dispatched with reference to the notice period for general meetings under Article 77 of the Articles of Association, to all Shareholders of such class whose names appear on the register of Shareholders, specifying the matters to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve on the Company written replies of their intention to attend within the period specified in the notice.

The Company may hold the Class Shareholders’ meeting when the Shares with voting rights represented by the Shareholders planning to attend the meeting exceed half of the total Shares with voting rights at the meeting; failing which, the Company shall notify the Shareholders again of the issues to be reviewed, the date and the venue of the meeting in the form of an announcement within 5 days before the Company holds the category Shareholders’ meeting.

If the listing rules of the region where the Company Shares are listed specify otherwise, such specifications shall prevail.

**Article 129** If the Class Shareholders’ meeting is held by serving of meeting notice, such notice only needs to be sent to the Shareholders entitled to vote at the meeting.

The Class Shareholders’ meeting shall preferably be held according to the same procedures as those of the General Meeting. Relevant articles concerning the convention of the General Meeting under this chapter shall be applicable to the Class Shareholders’ meeting, unless otherwise specified under this chapter.

**Article 130** Save for Shareholders of shares of other classes, holders of domestic Shares and holders of overseas listed foreign Shares shall be deemed as different Class Shareholders.

The special procedures for Class Shareholder’s voting shall not applicable to the following cases:

(1) where the Company issues, upon the approval of the General Meeting through a special resolution, domestic Shares and overseas listed foreign Shares either separately or simultaneously every other 12 months, and the respective numbers of such Shares planned for issuance do not exceed 20% of the respective numbers of the issued domestic shares and overseas listed foreign shares;

(2) where Company's plan to issue domestic Shares and overseas listed foreign Shares upon establishment has been fulfilled within 15 months from the date on which the securities regulator of the State Council approves the plan;

(3) with the approval of the securities regulator of the State Council, the domestic Shareholders of the Company transfer their Shares to overseas investors, and such Shares are listed and traded overseas.

## **Chapter 10 Board of Directors**

### **Section 1 Directors**

**Article 131** The term of office of the Board of Directors shall be three years. The Directors shall be elected and replaced by the General Meeting. The term of each director shall commence as of the date of passing the resolution at the General Meeting and expire upon the expiry of the term of the current session of the Board of Directors expires. A director may be reelected after the expiration of his/her term.

If the reelection is not conducted in time after the term of a director expires, the Director shall, subject to the requirements of the laws, regulations and the Articles of Association, continue to discharge his/her duties as a Director before the newly elected Director takes office. Subject to the relevant laws and regulations, the General Meeting may remove any director before the expiry of his/her term of office by passing an ordinary resolution (nevertheless, any claim due under any contract shall not be affected by such removal).

The positions of Directors may be concurrently assumed by the President or other senior management members, but the number of Directors assuming the positions of President or other senior management members shall not exceed half of the total Directors of the Company.

Directors are not required to hold the Shares of the Company.

**Article 132** Any Director who fails to attend the meeting of the Board of Directors in person or by proxy twice in succession shall be considered as unable to perform his/her duties, and the Board of Directors shall propose to the General Meeting to remove such Director from his or her office.

**Article 133** Directors may request to resign before his/her term expires. The Directors who resign

shall submit a written resignation to the Board of Directors. The Board of Directors shall disclose relevant information within 2 days.

If the number of Directors falls below the quorum caused by the resignation of the Director, the director offering to resign shall, before the new Director takes office, continue to perform the Director's duties according to the laws, regulations and these Articles of Association.

Save for the circumstances referred to in the preceding paragraph, the Director's resignation shall take effect as of the delivery of the resignation report to the Board of Directors.

**Article 134** No director shall act on behalf of the Company or the Board of Directors in his/her personal name, unless specified under these Articles of Association or authorized the duly by the Board of Directors. When a third party would reasonably believe that the said Director is representing the Company or the Board of Directors while actually acting in his/her personal name, the said Director shall clarify his/her position and identity in advance.

**Article 135** Any Director who violates the laws, administrative regulations or these Articles of Association during the course of performing his duties and causes loss to the Company shall be obligated to compensate such loss.

**Article 136** The senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all Shareholders. The senior management of the Company shall be liable for compensation due to damages to the interests of the Company and public Shareholders in accordance with the law if they fail to faithfully perform their duties or breach their duty of good faith.

### **Section 2 Independent Directors**

**Article 137** The Company shall have Independent Directors. Independent Directors shall pay particular attention to the legitimate rights and interests of the medium and minority Shareholders when performing their duties.

Unless otherwise specified in this section, Independent Directors shall be subject to the qualifications and obligations of Directors stipulated under Chapter 15 of these Articles of Association, the listing rules of the region where the Company Shares are listed and other relevant regulatory laws and regulations.

**Article 138** An Independent Director of the Company is a Director who holds no other positions in the Company and is not related to the Company or its substantial Shareholders (Shareholders individually or jointly holding more than 5% of the total Shares with voting rights of the Company) that may prevent him from making an independent and objective judgment and qualifies himself as a Director in compliance with the definition of independence in the listing rules of the place where the Company's shares are listed.

**Article 139** The Board of the Company shall consist of at least a third of Independent Directors, including at least one accounting professional. The Company shall elect new Independent Directors to fill a gap with the number required herein when such Independent Director fails to meet the requirement of independence or is found not to be fit for duties as an Independent Director.

There shall be at least one Independent Director of the Company who ordinarily resides in Hong Kong.

**Article 140** Independent Directors shall serve the same period for each term of office as that of other Directors of the Company. Independent Directors may be reelected when the term expires, however, for a period not exceeding 6 years in succession.

**Article 141** The Company shall establish the working system for Independent Directors elaborating the qualifications, nomination, election and replacement, rights and obligations, legal liabilities of independent Directors, etc. Such working system shall take effect upon approval by the General Meeting.

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

**Article 142** The Company shall have a Board of Directors, which shall be accountable to the General Meeting. The Board of Directors of the Company plays a decision-making role to formulate strategies, make decisions and prevent risks.

The Board of Directors shall be composed of 5 to 11 Directors. The Board of Directors shall have 1 Chairman, and may have 1 Vice Chairman. In principle, the number of external Directors shall exceed half of the number of members of the Board of Directors.

The term “external Directors” as referred to in this Article refers to non-executive Directors who do not hold other positions in the Company except for the positions of Directors and members of special committees of the Board of Directors.

**Article 143** The Chairman and Vice Chairman shall be elected and unseated by more than half of the Directors, and may be reelected and reappointed. The term of office of the Chairman and the Vice Chairman is three years.

**Article 144** The Board of Directors performs the following duties:

- (1) to convene the General Meeting and report its work to the General Meeting;
- (2) to implement the resolution of the General Meeting;
- (3) to determine the strategic planning of the Company, and to decide on the business plans and

investment plans of the Company;

(4) to decide on major investment and financing projects, acquisition or disposal of assets, asset mortgage, financial assistance, consignment wealth management, external donations and connected transactions within the scope of the authorization of the General Meeting;

(5) to formulate the annual financial budget and final accounts of the Company;

(6) to formulate the profit distribution plan and loss recovery plan of the Company;

(7) to formulate the proposal for increase or decrease the registered capital of the Company;

(8) to formulate the proposal for issue and listing of bonds or other securities of the Company and listing thereof;

(9) to draft plans for substantial acquisition, repurchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company;

(10) to decide on the establishment of the internal management organizations of the Company;

(11) to appoint or dismiss the President of the Company;

(12) to appoint or dismiss Secretary to the Board of Directors according to the nomination by the Chairman;

(13) to appoint or dismiss senior management members such as the Vice President and the person in-charge of finance upon the nomination of the President, to arrange and implement assessments, and decide on matters relating to the assessment proposals, assessment results, remuneration distribution, incentives and punishments;

(14) to formulate the basic management system of the Company;

(15) to formulate proposals for amendment to these Articles of Association;

(16) to formulate stock option incentive plan of the Company;

(17) to manage the information disclosure of the Company;

(18) to propose to the General Meeting to appoint or change the accounting firm in charge of the audition of the Company;

(19) to listen to the work report of the President and to review the work of the President;

(20) to elect the Chairman and Vice Chairman of the Company;

(21) to review and approve the external guarantee provided by the Company other than those guarantees that shall be reviewed by the General Meeting subject to Article 63 under these

Articles of Association;

(22) to decide on the establishment or revocation of the branches of the Company;

(23) to decide on the concrete implementation plan for merger, separation and restructuring of the subsidiaries of the Company;

(24) to decide on the salaries, fringe benefits, rewards and penalty policy and plan of the Company's employees;

(25) to decide on the risk management and internal control system of the Company, including risk assessment, financial control, internal audit and internal control assessment, and legal risk control, etc. and monitor the implementation thereof;

(26) to decide on the setup of special committees under the Board of Directors and to appoint or remove the chairmen of such committees;

(27) to decide on the asset mortgage and pledge established by the Company for its own debts;

(28) to decide on the provision of loan guarantees for the headquarters of the Company;

(29) to decide on the expenditures in excess of the annual budget of the Company;

(30) to decide on the Company's legal compliance management system, and conduct overall monitoring and assessment of the Company's legal compliance management system and its effectiveness;

(31) to formulate major reform plans of the Company in accordance with the Articles of Association and the Rules of Procedure for the Board Meetings;

(32) Other authorities specified by the laws, administrative regulations and rules of government departments, and granted by the General Meeting.

If the aforesaid authorities of the Board of Directors or any deals or arrangements executed by the Company shall be reviewed by the General Meeting subject to the listing rules of the region where the Company Shares are listed, the same shall be submitted to the General Meeting for review.

A resolution made by the Board of Directors over the aforesaid issues shall be voted and agreed upon by more than two-thirds of the Directors for items (7), (8), (9) and (15), financial assistance in item (4) and voted and approved by more than two-thirds of the Directors present at the Board of Directors for item (21), and voted and approved by more than half of all Directors for other items.

**Article 145** Major business and management matters shall be studied and discussed by the Party

Committee before the Board of Directors makes decisions based on its functions and powers and according to specified procedures.

**Article 146** The Board of Directors shall establish the rules of procedure for the Board of Directors to ensure the implementation of the resolutions passed at the General Meeting, efficient operation and scientific decision-making procedures of the Board. The rules of procedure for the Board of Directors, as the appendix to the Articles of Association, which defines the convening and voting procedures, shall be submitted to the General Meeting for its approval.

**Article 147** The Board of Directors established special committees to provide the Board of Directors with advice and recommendations on material decisions. The Board of Directors of the Company has the Strategy Committee, the Finance and Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Sustainable Development Committee.

Such committees are accountable to the Board and are all composed of members of the Board. In particular, in the Finance and Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Sustainable Development Committee, Independent Directors shall represent a majority of committee members and serve as the conveners; in the Finance and Audit Committee, at least one of the Independent Directors shall be an accounting professional who shall serve as the convener, and at least one Independent Director shall be equipped with appropriate professional qualifications as required by the listing rules of the Main Board or other equivalent expertise in accounting or financial management. When necessary, the Board may establish other committees and restructure existing ones. The Board shall separately formulate the working rules for such committees with respect to their duties and meeting procedures.

**Article 148** The main responsibilities of the Strategy Committee of the Board of Directors are:

- (1) to study the medium and long-term development strategies and important investment decisions of the Company and advise the Board of Directors in this regard; and
- (2) other duties and authorities granted by the Board of Directors.

**Article 149** The main responsibilities of the Finance & Audit Committee of the Board of Directors shall be:

- (1) to review major financial control objectives, supervise the execution of the financial rules and systems, and instruct the financial work of the Company;
- (2) to develop the guarantee management policy, and review the guarantee business;
- (3) to review the annual financial budget and final accounts, and supervise the



implementation thereof;

(4) to review the financial analysis of major investment projects, supervise the implementation results of the investment projects, and organize the post-assessment and review of major investment and financing projects;

(5) to review the profit distribution plan and the loss recovery plan of the Company, and advise the Board of Directors in this regard;

(6) to review the assets and financial quality indicators of the Company, and advise the Board of Directors in this regard;

(7) to review the Company's financial information and its disclosure, and independently review and give comments on the financial statements;

(8) to review the annual internal audit plan of the Company;

(9) to supervise the development of an internal audit system of the Company and its implementation, and make recommendations on the establishment of the internal audit system of the Company, as well as the appointment and dismissal of the person-in-charge of the audit department;

(10) to review the construction plan, regulatory system, work flows and major control objectives for the comprehensive risk management and internal control system;

(11) to review and submit to the Board of Directors the annual work plan and annual report of comprehensive risk management and internal control;

(12) to supervise the soundness and reasonableness of the risk management and internal control system and the effectiveness of its implementation, assess and give guidance on duties of the risk management and internal control system of the Company, discuss the risk management and internal control system with the management, and ensure that the management has performed its duties to establish an effective system;

(13) to review assessment plans drafted by the internal control assessment department, and review the internal control assessment report and submit the same to the Board of Directors;

(14) to review risk management strategies and significant risk management solutions, and study the significant investigation results and feedback from the management concerning the risk management and internal controls of the Company;

(15) to suggest the engagement or replacement of external auditors for financial statements and internal control;

(16) to be responsible for the communication between internal auditors and external auditors; to ensure coordination between the internal and external audits, ensure that the internal audit function is operated with adequate internal resources from the Company and has appropriate status, and inspect and monitor the effectiveness of the internal audit function;

(17) to confirm the list of affiliated persons of the Company, and report in time to the Board and the Board of Supervisors;

(18) to review material connected transactions proposed between the Company and affiliated persons, express written opinions, submit the same to the Board for review, and report the same to the Board of Supervisors;

(19) other authorities granted by the Board.

**Article 150** The main responsibilities of the Nomination Committee of the Board of Directors shall be:

(1) to undertake the responsibility to study the standards, procedures and methods for selecting Directors, the President and other senior executives of the Company, and put forward suggestions to the Board of Directors;

(2) to extensively hunt for qualified candidates for the positions of Director, President and other senior executives;

(3) to review the candidates for Directors, the President and other senior executives, and submit review opinions to the Board of Directors;

(4) other authorities granted by the Board of Directors.

**Article 151** The main responsibilities of the Remuneration & Evaluation Committee of the Board of Directors shall be:

(1) to study the standards for the evaluation of the Directors and the President, conduct evaluations and give suggestions;

(2) to study and review the remuneration policies and programs for the Directors and senior management members;

(3) other duties assigned by the Board of Directors.

**Article 152** The main duties of the Sustainable Development Committee of the Board of Directors are as follows:

(1) to research and provide recommendations to the Board of Directors about the objectives, strategies, plans and material decisions relating to sustainable development of the Company (including environment, social, and governance);

(2) to supervise the progress of implementation of strategies and plans for sustainable development of the Company;

(3) to supervise the Company's commitments and performance on key issues such as climate change, protection of health and performance of social responsibilities and to provide recommendations to the Board of Directors;

(4) to focus on key information on sustainable development related to the business of the Company and study relevant sustainable development matters of the Company, and to provide recommendations to the Board of Directors;

(5) to consider the Environment, Social and Governance report (ESG report) of the Company or social responsibility report and to provide recommendations to the Board of Directors;

(6) other duties exercisable by the Sustainable Development Committee specified or recommended by the listing rules of the place where the Company's shares are listed (including but not limited to the duties recommended by the provisions in the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the listing rules of the HKEX);

(7) to guide the formulation of the legal system and compliance management system; to regularly receive compliance management briefings; to conduct regular inspections and evaluations on the compliance management system and its implementation;

(8) other responsibilities and duties assigned by the Board of Directors.

**Article 153** In case of the disposal of fixed assets by the Board of Directors, if the sum of the expected value of the fixed asset to be disposed of, plus the value derived from the fixed assets that have been disposed of within four months before the proposal for disposal, exceeds 33% of the fixed assets value shown in the balance sheet most recently reviewed by the General Meeting, the Board of Directors shall obtain the approval of the General Meeting before disposing of or agreeing to dispose of the fixed assets.

The disposal of fixed assets under this Article includes the transfer of certain interests in assets, but excludes the provision of guarantees with the fixed assets.

The validity of the transaction conducted by the Company to dispose of the fixed assets shall not be influenced by a breach of the first paragraph under this Article.

**Article 154** The Board of Directors of the Company shall explain at the General Meeting the unqualified audit opinion issued by the certified public accountant on the financial statements of the Company.

**Article 155** The Chairman of the Board of Directors shall have the following duties and authorities:

- (1) to preside over the General Meeting, and convene and preside over the meeting of the Board of Directors;
- (2) to examine and procure the implementation of the resolution made by the Board of Directors;
- (3) to nominate candidates for the Secretary to the Board of Directors;
- (4) to procure and examine the work of the special committees of the Board of Directors;
- (5) to organize the formulation of various operating systems of the Board of Directors and to coordinate the operation of the Board of Directors;
- (6) to listen to the work report delivered by the senior management members of the Company on a regular or irregular basis, and to give instructions on the execution of the resolution made by the Board of Directors;
- (7) other duties and authorities specified by the laws, administrative regulations and rules of government departments, or granted by the Board of Directors.

When the Chairman is unable to perform these duties and authorities, he/she may designate the Vice Chairman to act in his/her stead.

**Article 156** The Vice Chairman of the Company shall assist the Chairman, and perform the duties of the Chairman when the Chairman is unable to or fails to perform his/her duties. When the Vice Chairman is unable to or fails to perform the duties, a Director jointly elected by more than half of the Directors shall perform the duties.

**Article 157** At least four meetings of the Board shall be convened every year by the Chairman of the Board. All the Directors and Supervisors shall be notified in writing 14 days before each meeting.

An extraordinary meeting of the Board of Directors may be held when it is proposed by the Chairman, the Shareholders representing more than one-tenth of the voting rights, more than one-third of the Directors, more than half of the Independent Directors, the President or the Board of Supervisors. The Chairman shall convene and preside over the meeting of the Board of Directors within 10 days after receipt of such proposal.

**Article 158** The notice on holding an extraordinary meeting of the Board of Directors may be sent in the manners set out in Article 250. Such notice shall be delivered to all the Directors and Supervisors 5 days prior to the meeting.

**Article 159** The notice of the meeting of the Board of Directors shall include the following:

- (1) date and venue of the meeting;
- (2) duration of the meeting;
- (3) subjects and topics;
- (4) issuance date of notice;
- (5) means of convening the meeting.

**Article 160** A meeting of the Board of Directors shall not be held unless more than half of the Directors are in attendance.

The Board of Directors implements a decision-making system of collective deliberation, independent voting and individual accountability. Each Director shall have one vote to cast on the resolutions of the Board. When the number of negative votes and affirmative votes are equal, the Chairman shall have the right to cast one more vote.

**Article 161** A meeting of the Board of Directors shall be personally attended by the Directors. If they are not able to attend the meeting due to certain reasons, they may authorize other Directors in writing to attend the meeting on their behalf. A letter of attorney shall indicate the name of the proxy, entrusted matters, scope of authorization and term of validity and shall be signed or sealed by the appointer. The appointed Director attending the meeting shall exercise the rights of a Director within the scope of authorization. If a Director does not attend a Board meeting in person, and does not authorize any representatives to attend the meeting, he/she shall be deemed to have waived the voting right in the meeting.

**Article 162** In the event that a Director is connected to companies associated with matters to be resolved at the Board meeting, such Director shall not exercise his/her voting rights on such resolution, nor shall he/she vote on behalf of other Directors. The Board meeting may be convened with a majority of the Independent Directors. Resolutions shall be approved by a majority of Independent Directors at the Board meeting. When there are less than 3 Independent Directors present at the Board meeting, such matter shall be submitted to the general meeting for consideration.

**Article 163** All resolutions in a Board meeting shall be voted upon by open ballots.

Making a resolution by the Directors with votes cast through telecommunication at a special

meeting of the Board of Directors may only be adopted when the meeting is on a tight schedule and when the Directors are able to express themselves thoroughly. The resolution thus adopted shall be signed by the Directors present at the meeting.

**Article 164** The Board of Directors shall record the decision made on the issue discussed at the meeting in the minutes, which shall be signed by the Directors present at the meeting.

The Directors shall be responsible for the resolution made by the Board of Directors. If the Company suffers serious losses because the resolution made by the Board of Directors violates the laws, regulations or these Articles of Association, the Directors voting for the resolution shall be obligated to compensate such loss. Nevertheless, if there is any evidence proving that a Director disagrees with the resolution at the time of voting and such dissidence is recorded in the minutes, the Director will be excused. An abstention vote cast by a Director shall not relieve him/her from the responsibility for the resolution made by the Board of Directors.

The minutes of the Board of Directors shall be kept in the document of the Company for a permanent term.

**Article 165** The minutes of the Board of Directors shall contain the following:

- (1) date and venue of the meeting and the name of the convener;
- (2) names of Directors present at the meeting and names of the Directors (as proxies) present at the meeting as entrusted by other Directors;
- (3) agenda of the meeting;
- (4) points of each Director's speech;
- (5) voting method and result of each issue resolved (the voting result shall specify the number of affirmative, negative and abstention votes).

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

**Article 166** The Company shall have one Secretary to the Board of Directors. The secretary shall be a senior management member of the Company.

**Article 167** The Secretary to the Board of Directors of the company shall be a natural person in possession of the required professional knowledge and experience, and shall be appointed by the Board of Directors. His/Her main responsibilities include:

- (1) to guarantee that the Company keeps intact organizational documents and records;

(2) to ensure the Company prepares and submits the reports and documents required by the competent authority according to the law;

(3) to guarantee that the register of Shareholders of the Company is properly prepared, and that the persons entitled to obtain relevant records and documents of the Company have timely access to such records and documents.

**Article 168** The Directors or other senior management members of the Company except for the President and the chief financial officer may concurrently act as the Secretary to the Board of Directors. Any accountants of the accountants' firm appointed by the Company shall not be appointed as the Secretary to the Board.

If a Director is also the Secretary to the Board of Directors, and a certain act shall be performed by the Director and the Secretary of the Board of Directors separately, such person who is acting both as a Director and Secretary of the Board of Directors shall not perform the act in double identity.

The Company shall have a Securities Affairs Representative, who shall assist the Secretary to the Board of Directors in performing his/her duties.

**Article 169** The Directors, the President and the relevant internal departments of the Company shall support the Secretary to the Board of Directors in fulfilling his/her duties according to the law, with necessary assistance in terms of institutional setup, staff deployment and budgets. Relevant departments of the Company shall actively cooperate with the work of the Secretariat to the Board of Directors.

**Article 170** The Company shall establish the working rules for the Secretary to the Board of Directors, elaborating the qualifications, work method, work procedure, evaluation, and reward & penalty system for the Secretary to the Board of Directors. Such working rules shall come into effect upon the approval of the Board of Directors.

## **Chapter 12 Management**

**Article 171** The Company shall have a management team, which shall execute the resolutions of the Board of Directors under the leadership of the Board of Directors, and shall take charge of the daily operations and management of the Company. The management plays a key role to manage the operation, implement plans and enhance management. The Company signs contracts with members of management with tenures, conducts assessments as required, implements an appointment and removal system and pays remuneration. The management team shall be under the charge of the President.

The management team shall comprise 1 President, several Vice Presidents and 1 Chief Financial Officer.

**Article 172** The term of office of the President shall be 3 years, which may be extended after its expiration given a reappointment.

The President may tender a resignation before the expiration of his/her term. The concrete procedures and method for the resignation of the President shall be stipulated in the employment contract between the President and the Company. When the President is unable to perform his/her duties due to special causes, the Board of Directors shall designate a Vice President to perform such duties on his/her behalf.

A Director may act as President or Vice President concurrently.

**Article 173** A person holding any executive position other than director or supervisor in the controlling Shareholder of the Company shall not be appointed as a senior management member of the Company.

The senior management of the Company shall receive wages from the Company instead of the Controlling Shareholders.

**Article 174** The President shall be accountable to the Board of Directors and exercise the following authorities:

(1) to lead the production, operation and management of the Company, and report to the Board of Directors;

(2) to organize the implementation of the resolutions made by the Board of Directors;

(3) to organize the implementation of the Company's annual business plan and investment plan made by the Board of Directors;

(4) to draft the setup plan for the internal management institutions of the Company;

(5) to draft the basic management systems of the Company;

(6) to formulate concrete rules and regulations for the Company;

(7) to propose the appointment or dismissal of the Company's Vice President and persons in charge of finance;

(8) to employ and dismiss management staff other than those who shall be employed and dismissed by the Board of Directors;

(9) to sign important documents with legal binding force on behalf of the Company with external parties under the authorization of the legal representative of the Company;



(10) to draw up plans for the merger, split and reorganization of the Company's subsidiaries;

(11) to draft the plan to set up branches of the Company;

(12) to draft the policies and plans for the salaries, benefits, rewards & penalties of the Company employees;

(13) to handle special disposal of affairs of the Company in case of force majeure events, in great crisis or at times of emergency where meetings of the Board cannot be convened in time in accordance with the laws and the benefits of the Company pursuant to the authorization of the Board. A report shall be submitted to the Board after such event occurs;

(14) to formulate the proposal for establishing a legal compliance management system of the Company, and arrange its implementation after approval by the Board of Directors;

(15) to discharge other duties conferred by laws, administrative regulations, department regulations or these Articles of Association and those authorized by the Board of Directors.

The authorization granted by the Board of Directors to the President shall be exercised upon discussion and approval by the President's Work Meeting.

**Article 175** The President shall attend the meeting of the Board of Directors. If the President is not a Director, he/she shall have no voting rights at the meeting.

**Article 176** The Company shall establish a working conference system for the presidential office. The Company shall formulate working rules for the President, which shall be observed after being approved by the Board of Directors of the Company.

**Article 177** The working rules of the President include the following:

(1) the conditions and procedures for holding the President's work conference as well as the participants;

(2) specific responsibilities of the President and other senior management members and the division of their duties;

(3) the approval authorities on the utilization of funds and assets of the Company and the signing of major contracts, as well as the reporting system to the Board of Directors and the Board of Supervisors; and

(4) any other issues deemed as necessary by the Board of Directors.

**Article 178** The management of the Company shall discharge their duties honestly and diligently in

accordance with the laws, regulations and the Articles of Association.

## **Chapter 13 Board of Supervisors**

### **Section 1 Supervisors**

**Article 179** The Directors and senior management members of the Company shall not act as Supervisors concurrently.

**Article 180** The term of office of a Supervisor shall be three years. A Supervisor may take another term if he/she is reelected after the expiration of his/her term.

**Article 181** If the reelection is not conducted in time after the term of a supervisor expires or the resignation of the supervisor causes the members of the Board of Supervisors to fall short of the quorum, the supervisor shall still perform the supervisor's duty in line with the laws, regulations and these Articles of Association until the new supervisor takes office.

**Article 182** Supervisors shall guarantee the truth, accuracy and integrity of the information disclosed by the Company, and sign written confirmations for periodic reports.

**Article 183** Supervisors may attend the meeting of the Board of Directors as non-voting participants, and question or make recommendations on the resolutions to be passed by the Board of Directors.

**Article 184** Supervisors shall not use their connections to prejudice the interest of the Company. If any loss is thus incurred by the Company, they shall be held liable.

**Article 185** The Supervisors shall perform the supervisory responsibilities faithfully in line with the laws, regulations and these Articles of Association. If a Supervisor violates the laws, administrative regulations or these Articles of Association in the performance of their duties in the Company and causes a loss to the Company, he/she shall be held liable.

### **Section 2 Board of Supervisors**

**Article 186** The Company shall have a Board of Supervisors. The Board of Supervisors consists of three Supervisors and one chairman.

The appointment and dismissal of the chairman shall be voted and adopted by more than two-thirds of the members of the Board of Supervisors.

**Article 187** The members of the Board of Supervisors are composed of the Shareholder representatives and employee representatives. The Shareholder representative Supervisors shall be elected and removed by the General Meeting. The employee representative Supervisors shall make up at least one-third of the members of the Board of Supervisors, and shall be democratically elected and removed by the Company's employees.

**Article 188** The Board of Supervisors shall perform the following duties and authorities:

- (1) to review the periodic reports prepared by the Board of Directors and to comment in writing;
- (2) to inspect the financial status of the Company;
- (3) to supervise the performance of duties by the Directors and senior management members, and propose to remove Directors and senior management members who have violated the laws, regulations, these Articles of Association or resolutions of the General Meeting;
- (4) to require Directors and senior management members to correct their conducts that may harm the interest of the Company;
- (5) to propose to hold an Extraordinary General Meeting, and convene and preside over the General Meeting when the Board of Directors is unable to fulfill its duty to convene and preside over the General Meeting specified by the Company Law or these Articles of Association;
- (6) to submit proposals to the General Meeting;
- (7) to propose the convening of extraordinary meeting of the Board of Directors;
- (8) to elect the chairman of the Board of Supervisors;
- (9) to take legal action against Directors and senior management members according to the Company Law;
- (10) to conduct an investigation when finding irregularities in the operation of the Company. Professional organizations including accounting firms and law firms may be engaged when necessary, with the relevant costs to be borne by the Company;
- (11) other duties and authorities specified by the laws, regulations and these Articles of Association.

**Article 189** Meeting of the Board of Supervisors shall be held at least once every six months, and the meeting shall be convened by the chairman of the Board of Supervisors. A supervisor may propose to hold an extraordinary meeting of the Board of Supervisors.

**Article 190** The Board of Supervisors shall formulate the rules of procedure for the Board of Supervisors to ensure the working efficiency and scientific decision-making of the Board of Supervisors. The rules of procedure for the Board of Supervisors shall specify the convention and voting procedure of the Board and become an appendix to these Articles of Association. They shall be drafted by the Board of Supervisors and approved by the General Meeting.

**Article 191** A meeting of the Board of Supervisors shall be held on the condition that it is attended by more than half of the Supervisors. Each supervisor has one vote at the meeting of the Board of Supervisors, and the voting shall be performed either through an open vote or in writing.

A resolution made by the Board of Supervisors shall be voted on and adopted by more than two-thirds of the members of the Board of Supervisors.

**Article 192** The Board of Supervisors shall record the decisions made on the issues discussed at the meeting in the minutes, which shall be signed by the Supervisors present at the meeting.

Any Supervisor shall have the right to have certain explanatory note entered into the minutes regarding his/her statements at the meeting. The minutes of the Board of Supervisors shall be kept as the archives of the Company for a permanent term.

**Article 193** The notice of the meeting of the Board of Supervisors shall include the following:

- (1) date, venue and period of the meeting;
- (2) purposes and topics;
- (3) date of notice.

## **Chapter 14 The Party Committee of the Company**

**Article 194** The Company shall establish an organization of the Communist Party of China in accordance with the Constitution of the Communist Party of China, the Opinions on Strengthening Party Leadership by Central Enterprises in Improving Corporate Governance and relevant provisions. The Party Committee shall play the leadership role to steer the Company's direction of development, manage the overall situation and ensure the implementation of plans. The Company shall also establish the working organs of the Party, which shall be equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.

**Article 195** The Company shall establish the Party Committee. The number of secretary, deputy secretary and members shall be determined in accordance with the approval from the Party organizations of higher levels and they shall be elected or appointed pursuant to relevant requirements of the Constitution of the Communist Party of China and other regulations. The Company shall adhere to and improve the leadership system of "cross appointment", and eligible members of the Party Committee may take seats in the Board of Directors, the Board of Supervisors and the senior management through legal procedures, while eligible members of the Board of Directors, the Board of Supervisors and the senior management may take seats in the Party Committee in accordance with relevant rules and procedures. Meanwhile, a discipline inspection committee shall be established in accordance with relevant requirements. The secretary of the discipline inspection committee may attend meetings of the Board of Directors and the special committees of the Board of Directors of the Company.

**Article 196** The Party Committee of the Company shall perform its duties pursuant to the Constitution of the Communist Party of China and other regulations of the Party.

(I) To strengthen the political role of the Party in the Company, adhere to and implement the fundamental, basic and important systems of socialism with Chinese characteristics, and educate and guide all Party members to follow suit with the Central Committee of the Party with comrade Xi Jinping at the core in terms of political orientation, direction, principles and path;

(II) To thoroughly study and implement the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, learn to promote the Party's theories, adhere to the Party's values, principles and policies, supervise and ensure the implementation of major decisions and arrangements of the Central Committee of the Party and the resolutions of the Party organizations of higher levels in the Company;

(III) To study and discuss major business management matters of the Company and support the General Meeting, the Board of Directors, the Board of Supervisors (Supervisors) and the management in exercising their functions and powers in accordance with the laws. Major business management matters of the Company should be studied and discussed by the Party Committee before being decided by the Board of Directors in accordance with relevant regulations;

(IV) To strengthen the management of and review the selection and employment of the Company's personnel, and build and cultivate the leadership, cadres and talents of the Company;

(V) To fulfil the responsibilities of the Company for building a healthy culture, lead and support internal discipline inspection organizations to fulfill their duties of supervision, discipline and accountability, strictly implement political disciplines and rules, and penetrate all-round and strict administration of the Party into the grassroots level;

(VI) To study and formulate major systems for party building work and plans for the establishment and adjustment of party organizations, strengthen the establishment of grass-roots Party organizations and Party members, unite and lead the employees to actively participate in the reform and development of the Company;

(VII) To lead the ideological and political work, spiritual civilization and united front work of the Company, and lead mass organizations such as the labor union, the Communist Youth League and women's organizations of the Company;

(VIII) To handle other important matters within the scope of duties of the Party Committee.

## **Chapter 15 Qualifications and Duties of Directors, Supervisors and Senior Management Members of the Company**

**Article 197** A person shall not act as the Director, Supervisor, President or other senior manager of the Company if any of the following circumstances applies:

(1) person without legal or with restricted legal capacity;

(2) a period of less than 5 years has elapsed since the conviction of corruption, bribery, unauthorized appropriation of properties, embezzlement of properties or disrupting the economic order of a socialist market; or a period of less than 5 years has elapsed since being deprived of political rights for commission of offence;

(3) a period of less than 3 years has elapsed since the completion of the liquidation of any company or enterprise which was insolvent and where the person acted as a director or factory manager, manager of such company or enterprise and was personally liable for such insolvency;

(4) a period of not less than 3 years has elapsed since revocation of the business license of a company or enterprise due to illegal business operations where the person was the legal representative of such company or enterprise and for which he was personally liable;

(5) the person fails to repay a substantial amount of personal debt after it is due;

(6) the person is being investigated by the judicial department because of a violation of the criminal law, and the case remains pending;

(7) the person is forbidden by the CSRC to access the securities market, and the period of such penalty has not yet expired;

(8) a period of less than 5 years has elapsed since the person was adjudged by the relevant governing authority to be guilty of contravention of provisions of securities regulations involving fraud or dishonesty;

(9) the person is not a natural person; or

(10) other circumstances as may be specified by the laws, regulations, the regulator and the stock exchange of the region where the Company is listed.

**Article 198** The validity of anything done by the Directors and senior management members representing the Company to a third party acting in good faith shall not be impaired by any non-compliance of such Directors and senior management members in respect of their appointment, election or qualification.

**Article 199** In addition to the obligations required by the laws, regulations or listing rules of the region where the Company Shares are listed, the Directors, Supervisors and senior management members of the Company shall also undertake the following obligations to each Shareholder when performing the duties and authorities granted by the Company:

(1) not to cause the Company to go beyond its business scope as specified in its business licenses;

(2) to act in good faith to maximize the interests of the Company;

(3) not to deprive the property of the Company in whatever form, including (but not limited to) the opportunities in favor of the Company;

(4) not to deprive the personal rights and interests of the Shareholders, including (but not limited to) the right of distribution and voting right, but excluding the Company reorganization proposal submitted to the General Meeting in line with these Articles of Association.

**Article 200** The Directors, Supervisors or senior management members of the Company shall do as they are expected with the prudence, diligence and skills that are demonstrated by a person of reason and prudence under a similar situation, and shall undertake the following obligations to the Company with due care, in the performance of their rights or duties:

(1) to exercise the rights granted by the Company with prudence, care and diligence to ensure the business conducts of the Company comply with the laws, regulations and various economic policies of the State, and do not exceed the business scope specified in the business license;

(2) to treat all Shareholders fairly;

(3) to understand and possess the latest information about the condition of the operation and management of the Company;

(4) to ensure that the information disclosed by the Company is true, accurate and complete within the scope of their duties;

(5) to report relevant information and materials honestly to the Board of Supervisors, and not to prevent the Board of Supervisors or Supervisors from performing their duties and authorities; and

(6) other obligations of diligence as specified by the laws, regulations and these Articles of Association.

**Article 201** When performing their duties, the Directors, Supervisors and senior management

members of the Company shall observe the principles of honesty and integrity, and shall not put themselves in a situation where their personal interests may conflict with their obligations. This principle includes (but is not limited to) the performance of the following obligations:

(1) to act in good faith to maximize the interests of the Company;

(2) to exercise their authorities within the scope specified and not to exceed their authorities;

(3) to exercise the right of discretion available to them in person, and refuse to be manipulated by others; and never transfer their right of discretion to others, unless permitted by the laws and regulations or agreed upon by the General Meeting;

(4) to treat Shareholders of the same category equally, and treat Shareholders of different categories fairly;

(5) not to sign any contract, deal or make any arrangements with the Company, unless otherwise specified by these Articles of Association, or approved by the General Meeting;

(6) not to use the Company's property in whatever form to seek personal interests for themselves, unless otherwise allowed by the General Meeting;

(7) not to use the authority to take bribes or solicit other illegal incomes, and never encroach upon the Company property in whatever form, including (but not limited to) the opportunity in favor of the Company;

(8) not to accept commissions related to the dealings of the Company, unless otherwise agreed upon by the General Meeting;

(9) to observe these Articles of Association, to perform the roles loyally, to safeguard the interests of the Company, and not to use their position and authority in the Company to seek private gains;

(10) not to capitalize on their positions to seek for themselves or others any business opportunity that shall otherwise belong to the Company, operate the same business as the Company for themselves or for others, and never compete against the Company in any way, unless otherwise agreed upon by the General Meeting;

(11) not to embezzle the Company's funds, or deposit the assets or funds of the Company in an account opened under their personal names or any other names;

(12) not to make loans to others out of the funds of the Company and not to use assets of the Company as security for loans to Shareholders of the Company or others without the consent of the General Meeting or the Board, subject to the requirement of the Articles of Association;



(13) not to use their connected relations to harm the interests of the Company;

(14) not to disclose any confidential information of the Company obtained during their term, nor use such information for any purpose other than for the interests of the Company, unless otherwise agreed upon by the General Shareholders Meeting. Nevertheless, such information may be disclosed to the court or other competent authority in the following cases:

(i) disclosure is required by the laws;

(ii) there is a duty to the public to disclose;

(iii) it is in the personal interests of such Director, Supervisor or senior management member to require disclosure.

Any income obtained by the persons described in this Article as a result of a violation of this Article shall be owned by the Company. If the Company suffers any loss as a result, the persons shall be held liable accordingly.

**Article 202** The Directors, Supervisors and senior management members of the Company shall not incite the following persons or institutions (“related persons”) to do such things as such Director, Supervisor and senior management member is prohibited from doing so:

(1) spouses or minor children of the Directors, Supervisors and senior management members of the Company;

(2) the trustees of Directors, Supervisors and senior management members of the Company or any persons as described in paragraph (1) above;

(3) the partners of the Directors, Supervisors and senior management members of the Company or any persons as set forth under paragraphs (1) and (2) above;

(4) a company controlled de facto by the Directors, Supervisors or senior management members of the Company alone or jointly or the persons named in paragraphs (1), (2) and (3) above or other Directors, Supervisors and senior management members of the Company has a de facto controlling interest; and

(5) the Directors, Supervisors and senior management members of the controlled company as described in paragraph (4) above.

**Article 203** The fiduciary duty of a Director, Supervisor and senior management member of the Company does not necessarily cease upon the termination of his tenure of office. The obligation of confidence in relation to the trade secrets of the Company shall survive after the termination of his tenure. Other obligations may continue for such period as to be determined under the principle of

fairness, depending on the time lapse between the acts concerned and the termination and the circumstances and the conditions under which the relationship with the Company terminated.

**Article 204** Except as provided in Article 60 of the Articles, Directors, Supervisors and senior management members of the Company may be exempted from liabilities for specific breach of duties with informed consent by the General Meeting.

**Article 205** Where the Directors, Supervisors and senior management members of the Company have a major interest, directly or indirectly, in the contract, deal or arrangement already ongoing or proposed to be executed by the Company (except the employment contracts between the Company and the Directors, Supervisors and senior management members), they shall disclose to the Board of Directors as soon as possible why and how they are relevant thereto, no matter whether or not the relevant issue shall be generally subject to the sanction by the Board of Directors.

A director shall not vote on any contract, deal or arrangement in which he/she or any of his/her related person has a major interest, nor shall he/she be included in the quorum of the meeting.

Unless the connected Director, Supervisor or senior management member has disclosed his/her connection to the Board in accordance with the preceding paragraph of the Articles and the above matter has been approved by the Board at a meeting in which the connected Director, Supervisor or senior management member is not counted in the quorum and has refrained from voting, such contract, transaction or arrangement is voidable by the Company except against a bona fide third party who is unaware of the facts about the breach of duty on the part of the said Directors, Supervisors and senior management members.

If the related persons of the Directors, Supervisors and senior management members of the Company have related interests in a contract, deal or arrangement, the relevant Directors, Supervisors and senior management members shall also be considered as having an interest therein.

**Article 206** If, prior to the Company beginning to consider signing a contract, deal or making an arrangement, a Director, Supervisor or senior manager of the Company notifies the Board of Directors in writing, stating that such contract, deal or arrangement to be executed by the Company in the future would be relevant to him due to the contents contained in the notice, he/she shall be deemed to have made the disclosure specified in the previous Article of this Chapter to the extent of the scope stated in the notice.

**Article 207** The Company shall in no way whatsoever pay taxes for its Directors, Supervisors and senior management members.

**Article 208** The Company shall not provide loans or loan guarantees directly or indirectly to the Directors, Supervisors and senior management members of the Company and its parent company, or

to the related persons of the aforesaid persons.

The preceding provision shall not apply to the following cases:

- (1) the Company provides loans or loan guarantees to subsidiaries;
- (2) the Company provides loans, loan guarantees or other funds to the Directors, Supervisors and senior management members according to the employment contract approved by the General Meeting so that they may pay the expenses incurred for the purpose of the Company or for the performance of their duties; and
- (3) if the normal business scope of the Company includes provision of loans and loan guarantees, the Company may provide loans or loan guarantees to the concerned Directors, Supervisors and senior management members as well as their related persons, provided only that these are based on the general commercial terms.

**Article 209** If the Company provides a loan in violation of the previous Article, the recipient of the loan shall immediately return the loan amount, regardless of the terms by which it was granted.

**Article 210** A loan guarantee provided by the Company in breach of provision under paragraph (1) of Article 208 shall be unenforceable against the Company, except under the following circumstances:

- (1) the lender is not informed when offering loans to related persons of the Directors, Supervisors and senior management members of the Company or its parent company;
- (2) the collateral provided by the Company has been sold by the borrower legally to a bona fide buyer.

**Article 211** The term “guarantee” as described in the preceding articles of this Chapter shall include an undertaking by the guarantor or property provided to secure the performance of obligations by the obligor.

**Article 212** When the Directors, Supervisors and senior management members of the Company breach their obligations to the Company, the Company shall have the right to take the following measures in addition to the various rights and remedies provided by the laws and regulations:

- (1) to require relevant Directors, Supervisors and senior management members to compensate the loss incurred by the Company on account of their delinquency;
- (2) to rescind any contract or deal executed by the Company with relevant Directors, Supervisors and senior management members as well as any contract or deal concluded by the Company with a third person (when such third person clearly knows or is reasonably expected to know of the breach of obligations by the Directors, Supervisors and senior management members representing the Company);

(3) to require Directors, Supervisors and senior management members to give up the income obtained as a result of the breach of their obligations;

(4) to recover the money received by relevant Directors, Supervisors and senior management members that should have been received by the Company, including (without limitation to) commissions;

(5) to require relevant Directors, Supervisors and senior management members to return the interests earned or possibly earned on the money that should have been paid to the Company; and

(6) to take legal action to declare the Directors, Supervisors and senior management members return to the Company the property they have obtained as a result of the breach of their obligation.

**Article 213** The Company shall establish written contracts on remunerations of the Directors and Supervisors of the Company, and such contracts shall be approved by the General Meeting in advance. The aforesaid remunerations shall include:

(1) remunerations for being the Directors, Supervisors or senior management members of the Company;

(2) remunerations for being the Directors, Supervisors or senior management members of subsidiaries of the Company;

(3) remunerations for other services rendered for the management of the Company and its subsidiaries; and

(4) compensation paid to relevant Directors or Supervisors for the loss of positions or retirement.

Except for the aforesaid contract, the Directors and Supervisors shall not take a legal action against the Company over the interests they shall obtain because of the aforesaid issues.

**Article 214** There shall be a provision in a contract made between the Company and a Director or Supervisor in respect of their remuneration that the Director or the Supervisor shall, with the prior approval of the Shareholders in general meeting, be entitled to payment by way of compensation for loss of office or other amounts as consideration for his retirement from office in connection with the takeover of the Company.

The takeover of the Company as described in the previous paragraph refers to any one of the following:

(1) a takeover offer made to all Shareholders by any person;

(2) a takeover offer made by an offeror with a view to becoming the controlling shareholder.

The definition of “controlling shareholder” shall be the same as the one defined in the Articles of Association.

If a relevant Director or Supervisor fails to observe this Article, then any amount he/she receives shall be owned by those persons who accept the takeover offer and sell their Shares, and such director or supervisor shall pay the expenses arising out of the distribution of such amount in proportion, and such expenses shall not be deducted out of such amount.

**Article 215** The Company may establish the necessary liability insurance system for Directors, Supervisors and senior management members to reduce the risk they may invite during the normal performance of their duties.

## **Chapter 16 Democratic Staff Management and Labor and Personnel System**

**Article 216** The Company shall, in accordance with the laws and regulations, improve the democratic management system with the employees’ representatives conference as the basis, promote the transparency of factory and business operations, and grant the employees the rights to be informed, participate, express views and supervise the operation. Major decisions should be made after listening to the opinions of the employees, and major issues involving the vital interests of the employees must be considered by the employees’ representatives conference or the employees’ meeting. The employee representative director system should be adhered to and improved to safeguard the rights and interests of employees’ representatives to participate in corporate governance in an orderly manner.

**Article 217** The employees of the Company shall organize a trade union in accordance with the Trade Union Law of the People’s Republic of China to carry out trade union activities and safeguard the legitimate rights and interests of the employees. The Company shall provide necessary conditions for the activities of the trade union.

**Article 218** The Company shall abide by relevant national laws and administrative regulations on labor protection and production safety, implement relevant national policies, and safeguard the legitimate rights and interests of workers. In accordance with the relevant national laws, administrative regulations and policies on labor and personnel, the labor, personnel and wage systems shall be formulated in light of the needs of production and operation.

**Article 219** Establish and implement a market-oriented employment system with labor contract management as the key and post management as the basis, and implement systems such as open recruitment of employees, promotion of competent employees as managers, and demotion and firing of incompetent employees.

**Article 220** Establish a competitive remuneration distribution system for key and core talents to actively and orderly carry out medium and long-term incentive work.

## **Chapter 17 Financial and Accounting System, Profit Distribution, Audit and Counsel System**

### **Section 1 Financial and Accounting System**

**Article 221** The Company shall establish a financial and accounting system in line with the laws, regulations and provisions of relevant authorities.

**Article 222** The accounting year of the Company is based on the Gregorian calendar year, that is, an accounting year ranging from January 1 to December 31 of the Gregorian calendar.

The Company shall prepare a financial report at the end of each accounting year, and such financial statement shall be reviewed and verified according to the laws.

The financial statements of the Company shall be prepared in line with the accounting standards, laws and regulations of China, except for those to be prepared under the international accounting standards or the accounting standards observed in the overseas listing region pursuant to the requirements of the laws and regulations or the listing rules of the region where the shares of the Company are listed. If there is any significant discrepancy between the financial statements prepared in accordance with two accounting standards, such discrepancy shall be specified in the notes on the financial statements.

When the Company distributes the post-tax profit in an accounting year, the smaller post-tax profit in the aforesaid two financial statements shall prevail.

**Article 223** The Board of Directors of the Company shall, at each annual General Meeting, submit to the Shareholders the financial reports that shall be prepared by the Company under relevant laws and regulations.

**Article 224** The Company shall submit and disclose its annual report to the CSRC and the stock exchange within 4 months after the end of each accounting year; submit and disclose its interim report to the competent branch of the CSRC and the stock exchange within 2 months after the end of the first half of each accounting year.

The above-mentioned annual report and interim report are prepared in accordance with relevant laws, administrative regulations and the provisions of the CSRC and the stock exchange.

**Article 225** The Company shall not maintain a separate accounts book except the one required by law.

The assets of the Company shall not be deposited in any account opened under a personal name.

**Article 226** The financial report of the Company shall be kept at the Company and shall be made available to the Shareholders at least 20 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 by prepaid mail 21 days before the Annual General Meeting the above reports to each holder of the H Share listed in Hong Kong stock exchange or by other method permitted by the stock exchange where the Company Shares are traded, and the addresses of the recipients shall be subject to the registration in the register of Shareholders.

**Article 227** The Company shall publish the financial report twice each accounting year, namely, publish the interim financial report within 60 days after the end of the first 6 months of the accounting year, and publish the annual financial report within 120 days after the end of the accounting year.

The interim results or financial data published or disclosed by the Company shall be prepared according to the accounting standards, laws and regulations of China, except for those to be prepared under the international accounting standards or the accounting standards observed in the overseas listing region pursuant to the requirements of the laws and regulations or the listing rules of the region where shares of the Company are listed.

**Article 228** The capital reserve includes the amounts named below:

- (1) premium obtained from the Share issuance at a price higher than the face value;
- (2) other income that shall be listed in the capital reserves according to the provisions of the finance administration authority of the State Council.

**Article 229** The Company shall, when distributing the post-tax profit of an accounting year, accrue 10% of the profit to list it in the legal reserves of the Company. The Company may not further accrue the legal reserves when its accumulative amount exceeds 50% of the registered capital of the Company.

When the legal reserves of the Company falls short to offset the loss of prior years, the Company shall use the profit earned during the year to offset the loss before accruing the legal reserves according to the previous paragraph.

After accruing the legal reserves out of the post-tax profit, the Company may, subject to the resolution of the General Meeting, accrue the free reserve out of the post-tax profit.

The post-tax profit left after the loss recovery and accrual of the reserves shall be distributed in proportion according to the Shareholding proportions of the Shareholders, unless otherwise specified

under these Articles of Association.

If the General Meeting breaches the preceding paragraph by distributing the profit to the Shareholders before the loss recovery and accrual of the legal reserves, the Shareholders shall return to the Company the profit distributed in violation of the law.

The Company Shares held by the Company shall not participate in the profit distribution.

**Article 230** Basic principles of the Company's profit distribution policy:

(1) The Company shall take full account of return to investors and distribute dividend in the sum of stipulated proportion of the Company's distributable profit for the year concerned.

(2) The Company's profit distribution policy shall maintain continuity and stability in the interest of the Company in the long term and that of all Shareholders as a whole and in line with the sustainable development of the Company.

(3) The Company gives priority to profit distribution in cash. The Company shall take various factors into account, including its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangement, to propose a differentiated policy for distributing cash dividend pursuant to the procedures stipulated in the Articles of Association. The proportion of cash dividend to profits of the year shall be determined in compliance with the laws, regulations, regulatory documents and rules of the stock exchange(s).

**Article 231** The particulars of the Company's profit distribution policy are set out as follows:

(1) Forms of profit distribution: the Company may distribute its profit in the form of cash, shares or a combination of cash and shares. Subject to conditions, interim profit distribution may be made by the Company.

(2) Specific conditions and ratios for distributing cash dividend by the Company:

Except under special circumstances, if the Company records profit and positive accumulated undistributed profit, the Company shall distribute dividend in cash, and the profit distributed in cash per annum shall not be less than 15% of the realized distributable profit of the Company for that year.

Special circumstances refer to any of the following:

(i) The net operating cash flow of the Company is negative for that year;

(ii) Other circumstances where cash dividend in the sum of less than 15% of the realized distributable profit of the company is approved by the Shareholders in a General Meeting,



including but not limited to no cash dividend distributed due to the needs of the Company for financing significant investments. The criterion for such significant investments is: total investment budget for the second half year exceeds 15% of the Company's net assets as stated in the consolidated financial statements.

(3) Specific conditions for distributing dividends in shares by the Company:

Where the Company's business is in a sound condition, and the Board of Directors considers that the stock price of the Company does not reflect its Share capital and distributing dividend in shares will be in the interest of all shareholders of the Company as a whole, the Company may propose dividend distribution in shares, provided that the above conditions for cash dividend are fulfilled.

**Article 232** Procedures for considering the dividend distribution plan of the Company:

(1) The profit distribution plan of the Company shall be drawn up by the president's office before submitting to the Board of Directors and the Supervisory Committee of the Company for consideration. The Board of Directors shall thoroughly discuss the reasonableness of the profit distribution plan and form a special resolution before submitting to the General Meeting for consideration. Before the Shareholders General Meeting is convened to consider the detailed plan on distribution of cash dividend, the Company will communicate proactively with Shareholders, especially the minority Shareholders, through a variety of channels, to sufficiently learn the opinions and aspirations of the minority Shareholders, and promptly reply the questions being concerned by the minority shareholders.

(2) The Board shall carefully review and justify the timing for the distribution of cash dividends by the Company, the conditions and minimum proportion, conditions of adjustment and decision-making procedures and other matters. Independent directors should express explicit opinions. Independent Directors may collect the views of minority Shareholders, propose the dividend distribution proposal and submit the proposal directly to the Board for its consideration. When the Board of Directors resolves to distribute cash dividend in the sum of less than 15% of the Company's realized distributable profit and makes a profit distribution plan in respect thereof to be proposed at general meeting for consideration, the Company shall make internet voting accessible to the Shareholders, subject to compliance with applicable laws and regulations.

(3) Where the Company resolves not to distribute cash dividend under special circumstances as specified in Article 225, the Board of Directors shall explain the specific reasons for not distributing cash dividend, the exact purpose for the retained profit and the estimated investment return, submit such to the General Meeting for consideration after independent directors express their opinions thereon, and disclose the same in the designated media of the Company.

**Article 233** Adjustment to the profit distribution policy of the Company

In case of war, natural disasters and other force majeure, or changes in the Company's external operational environment resulting in material impact on its production and operation, or relatively significant changes in the Company's operational position, the Company may adjust its profit distribution policy.

The Board of Directors shall conduct specific discussion over adjustment to the Company's profit distribution policy, demonstrate in detail the reasons for such adjustment, prepare a written report to be considered by Independent Directors, and then submit to the General Meeting for approval by way of a special resolution. In considering alterations to the profit distribution policy, the Company shall make internet voting accessible to the Shareholders, subject to compliance with applicable laws and regulations.

**Article 234** The reserves of the Company are used to offset the losses of the Company, expand business scale or bolster registered capital. Nevertheless, the capital reserves will not be used to offset the losses of the Company.

When the legal reserve is converted into registered capital, the remaining amount of such reserve shall not be less than 25% of the registered capital of the Company before the conversion.

**Article 235** The amount paid by a Shareholder for any Share before the Shareholders are urged to pay for their Shares may earn interest, but the Shareholder shall have no right to get the dividend declared subsequently on such prepaid amount.

**Article 236** If the Company issues overseas listed foreign Shares, the Company shall appoint a collection agent for the Shareholders holding overseas listed foreign Shares. The collection agent shall, on behalf of relevant Shareholders, receive the dividend and other payables distributed by the Company in respect to the overseas listed foreign Shares, and reserve such amount in order to pay the relevant Shareholders.

The collection agent appointed by the Company shall meet the requirements under the laws of the listing region or relevant provisions of the stock exchange.

The collection agent appointed by the Company for the holders of the overseas listed foreign Shares listed at the HKEX shall be a trust company registered in accordance with the Trustee Ordinance of Hong Kong.

Subject to the relevant laws and regulations of China, the Company may exercise the right to confiscate unclaimed dividends, but such right shall be exercised only after the applicable time after the declaration of relevant dividend expires.

The Company shall have the right to terminate the delivery of the dividend coupon through the postal service to a holder of overseas listed foreign Shares, but the Company may only exercise such right after the dividend coupon is not cashed twice in succession. However, the Company may also exercise such right after the dividend coupon is not delivered to the recipient for the first time and is thus returned.

The Company shall have the right to sell the overseas listed foreign Shares held by a Shareholder who is not available for contact in such a way as is considered appropriate by the Board of Directors, but this shall observe the following conditions:

(1) the dividend has been distributed to Relevant Shares for at least 3 times within 12 years, during which the dividend is unclaimed;

(2) after the 12-year period expires, the Company shall publish an announcement on at least one newspaper in the listing region of the Company, specifying the intent to sell the Shares, and notify the stock exchange where such Shares are listed.

**Article 237** After a resolution on the profit distribution plan is made at the General Meeting, the Board of Directors of the Company shall complete the distribution of the dividend (or Shares) within 2 months after the said meeting.

**Article 238** The Company shall distribute the cash dividend and other amounts in RMB cash to domestic Shareholders. The cash dividend and other amounts paid by the Company to holders of overseas listed foreign Shares shall be denominated and declared in RMB and paid in foreign currencies. The foreign currencies required by the Company to pay the cash dividend and other amounts to holders of overseas listed foreign Shares and other foreign Shares shall be obtained according to the foreign exchange control system of the State.

**Article 239** If foreign currencies are used to pay the cash dividend and other amounts, the exchange rate shall be the average selling rate published by the People's Bank of China within one Gregorian week before the declaration of the dividend and other amounts, unless otherwise specified by relevant laws and regulations.

## **Section 2 Internal Audit and General Counsel System**

**Article 240** The Company shall have an internal audit system, arrange special auditors, and conduct the internal audit supervision of the financial incomes and expenditures and economic activities of the Company.

**Article 241** The internal audit system of the Company and the responsibilities of auditors shall be implemented upon the approval of the Board of Directors. The principal of the audit department shall be responsible and report to the Board of Directors.

**Article 242** The legal representative is responsible for the compliance management of the Company to promote compliance management of the Company. By implementing the general counsel system, the Company has one general counsel to serve as a gatekeeper to supervise the Company's operation and management, to promote the Company's operation in accordance with the laws and facilitate the Company's compliance management.

## **Chapter 18 Appointment of an Accounting Firm**

**Article 243** The Company shall engage an independent accounting firm that conforms to the relevant provisions of the State to audit and review the annual financial reports and other financial reports of the Company, audit the accounting statement, verify the net assets or offer other consulting services.

The first accounting firm of the Company may be engaged at the initial Annual General Meeting at the launch conference, and the term of such accounting firm shall be terminated when the initial Annual General Meeting concludes.

**Article 244** The term of the accounting firm engaged by the Company shall commence when the current Annual General Meeting finishes and end when next Annual General Shareholders Meeting concludes.

**Article 245** The accounting firm engaged by the Company shall enjoy the following rights:

(1) to have access to the accounting books, records or vouchers of the Company at any time, and have the right to require the Directors, President or other senior management members of the Company to provide relevant materials and statements;

(2) to require the Company to take every reasonable measure to obtain the materials and statements of the subsidiaries necessary for the accounting firm to perform its duties;

(3) to attend the Shareholders' meeting, obtain the meeting notices any Shareholder is entitled to and other information related to the meeting, and address any Shareholders' meeting over the issues concerning the accounting firm.

**Article 246** Engagement of the accounting firm by the Company shall be subject to the resolution of the General Meeting, and the Board of Directors shall not appoint the accounting firm until the General Meeting makes its decision.

The General Meeting may dismiss any accounting firm through an ordinary resolution before the term of such accounting firm expires, regardless of the contract made by the Company with such accounting firm. If the relevant accounting firm enjoys the right to claim compensation from the Company because of the disengagement, the relevant rights shall not be influenced by this provision.

**Article 247** The remuneration of the accounting firm and the method to determine such remuneration shall be ascertained by the General Meeting.

**Article 248** The General Meeting shall determine if the Company will engage, disengage or not re-engage the accounting firm, and report its decision to the securities regulator of the State Council.

The General Meeting shall observe the following rules when engaging a candidate accounting firm not in position now to fill any vacancy of the position of the accounting firm, or dismiss an accounting firm whose term has not yet expired:

(1) the proposal on engagement or disengagement shall be sent to the accounting firm proposed for engagement or proposed for departure, or the accounting firm that has departed within the accounting year, before the meeting notice of the General Meeting is distributed.

Departure includes disengagement, resignation and termination of the term.

(2) if the accounting firm about to depart from the position makes a written statement and requires the Company to furnish such statement to the Shareholders, the Company shall take the following measures, unless the Company receives such written statement too late:

(i) specify the accounting firm about to depart from the position has made the statement on the notice distributed to make a resolution; and

(ii) distribute the duplicate of the statement as an appendix to the notice in the manner specified in these Articles of Association.

(3) If the Company fails to distribute the statement of the accounting firm as specified in paragraph (2) of this Article, the accounting firm may require the statement to be read out at the General Meeting and further appeal.

(4) the accounting firm that has departed from the position shall have the right to participate in the following meetings:

(i) the General Meeting for which the term of the accounting firm shall expire;

(ii) the General Meeting convened to fill the vacancy arising from the dismissal of the accounting firm;

(iii) the General Meeting convened because of the resignation of the accounting firm.

The accounting firm that has left the office shall have the right to receive all the notices or other information related to the aforesaid meetings, and to address such meetings over the issues concerning itself as the former accounting firm of the Company.

**Article 249** When the Company dismisses or disengages the accounting firm, it shall notify the accounting firm in advance, and the accounting firm shall have the right to air their side at the

General Meeting. When the accounting firm requests to resign from the position, the accounting firm shall explain to the General Meeting whether there is anything inappropriate with the Company.

(1) The accounting firm may resign from the position by submitting a written notice of resignation to the legal address of the Company. The notice shall take effect on the date on which it is submitted to the legal address of the Company or such later date as may be specified in the notice. Such notice shall include the following statements:

(i) the statement that its resignation does not involve any situation that shall be stated to the Shareholders or creditors of the Company; or

(ii) statement on any such situation that shall be stated.

The notice shall take effect on the date on which it is submitted to the legal address of the Company or such later date as may be specified in the notice.

(2) The Company shall deliver a copy of the written notice mentioned in (1) under this Article to the relevant competent authorities within 14 days after receipt of such notice. If the notice contains the statement mentioned in (1)(ii) under this Article, the Company shall keep a duplicate of such statement in the Company and make it available to the Shareholders. The Company shall also send a duplicate of such statement to each holder of overseas listed foreign Shares through mail with prepaid postage to the addresses registered in the list of Shareholders.

(3) If the notice of resignation of the accounting firm contains the statement mentioned under (1)(ii), the accounting firm may require the Board of Directors to hold an Extraordinary General Meeting to hear the explanation about relevant situations concerning its resignation.

## **Chapter 19 Notices**

**Article 250** The notices of the Company shall be sent out in the following ways:

(1) sent out by hand;

(2) sent out by mail;

(3) sent out by fax or email;

(4) published on the website designated by the company and the stock exchange in compliance with laws and regulations and the listing regulations at the place where the Stock of the Company is listed;

(5) sent out by announcement;

(6) other forms already agreed upon by the Company or the recipient in advance or recognized by the party notified on the receipt of the notice;

(7) any other way recognized by the regulatory authority in the region where the Company Shares are listed or specified by the Articles of Association.

Unless otherwise specified in the context, the term “announcement” under these Articles of Association means publishing an announcement in the Chinese newspapers which shall be a media outlet that meets the conditions prescribed by the CSRC, if such announcement is sent to the domestic Shareholders or shall be published within the Chinese territory according to relevant provisions and these Articles of Association. If an announcement is sent to H Shareholders or shall be published in Hong Kong according to relevant provisions and these Articles of Association, such announcement must be published in Hong Kong newspapers as required by relevant listing rules. All the notices or other documents that the Company shall submit to the HKEX subject to Chapter 13 of the listing rules of the HKEX shall be written in English or affixed with the signed and certified English translations.

**Article 251** Unless otherwise specified by these Articles of Association, the various forms of sending notices stipulated in the previous Article shall apply to the notices on holding General Meetings and meetings of the Board of Directors and the Board of Supervisors.

**Article 252** If a notice of the Company is sent by hand, the recipient shall sign (or stamp) the delivery receipt, and the date of signature of receipt shall be the date of service. If a notice of the Company is sent by mail, the 48th hour after the mail is delivered to the post office shall be the date of service. If the notice of the Company is sent out by fax or E-mail or issued by a website, the date of sending out or of issuance shall be the date of service. If the notice of the Company is sent through an announcement, the date of publishing the announcement for the first time shall be the date of service. Relevant announcements must be published in the newspapers in compliance with the provisions.

**Article 253** If, according to the listing rules of the region where the Company Shares are listed, the Company must send, post, distribute, issue, publish or otherwise provide relevant documents of the Company in English and in Chinese, and the Company has made an appropriate arrangement to determine whether the Shareholders hope to receive the English edition only or the Chinese edition instead, the Company may (according to the preference stated by the Shareholders) send only the English edition or the Chinese edition to relevant Shareholders to the extent as permitted by, and in line with, the applicable laws and regulations.

## **Chapter 20 Merger, Separation, Dissolution and Liquidation of the**

# Company

## Section 1 Merger and Separation

**Article 254** The Board of the Company shall put forward proposals for merger or separation of the Company which shall be submitted to relevant approving authorities for approval in accordance with the laws after the same have been approved according to the procedures provided in the Articles of Association of the Company. The Shareholders opposing the merger or separation proposal of the Company shall have the right to request the Company or the Shareholders who are in favor of the merger or separation proposal to buy their Shares at a fair price. Contents of resolutions on merger and separation of the Company shall be prepared as special documents for the inspection by the Shareholders.

If the Company issues overseas listed foreign Shares, the aforesaid document shall also be delivered by mail to the holders of overseas listed foreign Shares.

**Article 255** The merger of the Company may take the form of either absorption consolidation or establishment consolidation.

**Article 256** In the case of consolidation, relevant parties to the consolidation shall sign a consolidation agreement, and prepare the balance sheet and property list. The Company shall notify the creditors within 10 days after the date when the resolution for consolidation is made, and announce the resolution within 30 days at least three times in the newspapers recognized by the stock exchanges where the Company Shares are listed. The creditors shall have the right to require the Company to liquidate the debts or offer the corresponding guarantee for debt service within 30 days after receipt of the notice or within 90 days if they do not receive the notice.

**Article 257** In the merger of the company, the credits and debts of all parties to the merger shall be inherited by the surviving company or the newly established company.

**Article 258** When the Company is separated, its assets shall be separated accordingly.

In case of separation, the Company shall compile its balance sheet and property list. The Company shall notify the creditors within 10 days after the date when the resolution for separation is made, and announce the resolution within 30 days at least three times in the newspapers recognized by the stock exchanges where the Company Shares are listed.

**Article 259** The Company after the separation shall bear the joint and several liabilities for the debts of the Company before the separation, unless otherwise specified by a written agreement on debt repayment reached by the Company with the creditors before the separation.

**Article 260** If the merger or separation of the Company involves a change in corporate registration, the Company shall have the change registered with the registrar according to the law. If the Company



is dissolved, it shall handle the write-off registration. If a new company is established, the Company shall handle the establishment registration according to the law.

## **Section 2 Dissolution and Liquidation**

**Article 261** The Company shall be dissolved for the following causes:

(1) the business period specified under these Articles of Association expires or other dissolution events specified in these Articles of Association occur;

(2) dissolved according to the resolution of the General Meeting;

(3) dissolution of the Company becomes necessary due to a merger or separation of the Company;

(4) declared bankrupt by law because of the failure to repay debts when due;

(5) business license is terminated in accordance with the laws, or the business is ordered to close or terminated;

(6) the Shareholders holding more than 10% of the voting rights of the Company request the court to dissolve the Company, when the Company faces serious difficulties in business and operations that its further existence would seriously harm the interests of the Shareholders, which has become unavoidable after all other solutions have been exhausted.

**Article 262** The Company shall establish a liquidation group to start the liquidation within 15 days after the dissolution event occurs if the Company is dissolved due to (1), (2), (5) and (6) under Article 250. The liquidation group shall be composed of Directors or other persons determined by the General Meeting. If the liquidation group is not established within the aforesaid 15-day period, the creditors may request the People's Court to designate relevant persons to create the liquidation group to perform the liquidation.

If the Company is dissolved on account of (4) under Article 254 of these Articles of Association, the People's Court shall, according to relevant laws, organize the Shareholders, relevant authorities and relevant professionals to establish the liquidation group to carry out the liquidation.

**Article 263** If the Board of Directors decides to liquidate the Company (except when the Company declares bankruptcy and is accordingly liquidated), the Board of Directors shall state that it has thoroughly investigated the status of the Company, and believes that the Company may pay all its liabilities within 12 months after the liquidation commences in the notice of the General Meeting convened for the liquidation.

After the resolution on liquidation is passed, the duties and powers of the Board of Directors of the Company cease forthwith.

The liquidation group shall follow the instructions of the General Meeting. The Group shall submit a

report on the income and expenditure of the liquidation group, and the company business and liquidation process to the General Meeting at least once a year, and make the final report to the General Meeting at the end of the liquidation work.

**Article 264** The liquidation group has the following functions and powers during liquidation.

- (1) liquidate company assets, prepare the balance sheet and list of properties;
- (2) inform and notify the creditors;
- (3) process and liquidate the Company's relevant unfinished businesses;
- (4) pay up the balance and tax payment incurred in the process of liquidation;
- (5) settle claims and debts;
- (6) handle surplus assets remaining after the discharge of its liabilities;
- (7) attend any civil litigation activities on behalf of the Company.

**Article 265** The liquidation group shall notify the creditors within 10 days commencing from its establishment, and issue a public notice in the newspaper approved by the Securities Exchange where the Company Shares are listed at least three times within 60 days. The creditors shall declare the right of credit to the liquidation group within 30 days after receiving the notice, or 90 days in case they do not receive the notice.

The creditor shall declare the right of credit, explain the relevant matters and provide supporting materials. The liquidation group shall register the creditor's rights.

During the period of declaration of the right of credit, the liquidation group may not pay any debt to the creditor.

**Article 266** After liquidating the corporate property and preparing the balance sheet and list of properties, the liquidation group shall formulate the liquidation scheme and submit it to the General Meeting or the People's Court for confirmation.

Upon the respective payment of liquidation costs, wages for employees, social insurance and statutory compensations, outstanding taxes and loans, and pay off debts, surplus assets of the Company shall be distributed to Shareholders in accordance with their proportion of Shares held.

During the liquidation period, the company continues to exist, but shall not carry out any business activities irrelevant to the liquidation. The company property, prior to the settlement of debts in accordance with the preceding Article, will not be allocated to Shareholders.

**Article 267** If the liquidation group find that the Company's assets are insufficient to pay off the debts

after liquidating the properties and preparing the balance sheet and list of properties, the liquidators shall apply to the People's Court to declare bankruptcy of the Company. If the Company has been declared bankrupt by the People's Court, the liquidators shall hand over the liquidation work to the People's Court.

**Article 268** Following the completion of the liquidation the liquidation report, payment statements and financial accounting books shall be prepared by the liquidators, verified by Chinese certified public accountants, and submitted to the General Meeting or the People's Court for confirmation. Within 30 days from the date when the aforementioned documents are confirmed, the liquidators shall submit them to the company registrar to apply for cancellation and announce the termination of the Company.

**Article 269** The members of the liquidation team shall devote themselves to their duties and fulfill their obligations of liquidation according to the law.

Members of liquidation team shall not accept any bribes or other illegal incomes by making use of his/her functions and powers, or usurp on company properties.

Members of liquidation team shall be responsible for the compensation should their deliberately misconduct or major negligence cause losses to the company or its creditors.

## **Chapter 21 Amendment of Articles**

**Article 270** The Company shall make amendments to the Articles of Association on the occurrence of any of the following events:

(1) the Company Law or the relevant laws or administrative regulations are amended and the provisions stipulated in these Articles of Association are contradictory to amended laws and regulations.

(2) Any change of the Company's conditions creating inconsistency with what is stated in the Articles of Association;

(3) the General Meeting decide to make amendments to the Articles of Association.

**Article 271** The amendments to the Articles of Association adopted by the General Meeting which are subject to the approval of the competent authority shall be submitted to the competent authority for approval. If it involves company registration affairs, the Company shall register the amendment according to law.

**Article 272** The Board of Directors shall amend these Articles of Association according to the resolution of amendment made by the General Meeting and to the opinions and suggestions of the competent authority. Approval thereof issued by the relevant authority. In the event that the amendments to the Articles concern disclosable information in accordance with the laws and regulations, they shall be announced to the public as required.

## **Chapter 22 Settlement of Disputes**

**Article 273** The Company shall comply with the following provisions for the settlement of disputes in case of issuing overseas listed foreign Shares:

(1) Whenever any disputes or claims arising from the Articles of Association, or any rights or obligations conferred or imposed by the Company Law and other relevant laws and regulations concerning the affairs of the Company between the Shareholders of overseas-listed foreign Shares and the Company, between the Shareholders of overseas-listed foreign Shares and any Director, Supervisor, President or other senior management members of the Company or between the Shareholders of overseas-listed foreign Shares and Shareholders of domestic Shares, the parties involved shall refer such kind of disputes or claims for settlement by arbitration.

In referring the said disputes or claims to arbitration, the entire claims and disputes shall be referred; and all the persons having the same cause of action or all the parties whose participation is necessary for the settlement of the disputes or the claims, including the Company, Shareholders, Supervisors, president or other senior management members of the Company, shall submit to arbitration.

As to the disputes over the definition of a Shareholder and record of the register of Shareholders, it may be settled by methods other than arbitration.

(2) The claimant for the arbitration may either elect China International Economic and Trade Arbitration Commission or Hong Kong International Arbitration Center for arbitration in accordance with their respective arbitration rules. Once the claimant refers the dispute or claim to arbitration, the other party must submit to the arbitration body chosen by the claimant.

If the claimant elects to proceed with the arbitration at Hong Kong International Arbitration Center, either party may request the Hong Kong International Arbitration Center to conduct the arbitration in Shenzhen in accordance with the provisions of the securities arbitration rules of Hong Kong International Arbitration Centre.

(3) The laws of the People's Republic of China shall be applicable to the settlement of disputes or claims in (1) by way of arbitrations, unless the laws and regulations provide otherwise.

(4) The decision made by the arbitration tribunal is final and is binding on all parties.

## **Chapter 23 Miscellaneous**

**Article 274** The term "senior management members" referred to herein shall refer to the general

manager, deputy general manager, financial controller or Secretary to the Board. The “President”, “Vice President” and “Person in charge of Finance” referred to herein shall just be the President”, “Vice President” and “Person in charge of Finance” referred to in the Company Law.

**Article 275** Unless specifically stated otherwise, the “controlling Shareholder” in these Articles of Association refers to the Shareholder who holds more than 50% of the total Share capital of the Company, or any other Shareholder enjoying resolution voting rights sufficient to exert a major impact on resolutions of the general meeting, even if the proportion of the Shares he/she holds is less than 50% of the total.

The term “concerted action” described under these Articles of Association refers to an action in which two or more than two persons reach an agreement (whether oral or written) whereby they obtain voting rights in the Company enabling one of them to achieve or consolidate the goal of controlling the Company.

The “actual controller” stated herein means anyone who can actually control the actions of the Company through investment relationships, agreements or any other arrangements even though he is not a Shareholder of the Company.

The “connected relationships” used in these Articles of Association refers to the relationship of the controlling Shareholders, actual controllers, Directors, Supervisors and senior management members of the Company with any other enterprise under their direct or indirect control and any other relationship liable to lead to the transfer of the Company’s interest. However, the enterprises controlled by the State do not have connections with each other based on the fact that their Shares are in each case controlled by the state.

**Article 276** Any matters not dealt with under these Articles of Association shall be treated in the light of the actual situation of the company pursuant to laws, regulations and listing rules of the region where the Company Shares are listed. If these Articles of Association conflict with the newly enacted laws and regulations or the listing rules of the region where the Company is listed, the latter shall prevail.

**Article 277** These Articles of association shall be written in Chinese. If there is any discrepancy between these Articles of Association and those in any other languages or any other edition, the Chinese edition of these Articles of Association most recently approved and registered with the company registration administration shall prevail.

**Article 278** Unless otherwise specified herein, the figure itself shall be included if these Articles of Association refer to any such words as “above”, “within” or “before”; the figure itself shall not be included if these Articles of Association refer to any such words as “lower than”, “less than”, “insufficient”, “more than” or “exceed”.

**Article 279** The Board of Directors of the Company preserves the right of interpretation of the Articles of Association.