



**上海復旦張江生物醫藥股份有限公司**  
**Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd.\***  
*(a joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock code:1349)**

**ARTICLES OF ASSOCIATION**

**July 2023**



## Chapter 1 General Provisions

1. With an aim to protect the lawful interests of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd. (the “Company”), shareholders of the Company and creditors, and standardize the organization and conduct of the Company, the Articles is formulated pursuant to the laws and regulations under the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of People’s Republic of China, the Guidelines for the Articles of Association of the Listed Companies, the Rules Governing the Listing of Stocks on the Sci-Tech Innovation Board of the Shanghai Stock Exchange, the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Mandatory Provisions for the Articles of Association of the Companies Listed Overseas, and regulatory documents.

The Company is a company limited by shares established in accordance with the Company Law and other relevant laws and administrative regulations of the People’s Republic of China (“China” or the “State”).

The Company was established by way of being wholly reorganized into from Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co. (上海復旦張江生物醫藥有限公司) and approved by the People's Government of Shanghai, as evidenced by an approval concerning the Company's incorporation by wholly reorganization (Hu Fu Ti Gai Shen 2000 No.033). The Company is registered with and has obtained a business license no.3100001006533 from the State Administration for Industry and Commerce of Shanghai on November 8<sup>th</sup>, 2000.

After its listing in the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the “HKSE”), the Company shall obtain a Certificate of Approval for Foreign Invested Enterprise from competent governing authority of the State, and then conduct an updated registration with and obtain a new business license from the State Administration for Industry and Commerce of Shanghai. Upon the approval of relevant competent governmental authorities and HKSE, the board on which the Company is listed shall be transferred from the Growth Enterprise Market to the Main Board of HKSE.

The promoters of the Company are China General Technology (Group) Holding Ltd. (中國通用技術(集團)控股有限責任公司), Shanghai Pharmaceutical Holding Co., Ltd. (上海醫藥集團股份有限公司), Shanghai Zhangjiang High-Tech Park Development Co., Ltd. (上海張江高科技園區股份有限公司), Shanghai Pudong Technology Investment Co., Ltd. (上海浦東科技投資有限公司), Fu Dan University (復旦大學), Wang Hai Bo (王海波), Su Yong (蘇勇), Zhao da Jun (趙大君), Li Jun (李軍) and Fang Jing (方靖).

2. The Company's registered Chinese name is 上海復旦張江生物醫藥股份有限公司 in Chinese and English name is Shanghai Fudan-Zhangjiang



Bio-Pharmaceutical Co., Ltd. in English.

3. The Company's address is No.308, Cai Lun Road, Zhang Jiang Hi-Tech Park, Pudong New Area, Shanghai, China; post code:201210; telephone: 86-21-58953355; facsimile: 86-21-58553990.
4. The legal representative of the Company is the chairman of the board of directors of the Company.
5. The Company is a company limited by shares of perpetual duration.
6. The Company is an independent enterprise legal person, subject to the jurisdiction and protection of the laws of China.
7. In a shareholders' annual general meeting held on 24 June 2005, the Company amended its articles of association adopted by the special resolutions of its shareholders' annual general meeting held on 25 June 2004 in accordance with the actual situations concerning its issue of Overseas-Listed Foreign-invested Shares; in a shareholders' Extraordinary General Meeting held on 29 October 2010, the Company adopted the further amended articles of association of the Company; upon the authorization by special resolutions passed by the shareholders' Annual General Meeting held on 29 June 2012, the Board approved the amendment to the articles of association of the Company on 19 March 2013; the Board further approved this amendment to the articles of association of the Company on 9 May 2013 and 8 August 2013; upon the authorization by special resolution passed by the shareholders' Annual General Meeting held on 30 May 2013, the Board approved the amendment to the articles of association of the Company on 6 December 2013; the shareholders' Annual General Meeting held on 30 May 2014 approved the amendment to the articles of association of the Company by special resolutions; the shareholders' Annual General Meeting held on 26 April 2019 approved the amendment to the articles of association of the Company by special resolutions; the shareholders' Extraordinary General Meeting held on 24 February 2020 approved the amendment to the articles of association of the Company by special resolutions; upon the authorization by special resolution passed by the shareholders' Annual General Meeting held on 27 May 2021, the Board approved the amendment to the articles of association of the Company on 26 May 2022; upon the authorization by special resolution passed by the shareholders' Annual General Meeting held on 27 May 2021, the Board approved the amendment to the articles of association of the Company on 6 July 2023 (these "Articles").

Upon approval through a special resolution at the general meeting of the Company and by relevant state departments, these Articles shall take effect on the date of initial public issue of the RMB ordinary shares (A shares) by the Company and listing of such shares on the Sci-Tech Innovation Board of the Shanghai Stock Exchange.



These Articles shall replace the Original Articles as of its effective date. Unless otherwise amended by the Amendment to these Articles, all the other articles of these Articles shall remain its full effect.

8. From the effective date of these Articles, they shall constitute a legally binding document regulating the organization and activities of the Company and the rights and obligations between the Company and each of its shareholders and among the shareholders inter se.
9. These Articles are binding upon the Company, its shareholders, directors, supervisors, managers and other senior officers; the aforementioned persons may claim rights relating to the affairs of the Company in accordance with these Articles.

A shareholder may bring actions against the Company, the Company may bring actions against any of its shareholders, shareholders may bring actions against each other, and a shareholder may bring actions against the directors, supervisors, managers and other senior officers of the Company, in each case in accordance with these Articles.

The actions referred to in the preceding paragraph include court proceedings and applications for arbitration before an arbitration tribunal.

The “senior officers” referred to in these Articles shall refer to the Board Secretary and the financial principal of the Company and other personnel as engaged by the Board as the senior officers of the Company.

10. The Company may invest in other limited liability companies and companies limited by shares. The Company’s liabilities to an investee company shall be limited to the amount of its capital contribution to the investee company. However, unless otherwise provided by any applicable law, it shall not become liable for the debts of the enterprises in which it invests.
11. The Company shall not become an unlimited liability shareholder of any profitable organization. The liability of a shareholder to the Company is limited to the shares held by him. The Company shall be liable for its debts up to the extent of all of its assets.
12. On condition of compliance with the laws and administrative regulations of the State, the Company is entitled to raise capital and borrow money, including (without limitation) the issue of bonds, the mortgaging or pledging of part or whole of the Company’s business or properties and other rights permitted by the laws and administrative regulations of the State.

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

13. The business objectives of the Company are to arrange production and operation

in accordance with market's requirement so as to raise economic efficiency, labour efficiency and realize assets' maintenance and increment, in order to ensure all shareholders' greatest investment reward.

14. The scope of business of the Company includes research and development of Bio and Medical technology (excluding the development and application of body stem cells, gene diagnosis and treatment technology); production of intermediates, medical appliances and medicines (small volume injection (antineoplastic), powder, raw material drugs, and in vitro diagnostic reagents); sale of self-produced products; wholesale and importation & exportation of medical appliances (Category II: medical laser apparatus), and the provision of related technical services (no commodity involves state-run trade administration; if any commodity involves quota, license administration, special regulation, quality inspection, safety inspection administration and other requirements, business operation shall be carried out after the relevant licenses have been obtained pursuant to the relevant state regulation).
15. The Company may, according to the change of domestic and overseas markets, the need of its domestic and overseas business and its ability to develop, and upon the approval by special resolution adopted by the shareholders' general meeting and the approval of the relevant government authorities of the State (if related), adjust its scope of business or investment orientation and method, etc.

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

16. There must at all time be ordinary shares in the Company. The shares issued by the Company may include Domestic-Invested Shares and Foreign-Invested Shares. The Company may, according to its needs and subject to obtaining approval by the company approval authorities authorized by the State Council, create other classes of shares.
17. The shares of the Company are in the form of share certificates. Shares issued by the Company shall have a par value. Each share shall have a par value of Renminbi 0.10 yuan.

The Renminbi referred to in the preceding paragraph is the legal currency of China.

18. The Company shall issue its shares under the principles of fairness and justice, and each share of the same class shall carry same rights.

The issue conditions and price per share of the same class in the same issue shall be the same; and every share subscribed by any entity or individual shall pay the same price.

19. Subject to the approval of China Securities Regulatory Commission (hereinafter referred to as the "CSRC") and other relevant securities regulatory authorities, the Company may issue shares to either or both domestic investors and foreign

investors.

Foreign investors referred to in the preceding paragraph mean those investors of foreign countries and regions of Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company; domestic investors referred to in the preceding paragraph mean those investors within the territory of China (excluding investors of the regions referred to in the preceding sentence) who subscribe for shares issued by the Company.

20. Shares issued by the Company to domestic investors for subscription in Renminbi are referred to as "Domestic-Invested Shares". Shares issued by the Company to foreign investors for subscription in foreign currencies are referred to as "Foreign-Invested Shares". Domestic-Invested Shares which are listed on domestic stock exchange are called herein "Domestic-Listed Domestic-Invested Shares". Foreign-Invested Shares which are listed overseas are called herein "Overseas-Listed Foreign-Invested Shares". The shareholders of Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares shall be the shareholders of ordinary shares and they shall have equal rights and obligations.

The foreign currencies referred to in the preceding paragraph mean the legal currencies (apart from Renminbi) of other countries or regions which are recognized by the foreign currency control authority of the State and can be used to pay the Company for the share price.

21. Hong Kong-Listed Foreign-Invested Shares issued by the Company shall be called "H Shares". H Shares are shares which have been approved by relevant governmental departments and have been admitted for listing on the HKSE, the par value of which is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.

Domestically-Listed Domestic Shares issued by the Company shall be called "A Shares". A Shares are shares which have been approved by the CSRC or other relevant securities regulatory authorities to be issued and have been admitted for listing on the domestic stock exchange, the par value of which is denominated in Renminbi and which are subscribed for and traded in Renminbi.

22. The promoters, the number of shares they subscribed and proportion thereof in the Company's total share capital on establishment of the Company are as follows:

Name of shareholder	Number of shares held (shares)	Percentage of Shareholding (%)
Shanghai Pharmaceutical Holding Co., Ltd.	13,957,856	26.33
China General Technology (Group) Holding Ltd.	13,957,856	26.33
Shanghai Zhangjiang High-Tech Park Development Co., Ltd.	11,287,146	21.30
Fu Dan University	3,264,808	6.16
Shanghai Pudong Technology Investment Co., Ltd.	699,348	1.32
Wang Hai Bo	5,188,643	9.79
Su Yong	1,831,286	3.46
Zhao da Jun	1,526,071	2.88
Li Jun	721,526	1.36
Fang Jing	565,460	1.07
<b>Total</b>	<b>53,000,000</b>	<b>100.00</b>

In accordance with the approval in respect of the Establishment of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd. which is a joint stock company with limited liability (Hu Fu Ti Gai Shen (2000) No. 033) issued by the Shanghai Municipal Government on 26 October, 2000, the Company was converted in a whole from Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd., a limited liability company. The net assets of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd as of 20 October, 2000, RMB53,000,000, are converted in a whole into the share capital of the Company.

23. In accordance with the approval of the CSRC, the Company has increased its capital by issuing 180,000,000 Overseas-Listed Foreign-invested H Shares, approximately representing 25.35% of the total ordinary shares issued by the Company.

After increase of capital by issuing shares as referred to in the preceding paragraph, the share capital structure of the Company is 710,000,000 issued ordinary shares, of which 512,000,000 Domestic-Invested Shares are held by China General Technology (Group) Holding Ltd. (中國通用技術(集團)控股有限責任公司), Shanghai Pharmaceutical Holding Co., Ltd. (上海醫藥集團股份有限公司), Shanghai Zhangjiang High-Tech Park Development Co., Ltd. (上海張江高科技園區開發股份有限公司), Shanghai Pudong Technology Investment Co., Ltd. (上海浦東科技投資有限公司), Fu Dan University (復旦大學), Wang Hai Bo (王海波), Su Yong (蘇勇), Zhao da Jun (趙大君), Li Jun (李軍) and Fang Jing (方靖), as the promoters of the Company, approximately representing 72.11% of the total issued ordinary shares of the Company; and 198,000,000 H Shares are held by the holders of H Shares, representing 27.89% of the Company's total share capital.

In accordance with the approval of the CSRC dated December 11, 2012, the Company has increased its capital by issuing 142,000,000 H Shares, approximately representing 16.67% of the total ordinary shares issued by the



Company.

After increase of capital by issuing shares as referred to in the preceding paragraph, the share capital structure of the Company is 852,000,000 issued ordinary shares, of which 381,022,184 Domestic-Invested Shares are held by the promoters- Shanghai Pharmaceutical Holding Co., Ltd. (上海医药集团股份有限公司), Shanghai Zhangjiang High-Tech Park Development Co., Ltd. (上海张江高科技园区开发股份有限公司), Shanghai Pudong Technology Investment Co., Ltd. (上海浦东科技投资有限公司), Shanghai Fudan Asset Operation Co., Ltd. (上海复旦资产经营有限公司), Wang Hai Bo (王海波), Su Yong (苏勇), Zhao da Jun (赵大君), Li Jun (李军) and Fang Jing (方靖), 130,977,816 Domestic-Invested Shares are held by other shareholders, approximately representing 60.09% of the total issued ordinary shares of the Company; and 340,000,000 H Shares are held by the holders of H Shares, approximately representing 39.91% of the Company's total share capital.

In accordance with the Domestic-Invested Shares capital increase agreement dated May 9, 2013, the Company has increased its capital by issuing 35,500,000 Domestic-Invested Shares, approximately representing 4% of the total ordinary shares issued by the Company.

After increase of capital by issuing shares as referred to in the preceding paragraph, the share capital structure of the Company is 887,500,000 issued ordinary shares, of which 388,022,184 Domestic-Invested Shares are held by the promoters- Shanghai Pharmaceutical Holding Co., Ltd. (上海医药集团股份有限公司), Shanghai Zhangjiang High-Tech Park Development Co., Ltd. (上海张江高科技园区开发股份有限公司), Shanghai Pudong Technology Investment Co., Ltd. (上海浦东科技投资有限公司), Shanghai Fudan Asset Operation Co., Ltd. (上海复旦资产经营有限公司), Wang Hai Bo (王海波), Su Yong (苏勇), Zhao da Jun (赵大君), Li Jun (李军) and Fang Jing (方靖), 159,477,816 Domestic-Invested Shares are held by other shareholders, approximately representing 61.69% of the total issued ordinary shares of the Company; and 340,000,000 H Shares are held by the holders of H Shares, approximately representing 38.31% of the Company's total share capital.

In accordance with the Domestic-Invested Shares capital increase agreement dated August 8, 2013, the Company has increased its capital by issuing 35,500,000 Domestic-Invested Shares, approximately representing 3.85% of the total ordinary shares issued by the Company.

As approved by the Shanghai Stock Exchange and registered with the CSRC, the Company issued 120,000,000 A Shares through initial public issue, representing 11.51% of the total issued ordinary shares of the Company.

After increase of capital by issuing shares as referred to in the preceding paragraph, the share capital structure of the Company is 1,043,000,000 shares of total share capital, of which 703,000,000 shares are A Shares, representing





67.40% of the total share capital of ordinary shares of the Company; and 340,000,000 shares are H Shares, representing 32.60% of the total share capital of ordinary shares of the Company. As approved by the 2020 Annual General Meeting, the 2021 first class meeting of the holders of H Shares and the class meeting of the 2021 first holders of A Shares of the Company, the Company repurchased and cancelled a total of 14,000,000 H Shares. After the cancellation of the repurchased H Shares, the share capital structure of the Company comprises of a total share capital of 1,029,000,000 shares, being 703,000,000 A Shares, representing 68.32% of the total share capital of ordinary shares of the Company; and 326,000,000 H Shares, representing 31.68% of the total share capital of ordinary shares of the Company. As approved by the 2020 Annual General Meeting, the 2021 first class meeting of the holders of H Shares and the class meeting of the 2021 first holders of A Shares of the Company, the Company issued 7,572,100 A Shares pursuant to the first attribution of the first grant under the 2021 Restricted Share Incentive Scheme. After the attribution, the share capital structure of the Company comprises of a total share capital of 1,036,572,100 shares, being 710,572,100 A Shares, representing 68.55% of the total share capital of ordinary shares of the Company; and 326,000,000 H Shares, representing 31.45% of the total share capital of ordinary shares of the Company.

24. Upon approval by the CSRC or other relevant securities regulatory authorities of the plan to issue Overseas-Listed Foreign-Invested Shares and Domestic-Invested Shares, the Company's board of directors may make implementing arrangements to issue separately.

The Company's plan to issue Overseas-Listed Foreign Shares and Domestic-Invested Shares separately pursuant to the preceding paragraph may be implemented within 15 months from the date of the approval by the CSRC.

25. In respect of the total number of shares as stated in the Company's share issuing plan, where the Company shall separately issue H Shares and A Shares, these respective shares shall be fully subscribed for at their respective offerings. If the shares cannot be fully subscribed for at their offerings due to special circumstances, then subject to the approval of CSRC the shares may be issued in installments.
26. The Company's registered capital is Renminbi 103,657,210.
27. The Company may, based on its requirements for operation and development and in accordance with the relevant provisions of these Articles, approve an increase of capital.

The Company may increase its capital in the following ways:

- (1) public issue of shares;
- (2) non-public issue of shares;



- (3) allotting bonus shares to its existing shareholders;
- (4) conversion of capital reserves into share capital; or
- (5) any other ways permitted by laws and administrative regulations and approved by the CSRC.

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

28. Unless otherwise provided by the laws and administrative regulations, shares of the Company are freely transferable and are not subject to any lien. The Company refuses its own stocks as the subject matter of pledge right.

Shares of the Company held by the promoters of the Company shall not be transferred within one year from the Company's establishment. The A Shares which have already been issued prior to the Company's initial public offering shall not be transferred within one year after the Company's stocks are listed at the domestic stock exchange.

The directors, supervisors and senior executives of the Company shall report to the Company the shares held by them in the Company and any alterations to the shares so held, and the shares transferred each year by them during their terms of office shall not exceed 25% of their total shares of the same type in the Company; the shares of the Company held by them shall not be transferred within one year after the Company's stocks are listed. The aforesaid persons shall not transfer the shares of the Company held by them for the period of six months after they leave the Company.

Where the Company's directors, supervisors, senior officers and shareholders who hold more than 5% of the A Shares of the Company sell A Shares of the Company held by them within six months after having bought such stocks, or buy such stocks within six months after having sold them, all earnings thus obtained shall belong to the Company and be revoked by the board of directors of the Company. However, where the securities company holds more than 5% of the Company's shares due to stand-by underwriting, the sales of such stocks shall not be subject to the time period of six months.

Where the board of directors refuses to comply with the provisions of the preceding paragraph, the shareholders shall have the right to request the enforcement by the board of directors of the said provisions within 30 days. Where the board of directors fails to observe the provisions of the preceding paragraph within the aforesaid time limit, the shareholders shall be entitled to, in their own names, directly lodge an action with the people's court for the benefits of the company and the responsible directors shall bear joint and several liabilities according to law.

29. Upon transfer of the shares of the Company, the name (title) of the transferee of the shares shall be entered in the register of shareholders, and the transferee shall be the holder of such shares.
30. The issue and transfer of all H Shares shall be entered in part of the register of shareholders maintained in Hong Kong pursuant to these Articles.
31. The Company's H shares as listed in Hong Kong shall be transferred in ordinary or usual forms or other forms of transferring documents as accepted by the board of directors. Such transferring documents must be signed under hand or under effective seal of the Company (if the transferor or transferee is a company.) If the transferor or transferee is a clearing organization or its agent, the documents shall be signed under hand or machine im-printed signature. All the transferring documents shall be deposited at places at the Company's legal address or any other places specified by the board of directors from time to time.

#### **Chapter 4 Reduction of Capital and Repurchase of Shares**

32. The Company may reduce its registered capital in accordance with the provisions of these Articles.
33. When the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days of the date of the resolution for reduction of its registered capital, and shall make a public announcement in a newspaper at least 3 times within 30 days following the date of such resolution. A creditors has the right, within 30 days of receiving the notice or, in the case of such notice not being received, within 45 days of the date of the first public announcement, to require the Company to repay its debts or to provide a corresponding guarantee for such debts.

The Company's registered capital after reduction shall not be less than the statutory minimum amount.

The Company's reduction of registered capital shall be registered with registry office in accordance with laws.

34. The Company may, with the approval in accordance with the procedures provided in these Articles and subject to the approval of the relevant governing authorities of the State, repurchase its issued shares in the following circumstances:
  - (1) reducing its registered share capital;
  - (2) merging with another company which holds shares in the Company;



- (3) utilising shares for the employee stock ownership scheme or equity incentives;
  - (4) where shareholders raise objections to resolutions adopted by the shareholders' general meeting on the merger or division of the Company, and thus require it to acquire its own shares;
  - (5) utilising the shares for conversion of corporate bonds which are convertible into shares issued by the Company;
  - (6) where it is necessary for safeguarding the value of the Company and the interests of its shareholders.
35. The Company may, upon the approval of the relevant governing authorities of the State, repurchase its shares in one of the following ways:
- (1) making a pro rata general offer of repurchase to all its shareholders;
  - (2) repurchasing shares through public dealing on a stock exchange;
  - (3) repurchasing by an off-market agreement outside a stock exchange.
  - (4) other means permitted by laws and administrative regulations and approved by relevant administrative authorities.

If the Company acquires its own shares, it shall perform the information disclosure obligation in accordance with the Securities Law of People's Republic of China. If the Company acquires its own shares under the circumstances as described in items (3), (5) and (6) of Article 34, it shall be carried out in a public and centralized manner.

36. Where the Company repurchases its own shares by an off-market agreement outside a stock exchange, it must obtain the prior approval of the shareholders' general meeting in accordance with these Articles. The Company may rescind or vary a contract so entered into by the Company or waive its rights thereunder with the prior approval of the shareholders' general meeting granted in the same manner.

A contract to repurchase shares referred to in the preceding paragraph includes (without limitation) an agreement to assume an obligation to repurchase and acquire the right to repurchase shares in the Company.

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

37. Shares repurchased in accordance with law by the Company shall be cancelled within the time limit prescribed by the laws and/or administrative regulations, and the Company shall apply to the original company registration authority for



registration of the change of its registered capital.

If the Company acquires its own shares under the circumstances as stated in items (1) and (2) of Article 34, it shall obtain approval of the general meeting by way of resolution. If the Company acquires its own shares under the circumstances as stated in items (3), (5) and (6) of Article 34, it shall obtain approval by way of resolution at the Board meeting attended by a two-third majority of the directors in accordance with the requirements of the Articles or the authorization of the general meeting.

Where the circumstance described under item (1) above appears after the Company has acquired its own shares as per Article 34, the acquired shares shall be canceled within 10 days after the said acquisition; if the circumstances described under items (2) and (4) above appear, the acquired shares shall be transferred or canceled within 6 months after the said acquisition; if the circumstances described under items (3), (5) and (6) above appear, the number of shares held by the Company in total shall not exceed 10 per cent of the total issued shares of the Company and shall be transferred or canceled within three years.

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

If there are other provisions in the laws and regulations, normative rules and relevant regulations as prescribed by the securities regulatory authorities located at the places where the Company's shares are listed on the aforesaid relevant matters in respect of share repurchase, such provisions shall prevail.

38. Unless the Company is in the course of liquidation, it shall comply with the following provisions in relation to repurchase of its issued shares:
- (1) where the Company repurchases its shares at par value, payment shall be made out of the book surplus distributable profits of the Company and/or out of the proceeds from any issue of new shares made for the purpose of the repurchase;
  - (2) where the Company repurchases its shares at a premium to the par value, payment up to their par value may be made out of the book surplus distributable profits of the Company and/or the proceeds from any issue of new shares made for the purpose of the repurchase. Payment of the portion in excess of the par value shall be effected as follows:
    - (i) if the shares being repurchased were issued at par value, payment shall be made out of the book surplus distributable profits of the Company;
    - (ii) if the shares being repurchased were issued at a premium to the par value, payment shall be made out of the book surplus distributable



profits of the Company and/or the proceeds from any issue of new shares made for the purpose of the repurchase, provided that the amount paid out of such proceeds shall neither exceed the aggregate of the premiums received by the Company on the issue of the shares repurchased nor the current amount of the capital reserve fund account of the Company (including the premiums on the new issues) at the time of the repurchase;

- (3) payment by the Company for the following purposes shall be made out of the Company's distributable profits:
  - (i) acquisition of rights to repurchase shares in the Company;
  - (ii) variation of any contract to repurchase shares in the Company;
  - (iii) release of any of the Company's obligations under a contract to repurchase shares in the Company;
- (4) After the Company's registered capita has been reduced by the aggregate par value of the cancelled shares in accordance with the relevant regulations, the amount deducted from the distributable profits for paying up the par value portion of the repurchased shares shall be transferred to the Company's capital reserve fund account

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

39. The Company and its subsidiaries shall not, by any means at any time, provide any kind of financial assistance to a person who is purchasing or is proposing to purchase shares in the Company. The said purchaser of the shares of the Company includes a person who directly or indirectly assumes any obligations due to the purchase of shares in the Company.

The Company and its subsidiaries shall not, by any means at any time, provide any kind of financial assistance to the obligor as referred to in the preceding paragraph for the purpose of reducing or discharging the obligations assumed by that person.

This provision shall not apply to the circumstances specified in Article 41 of this Chapter.

40. For the purposes of this Chapter, "financial assistance" includes (without limitation) the following meanings:
- (1) gift, advances;
  - (2) guarantee (including the assumption of obligations by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), or compensation (other than compensation in



- respect of the Company's own default), or release or waiver of any rights;
- (3) provision of loan or making of any contract under which the obligations of the Company are to be fulfilled before the obligations of another party, or the change of the parties to, or the assignment of rights under, such loan or contract, etc; and
  - (4) financial assistance provided in any other ways under the circumstances where the Company is unable to pay its debts or has no net assets, or if the Company's net assets will thereby be reduced to a material extent.

For the purposes of this Chapter, any reference to assumption of obligations includes (without limitation) the assumption of obligations by the obligor by the changing of its financial position by way of making of contract or arrangement (without regard to whether such contract or arrangement is enforceable or not, and without regard to whether the obligations under such contract or arrangement are to be assumed by that obligor alone or with any other persons), or by any other means.

41. The following activities shall not be deemed prohibited by Article 39 of this Chapter:
  - (1) the provision of financial assistance by the Company where the financial assistance is provided in good faith in the interests of the Company, and the principal purpose in providing the financial assistance is not for the purchase of shares in the Company, or the giving of the financial assistance is an incidental part of some larger purpose of the Company;
  - (2) the lawfully distribution of the Company's assets by way of dividend;
  - (3) the allotment of bonus shares as dividends;
  - (4) a reduction of the Company's registered capital, a repurchase of shares of the Company or a reorganization of the share capital structure of the Company, etc., in accordance with these Articles;
  - (5) the lending of money by the Company where the lending is part of its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of the distributable profits); and
  - (6) the provision of money by the Company for contributions to employees' share schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of the distributable profits).

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

42. Share certificates of the Company shall be in registered form.

The following items shall be stated on the share certificates of the Company:

- (1) the Company's name;
  - (2) the date of registration of the Company;
  - (3) the class of the share certificate, the par value and the number of shares represented by the share certificate;
  - (4) the serial number of the share certificate;
  - (5) any other matters required by the Company Law and the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies;
  - (6) other items required to be stated by the stock exchanges on which the Company's shares are listed.
43. Share certificates of the Company shall be signed by the Chairman. Where the stock exchanges on which the Company's shares are listed require the share certificates to be signed by other senior officers of the Company, the share certificates shall also be signed by such senior officers. The share certificates shall take effect after being affixed with the Company's seal (including the securities seals) The share certificates shall only be affixed with the Company's seal or the Company's securities seal under the authorization of the board of directors. The signatures of the Chairman or other senior officers of the Company on the share certificates may be printed in mechanical form. Stipulations of the securities regulatory authorities or stock exchange(s) in the jurisdiction where the shares of the Company are listed shall be separately applied in case the shares of the Company are issued and transacted in a paperless manner.
44. The Company shall keep a register of its shareholders and enter in the register the following particulars:
- (1) the name (title), address (residence) and occupation or nature of each shareholder;
  - (2) the class and number of shares held by each shareholder;
  - (3) the amount paid up or payable on the shares held by each shareholder;
  - (4) the share certificate numbers of the shares held by each shareholder;
  - (5) the date on which each person was entered in the register as a shareholder;





- (6) the date on which any shareholder ceases to be a shareholder.

Unless contrary evidence is shown, the register of shareholders shall be sufficient evidence of shareholders' shareholding in the Company.

45. The Company may, in accordance with the understanding or agreements between the CSRC and the overseas securities regulatory organizations, maintain the register of shareholders of H Shares overseas and appoint overseas agent(s) to manage such share register. The original share register for holders of H Shares shall be maintained in Hong Kong.

Duplicates of the share register for holders of H Shares shall be maintained at the Company's residence. The appointed overseas agent(s) shall ensure the consistency between the original and the duplicate of the share register for holders of H Shares.

If there is any inconsistency between the original and the duplicate of share register for holders of H Shares, the original shall prevail.

46. The Company shall have a complete register of shareholders which shall comprise the following:
- (1) a part of the shareholders' register maintained at the Company's residence other than those parts mentioned in items (2) and (3) of this paragraph;
  - (2) a part of the shareholders' register in respect of the holders of Overseas-Listed Foreign-Investment Shares of the Company maintained in the place of the overseas stock exchange on which the shares are listed;
  - (3) any other parts of the shareholders' register maintained at such other places as the board of directors may deem necessary for the purpose of listing the shares of the Company.

47. Different parts of the register of shareholders shall not overlap. No transfer of shares registered in any part of the register shall, during the continuance of that registration, be registered in any other part of the register.

The alteration or rectification of any part of the register of shareholders shall be carried out in accordance with the laws of the place where such part of the register is maintained.

48. All fully paid-up H Shares can be freely transferred in accordance with these Articles; provided, however, that the board of directors may refuse to recognize any instrument of transfer without giving any reason, unless the following conditions are satisfied:

- (1) a fee (for each instrument of transfer) of two (2) Hong Kong dollars or any higher fee as agreed by the HKSE has been paid to the Company for the



registration of any transfer instrument or any other documents which is related to or will affect the ownership of or the change of the ownership of the shares;

- (2) the instrument of transfer only involves H Shares;
- (3) the stamp duty chargeable on the instrument of transfer has been paid;
- (4) the relevant share certificates and upon the reasonable request of the board of directors any evidence in relation to the right of the transferor to transfer the shares have been submitted;
- (5) if it is intended to transfer the shares to joint owners, the maximum number of joint owners shall not exceed four;
- (6) the Company does not have any lien on the relevant shares.

If the Company refuses to register a transfer of shares, the Company shall, within 2 months following the date of the formal application for the transfer, provide the transferor and the transferee with a written notice of refusal to register such transfer.

The adoption of standard forms of transfer stipulated by HKSE does not contravene these Articles.

49. No changes which are required by reason of a transfer of shares may be made to the register of shareholders within 30 days prior to the date of a shareholders' general meeting or 5 days prior to the record date for the Company's distribution of dividends. Other regulations of the securities regulatory authorities at the place where the shares are listed shall prevail.
50. When the Company decides to convene a shareholders' general meeting, distribute dividends, liquidate or carry out other activities which require the determination of shareholdings, the board of directors shall fix a record date for the purpose of determining the shareholding. A person who is registered in the register as shareholders of the Company at the end of the record date shall be a shareholder of the Company.
51. Any person who has any objection to the register of shareholders and seeks to have his name (title) entered into or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.
52. Any person who is registered shareholder or who requests to have his name (title) entered into the register of shareholders may, if his share certificate (the "original certificate") in respect of shares in the Company is lost, apply to the Company for a replacement new share certificate in respect of such shares (the "Relevant Shares").



If a shareholder of A Shares loses his share certificate and applies for a replacement new share certificate, it shall be dealt with in accordance with relevant requirements of the Company Law.

If a shareholder of H Shares loses his share certificate and applies for a replacement new share certificate, it may be dealt with in accordance with the laws, the rules of the stock exchange and other relevant regulations of the place where the original register of holders of H Shares is maintained.

If a shareholder of H Shares loses his share certificate and applies for a replacement new share certificate, the issue of such certificate shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in the form prescribed by the Company accompanied by a notarial certificate or a statutory declaration stating the grounds upon which the application is made and the circumstances and evidence of the loss of the original certificate and declaring that no other person is entitled to be registered as a shareholder in respect of the Relevant Shares.
- (2) Before the Company decides to issue the replacement new share certificate, no statement made by any person other than the applicant declaring that he shall be registered as a shareholder in respect of the Relevant Shares has been received.
- (3) The Company shall, if it decides to issue a replacement new share certificate to the applicant, make an announcement of its decision at least once every 30 days for a period of 90 days in such newspapers as may be designated by the board of directors.
- (4) The Company shall have, prior to publication of its decision to issue a replacement new share certificate, delivered to the stock exchange on which its shares are listed a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from such stock exchange that the announcement has been exhibited in the premises of the stock exchange. The announcement shall be exhibited in the premises of the stock exchange for a period of 90 days.

In the case of an application to issue a replacement new certificate being made by a person claimed to be a holder of shares without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such registered shareholder a copy of the announcement to be published.

- (5) If, by the expiration of the 90-day period referred to in items (3) and (4) of this paragraph, the Company shall not have received from any person notice of any disagreement to such application, the Company may issue a replacement new share certificate to the applicant accordingly.

- (6) Where the Company issues a replacement new share certificate under this Article, it shall forthwith cancel the original share certificate and enter the cancellation and replacement issue in the register of shareholders accordingly.
  - (7) All expenses relating to the cancellation of an original share certificate and the issue of a replacement new share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until reasonable security is provided by the applicant for such expenses.
53. Where the Company issues a replacement new share certificate in accordance with these Articles, the name (title) of a bona fide purchaser gaining possession of such new share certificate or the person who is subsequently entered in the register of shareholders as holder of such shares (if he is a bona fide purchaser) shall not be removed from the register of shareholders.
54. The Company shall not be liable for any damage sustained by any person as a result of the cancellation of the original share certificate or the issue of a replacement new share certificate, unless the claimant proves that the Company has acted fraudulently.

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

55. A shareholder of the Company is a person who lawfully holds shares in the Company and whose name (title) is entered in the register of shareholders.

A shareholder shall enjoy the rights and bear the obligations according to the class and the proportion of the shares held by him; shareholders who hold shares of the same class shall enjoy the same rights and bear the same obligations.

In the case of joint shareholders, if one of the joint shareholders dies, the living joint shareholder(s) shall be deemed as the owner(s) of such shares. While the board of directors shall have right to ask for appropriate evidence of death on its discretion for the purpose of amending the registers of shareholders. Only the joint shareholders on the head of the lists shall have the right to take over the shares, to receive the notices from the Company, to present at the shareholders' general meeting and to exercise the voting rights. Any notice delivered to the said shareholders shall be deemed delivered to all the joint shareholders of relevant shares.

56. The ordinary shareholders of the Company shall enjoy the following rights:
- (1) The right to dividends and other distributions in proportion to the number of shares held by him;
  - (2) The right to propose, convene, preside over, attend or appoint a proxy to

- attend shareholders' general meetings and to vote thereat;
- (3) The right to supervise the Company's business operations, and the right to present proposals and inquiries;
  - (4) The right to transfer, bestow or pledge shares in accordance with the laws, administrative regulations and these Articles;
  - (5) the right to obtain relevant information in accordance with the provisions of these Articles, including:
    - (i) the right to obtain a copy of these Articles, subject to payment of the cost thereof;
    - (ii) the right to inspect and copy, subject to payment of a reasonable charge:
      - (a) all parts of the register of shareholders;
      - (b) the personal particulars of each of the directors, supervisors, general manager, deputy general manager and other senior officers of the Company, including present name and alias and any former name or alias, principal address (residence), nationality, primary and all other part-time occupations and duties and identification documents and their relevant numbers;
      - (c) state of the Company's share capital;
      - (d) reports showing the aggregate par value, quantity and the highest and lowest price paid in respect of each class of the shares repurchased by the Company since the end of last accounting year and the total amount paid by the Company for this purpose;
      - (e) minutes of shareholders' general meetings and accountant's report;
      - (f) counterfoils of corporate bonds;
      - (g) resolutions of the meetings of board of directors and the board of supervisors;
      - (h) the latest audited financial statements of the Company, and reports of the Board, auditor and Supervisory Committee;
      - (i) special resolutions;
      - (j) duplicate of the latest Annual Inspection Form that has been



filed with Chinese AIC or other competent authority.

- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of surplus assets of the Company according to the number of shares held by him;
- (7) the right to demand the Company acquire the shares of the shareholders who raise objections to the merger and division resolutions adopted by the shareholders' general meeting; and
- (8) other rights conferred by laws, administrative regulations and these Articles.

Where requesting access to the information mentioned in item (5) of the preceding Article, or asking for the relevant documents, the shareholders shall provide the Company with written documents evidencing the category of Company's shares they hold and the number of shareholdings, the Company, after having identified the shareholders, may provide them with the said information and relevant documents according to the requests of the shareholders.

57. Where the resolutions adopted by the shareholders' general meeting and the meeting of the board of directors violate laws and administrative rules and regulations, the shareholders shall be entitled to request judgment by the people's court that such resolutions are null and void.

Where the convening procedures and voting methods of the shareholders' general meeting and board of directors violate laws, administrative rules or these Articles, or the contents of the resolutions adopted by the shareholders' general meeting and the meeting of the board of directors contravene these Articles, the shareholders shall be entitled to, within 60 days from such resolutions, request a revocation by the people's court.

58. Where the directors and the senior officers violate laws, administrative rules or the provisions hereof in fulfilling their duties and thereby cause losses to the Company, the shareholders who for more than 180 consecutive days hold singly or jointly over 1% of the Company's shares shall be entitled to request in writing the board of supervisors to file a suit with the people's court; where the board of supervisors violates laws, administrative rules or the provisions hereof in fulfilling its duties and thereby causes losses to the Company, the shareholders who for more than 180 consecutive days hold singly or jointly over 1% of the Company's shares may request in writing the board of directors to file a suit with the people's court.

Where the board of directors and the board of supervisors refuse to file lawsuits after having received a written request from the shareholders as described in the preceding paragraph, or fail to file a suit with the people's court within 30 days after their receipt of such requests, or under any emergency failure to



immediately file lawsuits possibly causing irreparable losses to the Company, the shareholders as prescribed in the preceding paragraph shall be entitled to file suits directly with the people's court in their own names.

Where the infringement by others of the lawful rights and interests of the Company has caused losses to the company, the shareholders as prescribed in the first paragraph of this provision may in line with the requirements described under the preceding two paragraphs file a suit with the people's court.

59. Where the violation of laws, administrative rules or the provisions hereof by the directors and senior officers has caused losses to the shareholders, the shareholders may file a suit with the people's court.
60. The ordinary shareholders of the Company shall have the following obligations:
- (1) to abide by laws, administrative regulations and these Articles;
  - (2) to pay subscription monies in accordance with the number of shares subscribed and the method of subscription;
  - (3) being forbidden to withdraw their shares unless otherwise specified by laws, rules and regulations;
  - (4) being forbidden to abuse shareholder's rights to harm the interests of the Company or other shareholders; being forbidden to abuse the independent legal person status of the Company and the limited liabilities of shareholders to harm the interests of the creditors of the Company;

Where abuse by the Company's shareholders of their rights has caused losses to the Company or other shareholders, such shareholders shall bear the compensation of liabilities in accordance with the law.

Where the abuse by the Company's shareholders of the Company's independent legal person status and the shareholders' limited liabilities, for evasion of their debts, has seriously damaged the interests of the creditors, such shareholders shall bear several and joint liabilities for the debts of the Company.

- (5) other obligations imposed by laws, administrative regulations and these Articles.

A shareholder is not be liable to make any further contribution to the share capital other than the terms agreed by the subscriber of the relevant shares at the time of subscription.

Any rights attached to the shares held by any one owning any direct or indirect interests cannot be impaired in the way of freezing or by any other means due to its failure to disclose its interests.



61. If shareholders with more than 5% of the voting shares of the Company pledge their shareholdings, they shall submit a report in writing to the Company on the day of the said pledge.
62. Controlling shareholders and actual controllers of the Company shall not use their associated relationships to harm the interests of the Company. Otherwise, they shall be liable to compensate the Company against losses the Company has thus suffered in violation of the regulations.

Controlling shareholders and actual controllers shall act in good faith to the Company and other public shareholders thereof. Controlling shareholders shall strictly and legally exercise the rights of capital contributors and shall not impair the lawful rights of the Company and other public shareholders by such means as profit distribution, assets reorganization, external investment, appropriation of funds, borrowing and loan guarantee, nor shall they with their controlling status damage the interests of the Company and other public shareholders.

In addition to the obligations imposed by laws and administrative regulations or the listing rules of the stock exchange on which shares of the Company are listed, a controlling shareholder, when exercising his rights as a shareholder, shall not exercise his voting rights to make a decision which is prejudicial to the interests of the shareholders generally or of some of the shareholders of the Company in respect of the following matters:

- (1) to relieve a director or supervisor of his duty to act honestly in the best interests of the Company;
  - (2) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person), in any guise, of the Company's assets, including (without limitation) opportunities beneficial to the Company;
  - (3) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including (without limitation) rights to distributions and voting rights, but not including a restructuring of the Company submitted to and approved by shareholders' general meeting in accordance with these Articles.
63. For the purposes of the preceding paragraph, a "controlling shareholder" means a person who satisfies any one of the following conditions:
    - (1) he alone or acting in concert with others has the power to determine the appointment and removal of more than half of the directors;
    - (2) he alone or acting in concert with others has the power to exercise or to control the exercise of 30% or more of the voting rights in the Company;





- (3) he alone or acting in concert with others holds 50% or more of the issued shares of the Company, unless there is evidence to the contrary;
- (4) he alone or acting in concert with others has control of adequate voting rights to exert influential power on resolutions of general meetings of the Company;
- (5) he alone or acting in concert with others has control of or determine matters including major decisions on operation and important appointments;
- (6) other circumstances as considered by the securities regulatory authorities of the place of listing of the Company's shares.

“Acting in concert with” referred to in this Article is the act or fact which an investor increase his control over the number of shares of the Company with voting rights through agreements and other arrangements with other investors.

In case of entering into the acting in concert agreement for common control of companies, the common control arrangements and termination mechanism shall be determined in such agreement.

### **Chapter 8 Shareholders' General Meetings**

64. The shareholders' general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with law.
65. The shareholders' general meeting shall have the following functions and powers:
  - (1) to determine the Company's operational policies and investment plans;
  - (2) to elect and replace directors that are not taken by the representatives of the staff and workers, and decide on matters relating to the remuneration of directors;
  - (3) to elect and replace supervisors that are not taken by the representatives of the staff and workers, and decide on matters relating to the remuneration of supervisors;
  - (4) to examine and approve reports of the board of directors;
  - (5) to examine and approve reports of the supervisory committee;
  - (6) to examine and approve the Company's proposed annual preliminary and final financial budgets;
  - (7) to examine and approve the Company's profit distribution plans and plans for making up losses;



- (8) to decide on increases or decreases in the Company's registered capital;
- (9) to decide on matters such as merger, division, dissolution and liquidation or change of the form of the Company;
- (10) to decide on the issue of debentures by the Company;
- (11) to decide on the appointment, dismissal or disengagement of the accountants of the Company;
- (12) to amend these Articles;
- (13) to consider resolutions raised by shareholders severally or jointly holding 3% or more of the total shares of the Company carrying the right to vote;
- (14) examining and approving the guarantee items prescribed in Article 66 hereof;
- (15) examining matters regarding the purchase and sales within one year by the Company of major assets which exceed 30% of the total assets of the Company at the most recent audit;
- (16) examining, approving and altering the usage of the funds raised;
- (17) examining the equity incentive plan;
- (18) to consider other matters which require resolution of the shareholders in general meeting according to laws and administrative regulations or these Articles.

The above-mentioned functions and powers of the general meeting shall not be exercised by the Board of Directors, other organizations or individuals through authorization.

66. The below listed external guarantee acts of the Company shall be approved by the shareholders' general meeting:

- (1) the total amount of external guarantee offered by the Company and any of the Company's controlling subsidiaries exceeds 50% of the total assets of the Company in the most recent audit;
- (2) the amount of guarantee based on the calculation principle of accumulating amount of 12 consecutive months exceeds 30% of the total assets of the Company in the most recent audit;
- (3) the guarantee is provided to the guaranteed object where the asset-liability ratio exceeding 70%;



- (4) the amount of a single guarantee exceeds 10% of the net assets of the Company in the most recent audit;
- (5) the guarantee is provided to the shareholders, the actual controllers or their associated parties;
- (6) other guarantees which shall be subject to the consideration and passing at the general meeting as required by laws, administrative regulations, departmental rules, the stock exchange of the place of listing of the Company's shares and the Articles.

In relation to matters concerning guarantees which are within the powers of the Board, in addition to the requirement that it shall be approved by the majority of all the Directors, it shall also be approved by two-third of the Directors present at the Board meeting; the guarantees mentioned in item (2) above shall be approved at the Shareholders' meeting by the Shareholders representing at least two-third of voting rights present.

In case of the Company provides guarantees to its wholly-owned subsidiaries or its holding subsidiaries and other shareholders of such holding subsidiary provide guarantees with the same proportion based on their entitled interests, such guarantees can be exempted from complying with the requirements under items (1), (3) and (4) above. The Company shall disclose the summary of the above guarantees in its annual and half-year reports.

67. The Company shall not, without the prior approval of the shareholders in general meeting, enter into any contract with any person other than a director, supervisor, general manager, deputy general manager or other senior officer whereby the management of the whole or any substantial part of the business of the Company is to be handed over to such person.
68. Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the board of directors. Annual general meetings shall be held once every year and within 6 months from the end of the preceding financial year.

Under any of the following circumstances, the board of directors shall convene an extraordinary general meeting within 2 months after when one of the following circumstances occurs:

- (1) when the number of directors is less than the number required by the Company Law or two-thirds of the number specified in these Articles;
- (2) when the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;
- (3) when shareholders severally or jointly holding 10% or more of the Company's issued and outstanding shares carrying voting rights requests in



writing the convening of an extraordinary general meeting;

- (4) when the board of directors considers necessary or upon the request of the supervisory committee;
  - (5) upon independent directors' request;
  - (6) such other circumstances as required by laws, administrative regulations, departmental rules or the Articles.
69. The independent directors shall have the right to propose the convening of the extraordinary shareholders' general meeting to the board of directors. With regard to such proposal, the board of directors shall, in accordance with the provisions of the laws, administrative rules, and provisions of these Articles, provide its feedback in writing on approval or disapproval within 10 days from the receipt of the said proposal.

Where the board of directors approves the convening of the extraordinary shareholders' general meeting, it shall send the notice thereof within 5 days after the said approval resolution of the board of directors; otherwise, the reasons for such disapproval shall be stated and announced.

70. The board of supervisors shall have the right to propose the convening of the extraordinary shareholders' general meeting and shall submit its proposal to the board of directors in writing. The board of directors shall, in accordance with the provisions of the laws, administrative rules and these Articles, provide feedback in writing on approval or disapproval within 10 days from the receipt of the said proposal.

Where the board of directors approves the convening of extraordinary shareholders' general meeting, it shall send a notice thereof within 5 days after the approval resolution of the board of directors. Where the notice changes the original proposal, the approval of the board of supervisors shall be required.

Where the board of directors disapproves the convening of the extraordinary shareholders' general meeting or fails to provide its feedback within 10 days from the receipt of the said proposal, it shall be deemed incapable or failure to fulfill the obligation of convening the shareholders' general meeting; the board of supervisors may thereby convene and preside over the meeting on its own.

71. The shareholders singly or jointly holding more than 10% of the shares of the Company with voting rights at the extraordinary general meeting or class meetings to be held shall have the right to propose in writing to the board of directors the convening of the extraordinary shareholders' general meeting or the class meeting. The board of directors shall, in accordance with the provisions in laws, administrative rules and these Articles, provide feedback in writing on the approval or disapproval within 10 days from the receipt of such proposal.



Where the board of directors approves the convening of the extraordinary shareholders' general meeting or the class meeting, it shall, within 5 days after the approval resolution of the board of directors, send a notice thereof. Where the notice alters the original proposal, the approval of the relevant shareholders shall be required.

Where the board of directors disapproves the convening of the extraordinary shareholders' general meeting or the class meeting or fails to provide feedback within 10 days from the receipt of the said proposal, the shareholders which singly or jointly hold more than 10% of the shares of the Company shall have the right to propose in writing the convening of the extraordinary shareholders' general or the class meeting to the board of supervisors and shall raise their request in writing to the board of supervisors.

Where the board of supervisors approves the convening of the shareholders' general meeting, it shall within 5 days from the receipt of the said written request send a notice thereof. If the notice changes the original proposal, the approval of the relevant shareholders shall be required.

Where the board of supervisors fails to send the said notice within the prescribed time limit, it shall be deemed that they failed to convene and preside over the shareholders' general meeting and shareholders which singly or jointly hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside the meeting independently.

Where the shareholders' general meeting is held independently by the shareholders due to board of directors' failure to fulfill the aforementioned request, all reasonable costs and expenses of the meeting shall be borne by the Company and deduced from the payment payable to the director neglecting his duty.

72. Where the board of supervisors or the shareholders decide to convene the shareholders' general meeting independently, they shall notify the board of directors in writing to such effect and put such on record with the CSRC office in the place where the company is located and the stock exchange.

For a general meeting convened and presided over by the shareholders themselves, the shareholding by the shareholders who convene the meeting shall be not less than 10% prior to the announcement of the resolution of the general meeting.

The convening shareholders shall, where sending the notice of the shareholders' general meeting and announcing the resolutions of the shareholders' general meeting, submit related certificates to the CSRC office in the place where the company is located and the stock exchange.

With respect to shareholders' general meetings independently convened by the board of supervisors or the shareholders, the board of directors and its secretary



shall give their cooperation. The board of directors shall provide the register of shareholders which will be dated the day of equity registration.

Where the shareholders' general meeting is held independently by the board of supervisors or shareholders, all necessary costs and expenses of the meeting shall be borne by the Company.

73. When the Company is to hold a shareholders' annual general meeting, it shall inform the shareholders by way of public announcement of the matters to be examined at the meeting as well as the date and place of the meeting at least twenty (20) business days prior to the meeting; when the Company is to hold an extraordinary general meeting, it shall inform the shareholders by way of public announcement at least fifteen (15) days (no less than ten (10) business days) prior to the date of the meeting.

The business day mentioned in these Articles shall mean the date on which the Hong Kong Stock Exchange opens for securities trading.

74. At general meetings of the Company, the Board, the Supervisory Committee, and shareholder(s) individually or jointly holding 3% or more of the total voting shares of the Company shall have the right to propose motions in writing to the Company. The Company shall place those matters in the proposed motions within the scope of the functions and powers of the shareholders' general meeting on the agenda.

The content of a proposal shall be determined by the general meeting, have definite topics and specific issues for resolution, and shall comply with the related provisions of the laws, administrative regulations and the Articles of Association.

Shareholder(s) individually or jointly holding more than 3% of the Company's shares may submit a written provisional motion to the convener before a general meeting is convened; the convener shall notify other shareholders within two (2) days after receipt of the said provisional motion, and ensure to announce the content of the said provisional motion ten (10) business days prior to the date of shareholders' general meeting.

Except as provided in the preceding paragraph, after the convener issues a public notice of the general meeting, he/she shall not change the proposals or add any new proposal in the notice of the general meeting.

Proposals not set out in the notice of general meeting or not complying with the provision herein shall not be voted on or resolved at the general meeting

75. A notice of shareholders' meeting shall meet the following requirements:

(1) be in writing;

- (2) specify the place, the date and the time of the meeting;
- (3) state the matters and motions for consideration and examination at the meeting;
- (4) provide the shareholders with such information and explanation as are necessary for them to make an informed decision on the matters put before them. Without limiting the generality of the foregoing, where a proposal is made for the Company to merge with another, to repurchase shares, to reorganize its share capital, or to restructure in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed contract, if any, and the cause and effect of such proposal must be fully and properly explained; contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, general manager, deputy general manager or other senior officer in the matter to be discussed and the effect of the matter on them in their capacity as shareholders in so far as it is different from the effect on the other shareholders of the same class;
- (5) contain the full text of any special resolution to be proposed at the meeting;
- (6) contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote at the meeting instead of him and that a proxy so appointed need not be a shareholder;
- (7) specify the time and place for lodging written reply and proxy forms for the relevant meeting.
- (8) equity registration date for any shareholder entitled to attend the shareholders' general meeting;
- (9) name and telephone number of the related contact person in charge of shareholders' general meeting matters; and
- (10) where the shareholders' general meeting is held through the internet or any other means, it shall, in the notice of the shareholders' general meeting, set out expressly the voting time and procedure of such means.

The interval between the equity registration date and the shareholders' general meeting date shall be no more than seven working days. The equity registration day once determined shall not be altered.

76. Notices of shareholders' general meetings shall be delivered by any methods as permitted by the stock exchanges where the Company's shares are listed (including but not limited to post, email, fax, announcement or release on the websites of the Company or the website of the stock exchanges of where the Company's shares are listed) to shareholders (whether or not they are entitled to

vote at the meeting). In case of delivery by post, the address of the recipient registered in the share register shall prevail.

The public announcement referred in the preceding paragraph shall be published in one or more newspapers designated by the CSRC prior to the date of the meeting. Upon the publication of announcement, all holders of A Shares shall be deemed to have received the notice related to the shareholders' meeting..

77. When the Company gives the notice of the shareholders' general meeting by the way as required by the relevant stock exchanges of where the Company's shares are listed or regulatory authorities, if a notice of meeting is accidentally omitted to be sent to any person who is entitled to receive the same or that person has not received such a notice of meeting, it will not cause the meeting and any resolution made therein to be void.
78. Where the shareholders' general meeting intends to discuss matters related to the election of directors and supervisors, the notice of the shareholders' general meeting shall fully disclose detailed information about such director and supervisor candidates, including at least the following contents:
- (1) such personal information as the education background, work experience, part-time job and so on;
  - (2) whether the directors or supervisors candidates have associated relationship with the Company or its controlling shareholders and the actual controllers;
  - (3) disclosure of the number of Company shares held by the directors or supervisors candidates; and
  - (4) whether the directors or supervisors candidates have received punishments by the CSRC or other departments or warning reprimands from the stock exchange.

Except for the election of directors and supervisors by means of a cumulative voting system, each director or supervisor candidate shall be nominated in a single proposal.

79. Once the notice of the shareholders' general meeting is issued, the shareholders' general meeting shall not be postponed or canceled without justifiable cause, nor shall the proposals set out in the shareholders' general meeting notice be canceled. In the case of the said postponement or cancellation, the convener shall make an announcement stating reasons for such postponement or cancellation at least 2 working days in advance of the original date for holding the shareholders' general meeting.
80. The board of directors and other conveners of the Company shall take necessary measures to ensure the normal order of the shareholders' general meetings. The board of directors and other conveners of the Company shall take measures to





prevent acts which interfere with the shareholders' general meeting, cause disturbance or infringe on the lawful rights of the shareholders, and shall promptly report such acts to the relevant departments for investigation and punishment.

81. Any shareholder entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one or more persons (whether or not a shareholder) as his proxy to attend and vote on his behalf. A proxy so appointed shall be entitled to exercise the following rights in accordance with the authorization from that shareholder:

- (1) the shareholder's right to speak at the meeting;
- (2) the right to demand, whether on his own or together with others, a poll;
- (3) the right to vote by hand or on a poll, but a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

Where that shareholder is a recognized clearing house within the meaning of the Securities and Futures (Clearing Houses) Ordinance (Cap.420 of the Law of Hong Kong) or its proxy (the "recognized clearing house"), it may authorize such person or persons as it thinks fit to act as its representative (representatives) at any shareholders' general meeting or any meeting of any class of shareholders provided that, if more than one person is so authorized, the authorization must specify the number and class of shares in respect of which such person is so authorized. The person so authorized will be entitled to exercise the same power on behalf of the recognized clearing house as that clearing house could exercise if it were an individual shareholder of the Company.

82. Where the individual shareholders personally attend the shareholders' general meeting, they shall present their identification cards or other valid certificates which verify their identities, and their stock account cards; where the individual shareholders entrust their proxies to attend the meeting on their behalf, such proxies shall present their valid identity certificates and the power of attorney from the shareholder.

In the case of legal person shareholders, their legal representatives or proxies entrusted by such legal representatives shall attend the meeting. The legal representatives, if attending the meeting, shall present their identification cards and valid certificates which verify their qualifications as legal representative; where proxies are entrusted by such legal representatives to attend the meeting, such proxies shall present their identification cards, and the written power of attorney as issued legally by the legal representatives of the legal person shareholders.

83. An instrument appointing a proxy shall be in writing under the hand of the appointer. The power of attorney, as issued by the shareholders, indicating that proxies are entrusted to attend the shareholders' general meeting shall contain the

following items:

- (1) the name of each proxy;
  - (2) whether each proxy has voting rights;
  - (3) indication on affirmative, negative or abstention vote upon each matter which is listed in the agenda of and shall be deliberated at the shareholders' general meeting;
  - (4) issuing date and term of validity of the power of attorney;
  - (5) the amount of shares in respect of which each proxy is so appointed. If more than one proxy, the instrument of appointment must specify the number of shares in respect of which each proxy is so appointed;
  - (6) signature (or seal) of the principal. Where the principal is a legal person shareholder, the official seal of the legal person shareholder or signature of his director or proxy as duly appointed shall be affixed.
84. The instrument appointing a voting proxy shall be deposited at the Company's domicile or at such other place as is specified in the notice convening the meeting not less than 24 hours prior to the time for holding the meeting at which the proxy propose to vote or the time specified for the passing of the resolution. If such instrument is signed by another person under a power of attorney or other authorization documents given by the appointer, such power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall, together with the instrument appointing the voting proxy, be deposited at the Company's domicile or at such other place as is specified in the notice convening the meeting.
- If the appointer is a legal person, its legal representative or any person authorized by resolutions of its board of directors or other governing body shall attend the shareholder's meeting as the appointer's representative.
85. Any form issued to a shareholder by the board of directors for the purpose of appointing a proxy shall be such as to enable the shareholder, according to his free will, to instruct his proxy to vote in favor of or against the motions proposed and in respect of each individual matters to be voted on at the meeting. Such a form shall contain a statement that in the absence of instructions from the appointer, the proxy may vote as he thinks fit.
86. A vote made by a proxy in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the relevant shares, provided that no notice in writing of such events shall have been received by the Company prior to the commencement of the relevant meeting.

87. The place for holding the Company's general meetings shall be: the residence of corporation or the place specified in the notice of the general meeting.

A general meeting shall be held at a meeting place in the form of on-site meeting. The Company shall, on condition that the general meeting shall be held legally and validly, enable shareholders to have access to the general meeting by internet or other means. The shareholders that have participated in the meeting through access of any aforesaid means shall be deemed as having attended the meeting.

The identity of shareholders that attend the meeting through internet or other means shall be confirmed by the legal and effective voting system or trading system of the stock exchange approved by regulatory authorities.

88. The register of the shareholders' general meeting attendants shall be prepared by the Company. The register shall expressly record such matters as the name of the attendant (or of the unit thereof), the identification card number, domicile address of the attendee, the number of voting shares held or represented by the attendee, and the name of the principal (or of the unit thereof).

89. When a shareholders' general meeting is being held, the Company shall engage lawyers to observe the meeting, give legal opinions as to the matters set out below, and make announcements as to the matters set out below as required by the listing rules of the place in which the shares of the Company are listed:

- (1) whether the procedures for convening and holding the shareholders' general meeting are in compliance with the requirements of laws, administrative regulations and the Articles of the Company;
- (2) whether the qualifications of attendees and convener are legal and valid;
- (3) whether the voting procedures and voting outcome of the meeting are legal and valid;
- (4) issue legal opinions on other relevant issues at the request of the Company.

90. The convener and the lawyer retained by the Company shall, in accordance with the register of shareholders provided by the securities registration and settlement agency, jointly verify the legality of the qualification of each shareholder, and register the full name of and number of voting shares held by each shareholder. Prior to the announcement by the convener of the total number of the voting shares held by the attending shareholders and proxies, the registration shall be ceased.

91. At the time of the shareholders' general meeting, all the directors, supervisors and the secretary of the board of directors, of the Company shall attend the meeting, and general managers and other senior officers shall attend as nonvoting delegates.

92. The shareholders' general meeting shall be convened by the chairman. Where the chairman is unable to or fails to perform his duties, the shareholders' general meeting shall be presided over by the vice-chairman (where there are more than two vice chairmen, the shareholders' general meeting shall be presided over by the vice-chairman jointly elected by the majority of all the directors). Where the vice chairman is unable to or fails to perform his duties, the shareholders' general meeting shall be presided over by a director jointly elected by the majority of all the directors. If none of the Directors can be elected by more than a half of the Directors to preside over the meeting, the shareholders present at the meeting may elect a shareholder to preside over the meeting. If for any reason, the shareholders fail to elect the chairman to preside over the meeting, the shareholder (or proxy) present and holding the largest number of shares carrying voting rights shall preside over the meeting and act as the chairman.

If independently convened by the board of supervisors, the shareholders' general meeting shall be presided over by the chairman thereof. Where the chairman of the board of supervisors is unable to or fails to perform his duties, the shareholders' general meeting shall be presided over by the vice chairman of the board of supervisors. Where the vice chairman is unable to or fails to perform his duties, a supervisor shall be jointly elected by the majority of all the supervisors to preside over the shareholders' general meeting.

Shareholders' general meetings independently convened by the shareholders shall be presided over by a representative recommended by the convener.

Where the convener violates the procedural rules while the shareholders' general meeting is being held so that the meeting is unable to continue, a presider may, with the approval by the majority of voting rights represented by the shareholders present at the shareholders' general meeting, be elected by the shareholders' general meeting to continue the meeting.

93. The Company shall formulate the procedural rules of the shareholders' general meeting, which shall prescribe the detailed holding and voting procedures of said meeting, including the notice, registration, deliberation of proposals, ballot, vote calculation, announcement of voting results, formulation of meeting resolutions, meeting minutes and signature, announcement and other items, as well as the principles by which the shareholders' general meeting authorizes the board of directors. The authorized content shall be definite and specific. The procedural rules of the shareholders' general meeting shall be attached as an appendix to these Articles and shall be drafted by the board of directors and approved by the shareholders' general meeting.
94. The board of directors and the board of supervisors shall, at the annual shareholders' general meeting, report their work for the past year to such meeting. Each independent director shall also report his work.
95. Directors, supervisors, and senior officers shall at the shareholders' general



meeting give explanations and clarifications on the inquiries and recommendations raised by the shareholders.

96. The presider of the shareholders' general meeting shall, prior to vote, announce the total number of attending shareholders and proxies, and the total voting shares held by them. The total number of attending shareholders and proxies, and the total voting shares held by them shall be those included under the minutes of the shareholders' general meeting.
97. The shareholders' general meeting shall have meeting minutes and these shall be the responsibility of the secretary of the board of directors.

The meeting minutes shall record the following items:

- (1) time, place, agenda, and name of the convener of the meeting;
  - (2) name of the presider and each of the directors, supervisors, managers and any other senior officers who attend the meeting with or without voting right;
  - (3) number of shareholders and proxies who attend the meeting, total number of voting shares held by them, and proportion of such total number in the Company's shares;
  - (4) deliberation procedure, main speech points and voting result of each proposal;
  - (5) inquiries or recommendations of the shareholders and the relevant replies or explanations thereto;
  - (6) name of lawyers, vote counters and pollwatchers; and
  - (7) the number of voting shares held by the attending shareholders who hold A Shares (including proxies thereof) or Overseas-Listed Foreign-Invested Shares (including proxies thereof) and the proportions of such numbers in the total shares of the Company;
  - (8) when the voting results are recorded, the votes by the attending shareholders who hold A Shares and those who hold Overseas-Listed Foreign-Invested Shares upon each matter deliberated;
  - (9) other items shall be recorded in the meeting minutes in accordance with the provisions hereof.
98. The convener shall ensure the authenticity, accuracy and completeness of the minutes of the shareholders' general meeting. The attending directors, supervisors, secretary of the board of directors, convener or representative thereof, and the meeting presider shall sign the meeting minutes. Meeting



minutes shall, together with the register of the present shareholders and the powers of attorney for attendance by proxy, and valid materials concerning votes through the internet and other means shall be kept together for a period of no less than 10 years.

99. The convener shall ensure the continuity of the shareholders' general meeting until the final resolutions are formed. Where such specific reasons as force majeure result in the suspension of the shareholders' general meeting or the failure to adopt a resolution at the meeting, the necessary measures shall be taken to resume the shareholders' general meeting as soon as possible or to directly put an end to the meeting and make an announcement in a timely manner. At the same time the convener shall report to the CSRC office in the place where the company is located and the stock exchange.
100. Resolutions of shareholders' general meetings shall be divided into ordinary resolutions and special resolutions.

To adopt an ordinary resolution, votes representing more than one half of the voting rights represented by the shareholders (including proxies) present at the shareholders' general meeting must be exercised in favor of the resolution in order for it to be passed.

Shareholders presenting at the shareholders' general meeting (including the shareholders' proxy) shall give their opinions on each item submitted for vote, being: affirmative, negative or abstention vote. The blank, falsely-filled and unreadable votes as well as the failure to vote shall be deemed as abstention, and the voting results represented by the shares of the abstention voter shall be filled with "abstention". The abstention vote shall be regarded as valid votes when the Company counts the votes in respect of the relevant matter.

Where any shareholder is, under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, required to abstain from voting on any particular resolution or restricted to voting only for or only against particular resolution, any vote cast or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

101. A shareholder (including proxy), when voting at a shareholders' general meeting, shall exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote, except under the circumstances where cumulative voting system is used.

The votes casted by minority investors shall be separately counted when material matters affecting the interests of minority investors are being deliberated at the shareholders' general meeting. The results of the separate vote-counting shall be publicly disclosed in a timely manner.

The shares held by the Company itself shall have no voting rights and shall not be calculated into the total number of voting shares held by the attending

shareholders.

The board of directors, independent directors and shareholders who meet related provisions may publicly solicit the voting rights of shareholders. Where the voting rights of a shareholder are being solicited, information such as the specific voting intention shall be fully disclosed to the shareholder. It is prohibited to solicit shareholders' voting rights in a covertly or overtly payable manner. The Company shall not impose restrictions on the minimum shareholding percentage for solicitation of voting rights.

102. Votes at the shareholders' general meeting shall be made by means of open ballot.

Prior to vote on proposals at the shareholders' general meeting, two shareholders shall be elected as representatives by the shareholders' general meeting to participate in the vote calculation and supervision. If shareholders have interests in the matters to be deliberated on, the concerned shareholders and proxies thereof shall not take part in the vote calculation and supervision.

When the shareholders' general meeting is voting on proposals, the lawyers, representatives of shareholders and supervisors shall be jointly responsible for the vote calculation and supervision thereof and announce the voting results in the meeting which shall be recorded into the minutes of the meeting.

Shareholders of the Company or their proxies who cast votes via internet or through any other means shall have the right to examine their voting results by accessing to the corresponding voting system.

103. On a poll taken at a meeting, a shareholder (including proxy) entitled to more than two votes need not cast all his votes in the same way.

104. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to one additional vote.

105. The following matters shall be resolved by an ordinary resolution of a shareholders' general meeting:

- (1) work reports of the board of directors and the supervisory committee;
- (2) proposals formulated by the board of directors for distribution of profits and for making up losses;
- (3) removal of the members of the board of directors and of the supervisory committee, their remuneration and method of payment;
- (4) annual preliminary and final budgets, the Company's annual report, balance sheets, profit and loss accounts and other financial statements of the Company;

- (5) matters other than those required by the laws and administrative regulations or these Articles to be adopted by special resolutions.
106. The following matters shall be resolved by a special resolution of a shareholders' general meeting:
- (1) the increase or reduction of the Company's share capital and the issue of share of any class, warrants and other similar securities;
  - (2) the issue of debentures of the Company;
  - (3) the division, merger, dissolution and liquidation of the Company;
  - (4) amendments to these Articles;
  - (5) where, within the period of one year, purchases or sales by the Company or the amount of the guarantee provided by the Company exceeds 30% of the total assets of the Company as of the most recent audit;
  - (6) stock-based incentive plan;
  - (7) amendments to rights of holders holding different categories of shares; and
  - (8) any other matters stipulated by laws, administrative regulations and these Articles, and considered by the shareholders' general meeting, resolved by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by a special resolution.

Any resolution passed by the general meeting shall be in compliance with the laws, administrative regulations of China and provisions of these Articles.

107. When the shareholders' general meeting deliberates connected transactions, the connected shareholders shall refrain from voting upon such associated transactions, and the number of voting rights represented by them shall not be calculated in the total number of valid votes; the announcement of the shareholders' general meeting shall fully disclose the votes of the non-connected shareholders.
108. The Company shall, on the premise of ensuring the legality and validity of the shareholders' general meeting, adopt various means and channels to make available online voting platforms and other modern information technology means on a priority basis to facilitate shareholders to attend the shareholders' general meeting.
109. The name list of directors and supervisors candidates shall take the form of proposal and be submitted to the shareholders' general meeting for vote.



When the shareholders' general meeting votes upon the election of directors and supervisors in accordance with the provisions of these Articles or the resolution adopted by the shareholders' general meeting, the cumulative voting system may be used.

The "cumulative voting" stated in the preceding paragraph shall mean when the shareholders' general meeting is electing directors or supervisors, each share shall have the same number of voting rights as the number of directors or supervisors who are up for election, and the voting rights of all the shareholders may be exercised in a centralized manner. The board of directors shall announce the resume and basic information of each candidate of directors and supervisors to the shareholders.

110. In addition to the cumulative voting, the shareholders' general meeting may take a vote on all the proposals item by item. Where different proposals are submitted for the same matter, votes shall be cast in the sequence that such proposals are submitted. The shareholders' general meeting shall not be suspended or refuse voting upon the said proposals unless the meeting is suspended or they are unable to adopt a resolution as a result of particular reasons such as force majeure and otherwise.
111. The shareholders' general meeting, when examining the proposals, shall not amend them, otherwise, the relevant alteration shall be deemed as a new proposal which shall not be voted on at the same shareholders' general meeting.
112. Each voting right shall choose only one of such means including onsite, through the internet or otherwise. The first ballot prevails if repeated votes arise by the same voting right.
113. The onsite shareholders' general meeting shall not be terminated earlier than the shareholders' general meeting held through the internet or by any other means. The presider of the onsite shareholders' general meeting shall announce the votes and voting results of each proposal and announce if the proposals have been passed according to the voting results. Prior to the formal announcement of the voting results, the companies, vote counters, vote supervisors, major shareholders and the internet service providers and other related parties involved in the shareholders' meeting held onsite, through the internet or by any other means shall bear obligation of confidentiality on the voting results.
114. The chairman of the meeting shall determine whether or not a resolution of the general meeting shall be adopted according to poll results. His decision shall be final and conclusive and shall be announced at the meeting and recorded in the meeting minutes. The Company shall announce the resolutions of the shareholders' general meetings in accordance with the relevant requirements of the stock exchange on which the shares of the Company are listed.
115. If the chairman of the meeting has any doubt as to the result of a resolution put to the vote, he may have the votes counted. If the chairman of the meeting fails to



have the votes counted, any shareholder who is present in person or by proxy and who objects to the results announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of results, and the chairman of the meeting shall have the votes counted immediately.

116. If votes are counted at a shareholders' general meeting, the result of the count shall be recorded in the minute book.

Minute shall be made in respect of all resolutions passed at a shareholders' general meeting and signed by directors present at the meeting. The minutes, shareholders' attendance list and proxy forms shall be kept at the Company's domicile.

117. The resolutions of the shareholders' general meeting shall be announced promptly and such announcement shall indicate the number of shareholders and proxies attending the meeting, the number of voting shares held by them, the proportions of their voting shares in the total voting shares of the Company, the voting methods, the vote results of each proposal and the particulars of each resolution adopted. Attendance and votes by the holders of A Shares and Foreign-Invested Shares at the shareholders' general meeting shall be counted and announced separately.

Where the proposals fail to be passed at the shareholders' general meeting or the previous resolutions of the last shareholders' general meeting are altered at the shareholders' general meeting, special indications shall be made in the announcement of the said meeting.

118. Where the shareholders' general meeting passes a proposal concerning election of directors and supervisors, the time of their assumption of office shall be the date of the announcement of the voting results unless otherwise provided by the resolution of the shareholders' general meeting.

119. Where the shareholders' general meeting passes a proposal regarding the distribution of cash dividends, share granting or conversion of common reserve fund into share capital, the Company shall implement the detailed plan for such proposals within two months from the end of the shareholders' general meeting.

120. Shareholders may, during the business hours of the Company, inspect copies of the minutes of any shareholders' general meetings without charge. If a shareholder requests from the Company a copy of the minutes of any meeting, the Company shall send a copy of such minutes to him within 7 days after receipt of reasonable charges.

### **Chapter 9 Special Procedures for Voting by A Class of Shareholders**

121. Those shareholders who hold different classes of shares are shareholders of different classes.

A class of shareholders shall enjoy rights and bear obligations in accordance with the laws and administrative regulations and these Articles.

122. The Company may not vary or abrogate the rights of any class of shareholders unless approved by a special resolution of the shareholders' general meeting and by the holders of shares of that class at a separate meeting conducted in accordance with Articles 124 to 128 hereof.
123. The following circumstances shall be deemed to be a variation or abrogation of the rights of a class of shareholders:
- (1) To increase or decrease the number of shares of such class, or increase or decrease the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
  - (2) To effect an exchange of all or part of the shares of such class into shares of another class or to effect an exchange or create a right of exchange of all or part of the shares of another class into the shares of such class;
  - (3) To remove or reduce rights to accrued dividends or rights to cumulative dividends attached to shares of such class;
  - (4) To reduce or remove a dividend preference or a liquidation preference attached to shares of such class;
  - (5) To add, remove or reduce any conversion privileges, options, voting rights, transfer or pre-emptive rights, or rights to acquire securities of the Company attached to shares of such class;
  - (6) To remove or reduce rights to receive payments payable by the Company in particular currencies attached to shares of such class;
  - (7) To create a new class of shares having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
  - (8) To restrict the transfer or ownership of the shares of such class or add to such restriction;
  - (9) To issue of rights to subscribe for, or convert into, shares in the Company of such class or another class;
  - (10) To increase the rights or privileges of shares of another class;
  - (11) To restructure the Company where the proposed restructuring will result in different classes of shareholders bearing a disproportionate amount of obligations in such restructuring;

(12) To vary or abrogate the provisions of this Chapter.

124. Shareholders of the affected class, whether or not entitled to vote at shareholders' general meetings, shall nevertheless have the right to vote at class meetings in respect of matters concerning sub-paragraphs (2) to (8), (11) and (12) of Article 123, but interested shareholder(s) shall have no right to vote at such meetings.

The meaning of "interested shareholder(s)" as referred to in the preceding paragraph is:

- (1) in the case of a repurchase of shares by offers to all shareholders or public dealing on a stock exchange under Article 34 hereof, a controlling shareholder within the meaning of Article 63 hereof;
  - (2) in the case of a repurchase of shares by an off-market contract under Article 34 hereof, a shareholder to whom the proposed contract is related;
  - (3) in the case of a restructure of the Company, a shareholder within a class who bears less than a proportionate amount of obligations imposed on the shareholders of that class or who has an interest different from the interest of the other shareholders of that class.
125. Resolutions of meetings of a class of shareholders shall be passed by votes representing more than two-thirds of the voting rights of shareholder of that class present at the meeting who are entitled to vote at the meeting according to Article 124 hereof.

Where any shareholder is, under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, required to abstain from voting on any particular resolution in a class meeting or restricted to voting only for or only against particular resolution in a class meeting, any vote cast or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

126. The Company may convene a class shareholders' meeting with at least twenty (20) business days prior to the date of the shareholders' annual general meeting, at least fifteen (15) days (no less than ten (10) business days) prior to the date of the shareholders' extraordinary general meeting to notify all registered shareholders of that class of the matters to be considered at the meeting and the date and place of the meeting by way of public announcement or written notice.
127. Notice of class meetings need only be served on shareholders entitled to vote thereat.

Meetings of any class of shareholders shall be conducted in a manner as similar as possible to that of general meetings of shareholders. The provisions of these Articles relating to the proceedings of shareholders' general meeting shall apply



to any meeting of a class of shareholders.

128. Apart from the holders of other classes of shares, the holders of A Shares and holders of H Shares shall be deemed to be shareholders of different classes.

The special voting procedures for class shareholders shall not apply to the following circumstances:

- (1) where the Company issues, upon the approval by special resolution of its shareholders in general meeting, either separately or concurrently once every twelve months, not more than 20 percent of each of its existing issued A Shares or Overseas-Listed Foreign-Invested Shares;
- (2) where the Company's plan (made at the time of its establishment) to issue A Shares and Overseas-Listed Foreign-Invested Shares is completed within 15 months from the date on which approval is given by the CSRC.

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

129. Directors shall be elected or replaced by the shareholders' general meeting. The term of office of each director is 3 years. The directors may, after the expiration of the term of office, be reelected and reappointed. Directors shall not be dismissed at the shareholders' general meeting without fair reasons prior to expiration of the term of office. The shareholders' general meeting may by ordinary resolution remove any director before the expiration of his term of office (but without prejudice to such director's right to claim damages based on any contract) on the condition that all the relevant laws and administrative regulations are fully complied with.

The chairman and vice-chairman(s) shall be elected and removed by more than one half of all the members of the board of directors. The term of office for each of the chairman and the vice-chairman(s) is 3 years, renewable upon re-election.

The term of office of each director shall commence as of his assumption of office until the expiration of the current board of directors. Where the directors fail to be promptly reelected upon the expiration of the term of office, then before the newly elected directors assume office, the original directors shall retain their directorship in accordance with the laws, administrative rules, departmental regulation, and provisions of these Articles.

The term of office of any one appointed by the board of directors as director to fill up the temporary vacancy of the board of directors or augmentatively appointed as director shall be valid until the next shareholders' anniversary general meeting, and such person are qualified to be re-elected.

General managers or other senior officers may serve concurrently as directors, however, the directors who concurrently serve as managers or other senior officers and staff representatives shall not exceed half of all the directors of the

company.

A director shall not be required to hold shares of the Company.

130. Notice in writing of the intention to propose a person for election as a director and notice in writing by that person of his willingness to be elected shall have been given to the Company 7 days before the date of such shareholder's general meeting. The period for lodgment of the notices referred to in this paragraph will commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting.

The number of directors elected each term shall not be less than the number as provided in these Articles and shall not exceed the maximum number of directors elected through ordinary voting by the shareholders' general meeting. When the number of directors elected exceeds the maximum number, the elected directors shall be determined by the number of votes by sequence.

131. The directors shall abide by laws, administrative rules, and these Articles and faithfully perform the following obligations for safeguarding the interests of the Company:

- (1) safeguard the interests of the Company and all shareholders, and shall not prejudice the interests of the Company for the interest of beneficial controllers, shareholders, employees, himself or other third parties;
- (2) not abuse their functions and powers to accept bribery or other illegal income and not misappropriate the Company's assets;
- (3) not embezzle the Company's funds;
- (4) not open accounts in their own name or in the names of others, for depositing the funds or assets of the Company;
- (5) not lend the Company's funds to others or provide guarantees for others with the Company's assets in violation of the provisions hereof and without the approval of the shareholders' general meeting or the board of directors;
- (6) not enter into any contract or transaction with the Company in violation of the provisions hereof and without the approval of the shareholders' general meeting;
- (7) without the approval of the shareholders' general meeting, not abuse its powers and functions to seek business opportunities for themselves or others as should have been attributed to the Company, nor operate for themselves or entrust others to operate or operate others businesses similar to those of the company;



- (8) not accept commission derived from transactions of the Company, as personal gains;
- (9) not abuse associated relationships to impair the interests of the Company;
- (10) keep the trade secrets confidential, not to disclose major information to be disclosed, not to acquire interests through inside information and shall perform the non-competition obligation after resignation as agreed with the Company;
- (11) other faithful discharge of obligations as prescribed in the laws, administrative rules, departmental regulations and these Articles.

Any income of the directors arising from their acts above mentioned shall be owned by the company; where the directors cause losses to the company, they shall bear compensation liabilities.

132. The directors shall abide by the laws, administrative rules and these Articles, and shall perform the following obligations with due diligence and shall not reluctant to take their responsibilities:

- (1) ensuring that they have reserve sufficient time and effort for participating in the Company's affairs and cautiously judging the risks and gains arising from the resolutions proposed;
- (2) The directors, in principle, shall attend the meeting of the Board in person. Any director who fails to attend the meeting due to some reasons and authorises another director in writing to attend on his/her behalf shall cautiously select a proxy, with specific authorised matters and intent of decision-making, and shall not give carte blanche to his/her proxy;
- (3) prudently, earnestly and diligently exercising the rights conferred by the company so as to ensure the compliance of the company's business acts with the requirements of the State laws, administrative rules and the various State economic policies and that business activities shall not exceed the business scope mentioned in the business license;
- (4) treating all the shareholders fairly;
- (5) focusing on matters including operating condition of the Company and timely report relevant issues and risks to the Board, and shall not be released from such liability by the reason that they are not familiar with the Company's business or do not understand the related matters;
- (6) reporting regularly to the company and signing the written confirmation opinions, and ensuring the authenticity, accuracy and completeness of the information disclosed by the company;



- (7) providing the relevant information and materials to the board of supervisors faithfully, and not impeding the board of supervisors or supervisors in exercising their functions and powers;
  - (8) actively promoting the regulated operation of the Company, supervising the performance of information disclosure obligations by the Company, timely rectifying and reporting the non-compliance behaviour of the Company and supporting the performance of social responsibility of the Company;
  - (9) other obligations of diligence as prescribed in the relevant laws, administrative rules, departmental regulations and these Articles.
133. Where the directors fail to attend in person two consecutive meetings of the board of directors and further fail to entrust other directors to attend the meeting, they shall be deemed incapable of performing their duties and the board of directors shall propose a shareholders' general meeting to replace such directors.
134. A director may resign prior to the expiry of his/her term of office. When a director intends to resign, he/she shall submit a written resignation to the Board of Directors. The Board of Directors shall disclose relevant situation in accordance with the requirements of the stock exchange where the Company's shares are listed.

If the number of members of the Board of Directors falls below the statutory minimum number because of the resignation of a director, the existing director shall continue to perform his/her duties as a director in accordance with relevant laws, administrative regulations, department rules and the provisions of these Articles until a newly elected Director takes office. The resignation of the original director shall be effective only after the succeeding director has filled his vacancy.

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

135. Where the resignation of each director comes into force or his term of office expires, the director shall deal with all the required hand-over formalities to the board of directors.
136. Without the legal authorization by these Articles or the board of directors, no director shall represent the Company or the board of directors to act in his own name. If any director acts in his own name and further if in the reasonable opinion of a third party, such acts represent those of the Company or the board of directors, the director shall declare his standpoint and identity.
137. Where the law, administrative rules, departmental regulations or provisions of these Articles are violated, thus causing losses to the Company in performing duties for the Company, the directors shall be liable for compensation.



138. The Company shall have a board of directors. The board of directors shall consist of 7-11 directors, comprising 1 chairman and 1 to 2 vice chairman(s). The directors of the Company shall consist of executive directors, non-executive directors and independent non-executive directors (independent directors). An executive director refers to a director who assumes a position competent in operations and management and is not independent as defined by law at the Company. A non-executive director refers to a director who does not assume a position competent in operations and management and is not independent as defined by law at the Company. An independent non-executive director refers to a director who holds no position in the Company other than the position of director and complies with the relevant provisions of the independence of independent directors in accordance with the requirements of the stock exchange where the Company's shares are listed, and has no relationship with the Company and its major shareholder(s) that may prevent them from making objective and independent judgment.

More than half of the directors shall be external directors (the directors who don't hold posts in the Company), including at least 3 independent non-executive directors who shall account for at least one-third of the board members and at least one independent non-executive director shall possess proper professional qualifications or proper accounting or finance-related management expertise.

External directors shall have sufficient time and necessary knowledge and ability to perform their duties. When an external director performs his/ her/its duties, the Company shall provide necessary information. Among them, independent directors shall focus on matters closely relating to the interests of minority shareholders including the Company's related transactions, external guarantees, use of proceeds, merger and acquisition and restructuring, significant investing and financing activities, remuneration of senior management and distribution of profits. External directors may engage securities service institutions such as accountants or law firms to conduct auditing and examination or give opinions on relevant matters in accordance with relevant requirements of the stock exchange where the Company's shares are listed.

139. Based on its needs, the Company shall establish specialized committees including the Strategy Committee of the Board of Directors, the Audit Committee of the Board of Directors, the Remuneration Committee of the Board of Directors and the Nomination Committee of the Board of Directors. In particular, the independent directors shall account for more than half of the members of the Audit Committee and act as the chairman, and at least one independent director shall possess proper professional qualifications or proper accounting or finance-related management expertise. The independent directors shall account for more than half of the members of the Remuneration Committee and act as the chairman.
140. The Company shall establish and the Board of Directors shall approve the rules of procedures for specialized committees of the Board of Directors. Each



specialized committee shall exercise its authority in accordance with the Articles and its rules of procedures and responsible to the Board of Directors as well as to report its works to the Board of Directors.

141. The board of directors is responsible to the shareholders' general meeting and exercises the following powers:

- (1) convening the shareholders' general meeting and reporting its work to the shareholders' general meeting;
- (2) implementing the resolutions of the shareholders' general meeting;
- (3) deciding the business plan and investment plan of the Company;
- (4) formulating the annual financial budget and final settlement plan of the Company;
- (5) formulating profit allocation plan and plan to recover losses, of the Company;
- (6) formulating the debt and financial policies, the plans of the Company regarding the increase or decrease in the registered capital, the issuance of bonds or other securities and the listing of the Company;
- (7) drawing up Company plans concerning major acquisitions or sales, the acquisition of Company stocks or merger, division, dissolution and alteration in corporate form;
- (8) within the scope of authorization granted by the shareholders' general meeting, deciding such matters as external investment, acquisition and sale of assets, mortgage of assets, external guarantee, entrusted management of wealth and connected transactions;
- (9) deciding the establishment of the internal management office of the Company;
- (10) appointing or dismissing managers and the secretary of the board of directors of the Company; according to nominations by managers, appointing or dismissing senior officers including the deputy general manager(s) and financial principal and secretary of the board of directors, and deciding on the remuneration, reward and punishment particulars of the preceding persons;
- (11) formulating the basic management system of the Company;
- (12) formulating the plan for amendment to these Articles;
- (13) controlling the disclosure of the Company's information;



- (14) proposing to the shareholders' general meeting the appointment or replacement of the accounting firm which renders audit service to the Company;
- (15) hearing the Company management work report and examining the work of the general managers;
- (16) in addition to matters that shall be decided by resolution of the shareholders' general meeting in line with the Company law and these Articles, deciding other material matters and administrative matters, and execute other material agreements; and
- (17) other functions and powers conferred by the laws, administrative rules, departmental regulations, and these Articles.

Except for the board of director's resolutions in respect of the matters specified in sub-paragraphs (6), (7) and (12) of this provision which shall be passed by more than two-thirds of all the directors, the board of director's resolutions in respect of all other matters may be passed by more than one half of all the directors.

- 142. The board of directors of the Company shall explain to the shareholders' general meeting any non-standard audit opinions on the Company's financial statements issued by the certified public accountants.
- 143. The board of directors shall set forth the procedural rules of the board of directors to ensure its implementation of the resolutions adopted by the shareholders' general meeting, and to improve the work efficiency and guarantee scientific decision-making. The procedural rules of the board of directors prepared by the board of directors should be attached to these Articles upon approval of shareholders' meeting.
- 144. The board of directors shall set forth powers regarding the approval of external investment, acquisition and sale of assets, mortgage of assets, external guarantee, entrusted management of wealth and connected associated transactions; shall establish strict examination and decision-making procedures; the major investment projects shall be subject to review by the relevant experts and professionals and be reported to the shareholders' general meeting for approval.

The board of directors shall not, without the prior approval of shareholders in a general meeting, dispose or agree to dispose of any fixed assets of the Company where the aggregate of the amount or value of the consideration for the proposed disposition, and the amount or value of the consideration for any such disposition of any fixed assets of the Company that has been completed in the period of 4 months immediately preceding the proposed disposition, exceeds 33% of the value of the Company's fixed assets as shown in the last balance sheet placed before the shareholders in general meeting.



For the purposes of this Article, a disposal of fixed assets includes an act involving the transfer of an interest in fixed assets but does not include the provision of security with fixed assets.

The validity of a transaction entered into by the Company for the disposal of fixed assets shall not be affected by the breach of the second paragraph of this Article.

In making decisions on market development, merger and acquisition, investment in new areas, if the amount of investment or merger & acquisition is more than 10% of the Company's total assets, the board of directors shall engage consulting organizations to provide opinions as important basis for decision making.

145. The board of directors shall carry out its duties in compliance with the laws and administrative regulations, these Articles and resolutions of the shareholders' general meetings.
146. The Chairman of the board of directors exercises the following powers:
  - (1) to preside shareholders' general meetings and to convene and preside meetings of the board of directors;
  - (2) to supervise the implementation of resolutions of the board of directors;
  - (3) to sign the securities certificates issued by the Company;
  - (4) to exercise other powers conferred by the board of directors.
147. The vice chairman/chairmen of the board of directors shall assist the chairman in his work. Where the chairman of the board of directors is unable to or fails to perform his duties, the vice chairman/chairmen of the board of directors shall perform the duties of the chairman (where there are two or more vice chairmen of the board of directors, the vice chairman elected by half of all the directors shall perform the duties of the chairman); where the said vice chairman of the board of directors is unable to or fails to fulfill his duties, a director shall be elected by half of all the members of the board of directors to fulfill the duties of the vice chairman.
148. Meetings of the board of directors shall be held at least fourth every year and convened by the Chairman of the board of directors. Notice of the meeting shall be served in writing to on all directors 14 days before the date of the meeting.

The chairman shall convene and preside over an extraordinary Board meeting within ten days of receiving such a proposal under the following circumstances:

- (1) it is deemed necessary by the chairman;
- (2) it is proposed by the general;

- (3) it is proposed by shareholders representing more than 10% voting right
- (4) it is proposed by more than one-third of the directors;
- (5) it is proposed by independent directors;
- (6) It is proposed by the Supervisory Committee;
- (7) it is required by the relevant regulatory authorities.

In case of convening an extraordinary meeting of the board of directors, it shall not be restricted by notifying ways of meeting as provided in the first paragraph of this Article.

For any important matter subject to decision by the board of directors, all of the executive directors and external directors must be given advance notice by the time as required by this Article and provided with sufficient information, and the meeting must be conducted in strict compliance with the prescribed procedures. The directors may demand that supplementary materials be provided. If one-quarter or more of the directors or two or more of the external directors believe that there is insufficient information or that the arguments are inconclusive, they may jointly propose that the board meeting be postponed or that some of the matters to be discussed at the board meeting be discussed at a later time. In such circumstances the board of directors shall accept the proposal.

149. Regular meetings and extraordinary meetings of the board of directors shall be notified in the following ways:

- (1) For convening director's regular meeting, notice of the time and place of the meeting of the board of directors shall be sent by the Chairman through the secretary to the board of directors to each of the directors and the supervisors by telex, telegram, facsimile, express delivery, registered mail or personal delivery not less than 14 days before the meeting.
- (2) For convening director's extraordinary meeting, written notice of the meeting bearing the seal of the board of directors shall be sent by the secretary to the board of directors to each of the directors and the supervisors by announcement, telex, telegram, facsimile, express delivery, registered mail or personal delivery not less than 4 days before the meeting.
- (3) Notices shall be in Chinese and, where necessary, in English also and shall include an agenda of the meeting. Any director may waive its right of requesting notification from the board of directors

If the situation is urgent and an extraordinary meeting of the board of directors needs to be convened as soon as possible, a notice of the meeting may be sent by telephone or by other verbal means at any time, this shall be acknowledged in the

resolution of the board of directors.

Notice of a meeting shall be deemed to have been given to a director who attends the board meeting without protesting against, before or upon his attendance at the meeting, any lack of notice.

Any meeting of the board of directors may be held by conference telephone or similar communication equipment so long as all directors participating in the meeting can clearly hear and communicate with each other, and all such directors shall be deemed to be present in person at the meeting.

150. The notice on the meeting of the board of directors shall include the following context:

- (1) session of the meeting and the date and place of the meeting;
- (2) form of the meeting;
- (3) matters to be considered;
- (4) convener and chairperson of the meeting;
- (5) the requirement that a Director shall attend the meeting in person or by proxy;
- (6) the contact person and contact method;
- (7) date of giving the notice.

151. A meeting of the board of directors (including the directors appointing other directors to present at the meeting through written power of attorney as provided by Article 106) shall be held only if more than half of all the directors are present.

Each director shall have one vote. Other than matters that must be passed by no less than two-thirds of all directors as prescribed by laws, regulations, regulatory documents and the Articles, resolutions of the board of directors must be passed by more than half of all the directors.

Where the number of votes cast for and against a resolution are equal, the Chairman shall have the right to cast an additional vote.

The opinions of independent directors shall be clearly stated in resolutions of the board of directors. For related-party transactions to be conducted by the Company and proposed at the general meeting for consideration, such transactions shall be endorsed by independent Directors before they are submitted to the Board for consideration.

The prior endorsement of independent Directors shall obtain consent from more

than half of all the independent Directors.

152. Where directors have connected relationship with the enterprises mentioned in any resolution made by the board of directors, such directors shall neither vote on the said resolutions nor act as proxies for other directors to exercise their voting right upon the said resolutions. Such meetings of the board of directors may not be held unless attended by the majority of all the non-connected directors, and resolutions adopted at such meeting shall be passed by the majority of all the non-connected directors. Where the number of the non-connected directors attending the meeting of the board of directors is less than three, the matters shall be submitted to the shareholders' general meeting for examination and deliberation.
153. Directors shall attend the meetings of the board of directors in person. Where a director is unable to attend a meeting for any reason, he may appoint another director by a written power of attorney to attend the meeting on his behalf. The power of attorney shall set out the name of the authorized person, the authorized items, scope of the authorization and valid period for the authorization, and should be signed or executed by the authorizer.

A director appointed as a representative of another director to attend the meeting shall exercise the rights of a director within the scope of authority conferred by the appointing director. Where a director is unable to attend a meeting of the board of directors and has not appointed a representative to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

Fees arising from directors' attending board meetings shall be paid by the Company. These fees include transportation fees accrued (if directors' locations are different from that of the place of meetings) and the board and lodging fees arising from the term of the board meetings. The rental of place for meetings and other local transportation fees shall also be paid by the Company.

In respect of any matter requiring the resolution of any extraordinary meeting of the board of directors, the board of directors may accept written proposals instead of board meetings. A resolution approved in writing by at least such number of directors as may be required pursuant to Article 99 hereof after the resolution has been reduced into writing (including delivery by courier, mail or facsimile), and delivered to all the directors, shall be deemed to be a valid resolution and a board meeting shall be dispensed with.

Minutes shall be made in Chinese in respect of all resolutions passed at a board meeting, whether a board meeting is held or not. The meeting minutes of each board meeting shall be circulated to all directors for review. Directors who wants to make amendments or supplements shall make a report in writing to the chairman of the board within one week after its receipt of such minutes. After the finalization of such minutes, all the directors presenting at the meeting together with the recorder shall sign on the minutes. The minutes shall be deposited at the Company's domicile located inside China and the copies shall be distributed to



all directors. The minutes of the meeting of the board of directors shall be kept on file at the Company for a period of no less than 10 years.

The minutes of the meeting of the board of directors shall include the following context:

- (1) session of the meeting, and its date, venue and convening method;
  - (2) information on the giving of the notice of the meeting;
  - (3) convener and the chairman of the meeting;
  - (4) information on directors' attending in person and on behalf of any other director;
  - (5) agenda of the meeting;
  - (6) proposals considered by the meeting, key points in speech of each director and main opinions of each director on relevant issues;
  - (7) voting method and result of each issue for resolution (voting result shall indicate the number of affirmative votes, dissenting votes or abstention votes respectively);
  - (8) other issues to which directors present at the meeting deem it necessary to record.
154. Directors shall be responsible for resolutions of the Board of Directors. If resolutions of the Board of Directors violate the laws, administrative regulations or these Articles, thus causing losses to the Company, the directors participating in the resolutions shall be liable to compensate the Company for the losses. However, on verification that a director had stated his/her objection when voting and the same was recorded in the minutes, such director may be exempted from such liability.

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

155. The Company shall have one secretary of the board of directors who shall be a senior officer of the Company and possess corresponding job qualifications, and the secretary shall faithfully and diligently perform the duties.
156. The secretary of the board of directors shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the board of directors. His primary responsibilities are to ensure that:
- (1) the Company has complete organizational documents and records;
  - (2) the Company prepares and submits all reports and documents required by





the competent authorities entitled thereto in accordance with law;

- (3) the Company's registers of shareholders are properly maintained, and that persons entitled to the Company's records and documents are furnished with such records and documents without delay.
- (4) he/she is responsible for matters such as preparation for general meetings and Board meetings;
- (5) he/she is responsible for information disclosures matters and disclosing information in a timely and fair manner, ensuring that the information disclosed is true, accurate and complete.
- (6) he/she shall perform other duties as required by the laws of the Company's place of registration and place of listing of its shares, administrative rules, departmental regulations and these Articles.

157. A director or other senior officer of the Company may hold the office of the secretary of the board of directors concurrently. The accountant(s) of the certified public accountants appointed by the Company shall not act as the secretary of the board of directors.

Provided that where the office of the secretary of the board of directors is held concurrently by a director, and an act is required to be done by a director and the secretary separately, the person who holds the office of director and secretary may not perform the act in dual capacity.

158. During any vacancy in such office, the Board shall designate a director or a senior management personnel to perform the duties of the secretary to the Board. Where the vacancy of the secretary to the Board has lasted for more than three months, the authorized representative of the Company shall take the office of the secretary to the Board.

159. The Company shall facilitate the secretary of the board of directors to perform his/her duties, and directors, supervisors, Senior Management and related personnel shall cooperate with the secretary of the board of directors in performing his duties.

The secretary of the board of directors shall be entitled to understand the operational and financial situation of the Company, attend relevant meetings, review relevant documents and require relevant departments and personnel to provide information.

The Company shall not remove the secretary of the board of directors from his/her office without justification.

160. The Company shall have a securities affairs representative to assist the secretary of the board of directors in performing his/her duties. When the secretary of the

board of directors fails to perform his/her duties or grants authorization, the securities affairs representative to assist shall perform relevant duties on half of the secretary of the board of directors. During such period, the responsibility of information disclosure of the Company shall not be discharged.

### **Chapter 12 General Manager**

161. The Company shall have one general manager, who shall be appointed and dismissed by the board of directors. The Company shall have a certain number of deputy general managers, one financial controller who will assist the general manager in his work and who shall be appointed and dismissed by the board of directors upon the nomination by the general manager. A director of the Company may act concurrently as the general manager or deputy general manager.
162. When exercising their power, the general managers, deputy general managers and other senior management shall faithfully and diligently perform their duties in accordance with the requirements of the laws, administrative regulations and Articles 131 and 132 of these Articles.
163. Such persons as take other posts, except for directors in the units of the controlling shareholders and actual controllers of the Company, shall not serve as senior officers.
164. The term of office of each general manager and deputy general manager shall be 3 years, and the general manager and the deputy general manager may be reappointed and reelected.
165. The general manager shall be accountable to the board of directors and exercise the following functions and powers:
  - (1) to be in charge of the Company's production, operation and management and to organize the implementation of the resolutions of the board of directors;
  - (2) to organize the implementation of the Company's annual business plan and investment plan;
  - (3) to draft plans for the establishment of the Company's internal management structure;
  - (4) to draft the Company's basic management system;
  - (5) to formulate basic rules and regulations of the Company;
  - (6) to propose the appointment or dismissal of the Company's deputy general managers and the financial controller;
  - (7) to appoint and dismiss management personnel other than those required to



be appointed or dismissed by the board of directors;

- (8) other functions and powers conferred by these Articles and the board of directors.
166. The general manager shall be present at meetings of the board of directors. The general manager has no voting rights at the board meetings unless he is also a director.
167. The general manager and deputy general manager shall not, in performing their functions and powers, vary the resolutions of shareholders' general meetings and those of the board of directors or exceed the scope of their authorities.
168. The work particulars applicable to the general managers shall be prepared by said general managers and may not be implemented unless approved by the board of directors.

Such work particulars shall include:

- (1) conditions, procedures for holding the meeting of general managers and the people attending such meeting;
  - (2) respective responsibilities and division of labor of the general managers and other senior officers;
  - (3) company funds, asset application, powers to sign important contracts, and systems for reporting to the board of directors and the board of supervisors; and
  - (4) other matters deemed necessary by the board of directors.
169. Where the general managers and the senior executives of the Company violate laws, administrative rules, departmental regulations or these Articles when performing their duties, thus causing losses to the company, they shall be liable for compensation.
  170. Each general manager may apply for resignation prior to the expiry of his term of office. The specific procedures and measures for such resignation shall be set forth in the labor contract between the manager and the Company.

### **Chapter 13 Supervisor Committee**

171. Supervisors shall abide by the requirements of the laws, administrative rules, regulations of ministries and commissions and Articles 131 and 132 of these Articles and shall assume their obligation to the Company to act dutifully and diligently, shall not abuse their functions and powers to accept bribery or other illegal income, nor embezzle company assets.



172. The term of office for each supervisor shall be three years. The supervisors may be reappointed and reelected upon the expiration of their term of office.

Where supervisors fail to be promptly reelected upon the expiration of their term of office, or the resignation of supervisors within their term of office has resulted in the number of members of the board of supervisors being lower than the quorum, then the former supervisors shall, before the newly elected supervisors take office, continue to perform their duties in accordance with the laws, administrative rules, departmental regulations and these Articles.

173. Supervisors shall ensure the authenticity, accuracy and completeness of information disclosed by the Company.

174. Supervisors may attend the meeting of the board of directors as non-voting delegates and raise inquiries or recommendations on resolutions made by the board of directors.

175. The supervisors shall not abuse associated relationship to impair the Company's interests, and if thus having caused losses to the Company, they shall be liable for compensation. Where the supervisors violate the law, administrative rules, departmental regulations or these Articles when performing their duties and thus cause losses to the company, they shall be liable for compensation.

176. The Company shall have a supervisory committee. The supervisory committee is a standing supervisory body of the Company and is responsible for supervising the board of directors and its members, general manager, deputy general manager, financial controller and other senior managers to prevent power abuse and to prevent violating the rights of shareholders, the Company and the Company's employees.

177. The supervisory committee shall be composed of 3-5 members, one of whom shall be the chairman of the supervisory committee.

The chairman of the supervisory committee shall be elected and removed with the consent of two-thirds or more of all the supervisors. The term of office of the chairman shall be 3 years, renewable upon re-election.

The chairman of the board of supervisors shall convene and preside over the meeting of the board of supervisors; where the chairman of the board of supervisors is unable to or fails to perform his duties, a supervisor shall be chosen by more than half of all the supervisors to convene and preside over the meeting of the board of supervisors.

178. The supervisory committee shall consist of employee representative supervisors, external supervisors (who are not the employee of the Company) and shareholder representative supervisors. In particular, the number of employee representative supervisors shall not be less than one third of the number of the Supervisory

Committee, while the number of external supervisors shall represent more than half of the number of the Supervisory Committee.

The appointment and removal of shareholder representative supervisors and external supervisors shall be approved at the general meeting, while the appointment and removal of employee representative supervisors shall be approved through democratic means by the staff of the Company.

The supervisory committee may set up one administrative body to be responsible for routine affairs.

179. The directors, general manager, deputy general managers, financial officer and other senior managers of the Company shall not act concurrently as supervisors.

180. Meetings of the supervisory committee shall be held at least once every 6 months, and shall be convened by the chairman of the supervisory committee.

The supervisors may propose to hold interim meetings of the board of supervisors.

181. The supervisory committee shall be accountable to the shareholders' general meeting and exercise the following functions and powers in accordance with law:

- (1) to examine the regular reports of the company as prepared by the board of directors and giving its examination opinions in writing;
- (2) to examine the Company's financial situation;
- (3) to supervise the acts of violation of laws, administrative regulations or these Articles of directors and senior officers in performing their duties, and propose the removal of directors and senior officers who violate laws, administrative rules, these Articles or resolutions made by the shareholders' general meeting;
- (4) to demand rectification from a director, general manager, deputy general manager or other senior officer when acts of such persons are detrimental to the interests of the Company;
- (5) to check the financial information such as the financial report, business report and plans for profit distribution to be submitted by the board of directors to the shareholders' general meeting and, should any queries arise, to appoint, in the name of the Company, public certified accountants and practicing auditors to assist in such check;
- (6) to conduct investigation of abnormal situations as soon as they are found in the Company; if necessary, retain such professional institutions as accounting firms, law firms and otherwise for assistance, at the expense of the Company;

- (7) to propose to convene a shareholders' extraordinary general meetings, convene and preside over the shareholders' general meeting where the board of directors fails to fulfill such duties as prescribed in the Company Law;
- (8) to propose the convening of an extraordinary meeting of the board of directors;
- (9) to represent the Company in negotiation with or bring an action a director, or to sue the directors and senior officers;
- (10) other functions and powers specified in these Articles.

The supervisory committee can express its opinions on the accounting firm engaged and can engage another accounting firm in the name of the Company to check the review the financial affairs of the Company. Supervisors may report the situations directly to CSRC and other relevant authorities. Independent supervisors shall report the behavior of good faith and due diligence of the senior officers of the Company to the shareholders' general meeting.

Supervisors shall be present at meetings of the board of directors and may raise questions or give advises on the resolutions of the board of directors.

182. Resolutions of the supervisory committee shall be passed by two-thirds or more of all the supervisors.
183. The board of supervisors shall devise procedural rules for the meeting of the board of supervisors and define the discussion methods and voting procedures of such meetings, so as to ensure the work efficiency and scientific decision making of the board of supervisors.
184. The board of supervisors shall record all matters under discussion and attending supervisors and recorder shall sign the minutes of the meeting of the board of supervisors and shall be liable to the Supervisory Committee. However, on verification that a supervisor had stated his/her objection when voting and the same was recorded in the minutes, such supervisor may be exempted from such liability. Supervisors shall have the right to require that descriptive records of their speeches be made in the meeting minutes.

Minutes of the meeting of the board of supervisors shall be kept on company file for at least 10 years.

185. The notice of the meeting of the board of supervisors shall include the following:
  - (1) session of the meeting of the Supervisory Committee and the date, place and length of the meeting;

- (2) matters and topics to be discussed;
  - (3) date of despatching the notice;
  - (4) other content as specified by relevant laws.
186. All reasonable expenses incurred in respect of the employment of professionals such as lawyers, certified public accountants or practicing auditors as are required by the supervisory committee in exercising its functions and powers shall be borne by the Company.
187. A supervisor shall perform his duties honestly and faithfully in accordance with the laws, administrative regulations and these Articles.

#### **Chapter 14 The Qualification and Duties of the Directors, Supervisors, General Manager, Deputy General Managers and Other Senior Officers of the Company**

188. A person may not serve as a director, supervisor, general manager, deputy general manager or any other senior officer of the Company if he falls into any of the following categories:
- (1) a person without capacity for civil conduct or with restricted capacity for civil conduct;
  - (2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or disrupting socialist market economy order, and has been published because of committing such offence; or who has been deprived of his political rights, in each case where 5 years have not yet elapsed since the date of completion of implementation of his punishment;
  - (3) a person who is a former director or factory manager or director of a company or enterprise which has entered into insolvent liquidation due to mismanagement and is personally liable for the insolvency of such company or enterprise, where 3 years have not yet elapsed since the date of completion of the insolvency and liquidation of the company or enterprise;
  - (4) a person who is a former legal representative of a company or enterprise which had its business license revoked or ordered to close down due to a violation of the law and who incurred personal liability, where 3 years have not yet elapsed since the date of revocation of the business license of the company or enterprise;
  - (5) a person who has a relatively large amount of debts due and outstanding;
  - (6) a person who is under investigation or prosecution by judicial authorities

for violation of criminal law which is not yet concluded;

- (7) a person who is not eligible for enterprise leadership according to the laws and administrative regulations;
- (8) a non-natural person;
- (9) a person who is convicted by the competent authorities of contravention of provisions of the relevant securities laws and regulations, and such conviction involves a finding that he has acted fraudulently or dishonestly, where 5 years have not yet elapsed since the date of the conviction.
- (10) circumstances as specified in relevant laws of the places in which the Company's shares are listed.

Any election, appointment or employment of directors, supervisors or other senior executives in violation of the above provisions shall be invalid.

The Company shall dismiss the director, supervisor and senior executive if he is involved in the said circumstances set out in paragraph 1 of this Article during his term of office.

189. The validity of an act of a director, general manager, deputy general manager or other senior officer on behalf of the Company shall not, vis-a-vis a bona fide third party, be affected by any irregularity in his office, election or any defect in his qualification.
190. In addition to the obligations imposed by the laws and administrative regulations or the listing rules of the stock exchange on which shares of the Company are listed, each of the Company's directors, supervisors, general manager, deputy general managers and other senior officers, owes a duty to each shareholder, in the exercise of the functions and powers of the Company entrusted to him:
  - (1) not to cause the Company to operate outside the scope of business specified in its business license;
  - (2) to act honestly in the best interests of the Company;
  - (3) not to expropriate in any guise the Company's property, including (without limitation) usurpation of opportunities advantageous to the Company;
  - (4) not to expropriate personal rights and interests of shareholders, including (without limitation) rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to and approved by the shareholders' general meeting in accordance with these Articles.
191. Each of the Company's directors, supervisors, general manager, deputy general manager and other senior officers owes a duty, in the exercise of his powers and



discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise under the similar circumstances.

192. Each of the Company's directors, supervisors, general manager, deputy general managers and other senior officers shall exercise his powers and carry on his duties in accordance with the principles of fiduciary and shall not place himself in a position where his duty and his interest may conflict. This principle includes (without limitation) discharging the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise his powers within the scope of his authority and not act in excess of his powers;
- (3) to exercise the discretion vested in him personally and not to allow himself to act under the control of another person and, unless and to the extent permitted by the laws or administrative regulations or with the informed consent of shareholders given in general meeting, not to delegate the exercise of his discretion to another person;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) not to enter into any contract, transaction or arrangement with the Company, except in accordance with these Articles or with the informed consent of shareholders given in general meeting;
- (6) not to use the Company's property for his own benefit in any manner, except with the informed consent of shareholders given in general meeting;
- (7) not to exploit his position to accept bribes or other unlawful income or expropriate the Company's property in any manner, including (without limitation) opportunities advantageous to the Company;
- (8) not to accept any commission in connection with any transaction in which the Company is involved, except with the informed consent of shareholders given in general meeting;
- (9) to abide by these Articles, perform his duties honestly and protect the Company's interests, and not to exploit his position and power in the Company to advance his own private interests;
- (10) not to compete with the Company in any way except with the informed consent of shareholders given in general meeting;
- (11) not to misappropriate the Company's funds or lend such funds to any other person, not to open any bank account in his own name or other name for the deposit of the Company's assets and not to provide security for debt of a



shareholder of the Company or any other individuals with the Company's assets;

(12) not to disclose any confidential information of the Company acquired by him while in office or use such information other than in the interests of the Company, without the informed consent of shareholders given in general meeting, save that disclosure of such information to a court or other governmental authorities is permitted if:

(i) disclosure is made under compulsion of law;

(ii) the interests of the public require disclosure;

(iii) the personal interests of the relevant director, supervisor, general manager, deputy general manager or other senior officers require disclosure.

193. A director, supervisor, general manager, deputy general manager or other senior officer of the Company shall not direct the following persons or institutions (the "Related Persons") to do what he is prohibited from doing:

(1) the spouse or minor child of that director, supervisor, general manager, deputy general manager or other senior officer;

(2) a person acting in the capacity of trustee for that director, supervisor, general manager, deputy general manager or other senior officer or of any person referred to in item (1) of this Article;

(3) a person acting in the capacity of partner of that director, supervisor, general manager, deputy general manager or other senior officer or of any person referred to in item (1) and (2) of this Article;

(4) a company in which that director, supervisor, general manager, deputy general manager or other senior officer, alone or jointly with one or more persons referred to in item (1), (2) and (3) of this Article or with any of other directors, supervisors, general manager, deputy general managers or other senior officers of the Company, have de facto control;

(5) the directors, supervisors, general manager, deputy general managers and other senior officers of the controlled company referred to in item (4) of this Article.

194. The fiduciary duties of a director, supervisor, general manager, deputy general manager and other senior officer of the Company do not necessarily cease with the termination of his tenure. The duty of confidentiality in relation to trade secrets of the Company survives the termination of his term of office. Other duties may continue for such period as fairness may require depending on the time lapse between the termination of his term of office and the occurrence of the

matter in question and the circumstances and the terms under which the relationships between him and the Company are terminated.

195. A director, supervisor, general manager, deputy general manager or other senior officer of the Company may be relieved of liability for a specific breach of his duty by informed consent of shareholders given in general meeting, except in the circumstances referred to in Article 62 hereof.
196. Where a director, supervisor, general manager, deputy general manager or other senior officer of the Company has, directly or indirectly, a material interest in a contract, transaction or arrangement entered into or proposed to be entered into by the Company (other than his contract of employment), he shall declare the nature and extent of his interest to the board of directors at the earliest opportunity, whether or not the matters in question are otherwise subject to the approval of the board of directors.

Director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited) has material rights and interests nor shall be counted in the quorum present at the meeting.

Unless the interested director, supervisor, general manager, deputy general manager or other senior officer disclose his interests in accordance with the preceding paragraph and the contract, transaction or arrangement is approved by the board of directors (subsequent to such disclosure) at a meeting at which the interested director, supervisor, general manager, deputy general manager or other senior officer is not counted in the quorum and refrain from voting, such contract, transaction or arrangement is voidable at the instance of the Company except as against a bona fide party acting without notice of the breach of duty by that director, supervisor, general manager, deputy general manager or other senior officer.

For the purpose of this Article, a director, supervisors, general manager, deputy general manager or other senior officer of the Company is deemed to be interested in a contract, transaction or arrangement in which a Related Person of him has an interest.

197. Where a director, supervisor, general manager, deputy general manager or other senior officer of the Company gives the board of directors a general notice in writing stating that, by reason of the facts stated in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be entered into by the Company, then he shall be deemed to have made a disclosure for the purposes of the preceding Article so far as the content stated in such notice is concerned, if such notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration by the Company.



198. The Company shall not in any manner pay taxes for or on behalf of a director, supervisor, general manager, deputy general manager or other senior officer.
199. The Company shall not, directly or indirectly, make a loan or provide any guarantee for a loan to a director, supervisor, general manager, deputy general manager or other senior officer of the Company or of the Company's holding company or any of their respective Related Persons.

The prohibition contained in the preceding paragraph shall not apply to the following transactions:

- (1) the provision by the Company of a loan or a guarantee for a loan to a subsidiary of the Company;
  - (2) the provision by the Company of a loan or a guarantee for a loan or other funds to any of its directors, supervisors, general manager, deputy general managers or other senior officers to meet expenditure incurred or to be incurred by him in the interests of the Company or for the purpose of enabling him to perform his duties for the Company, in accordance with the terms of an employment contract approved by the shareholders' general meeting;
  - (3) where the ordinary course of business of the Company includes the lending of money or the provision of guarantees, the Company may make a loan to or provide a guarantee for a loan to relevant directors, supervisors, general manager, deputy general managers or other senior officers and their respective Related Persons, provided that the loan or guarantee is on normal commercial terms.
200. A loan made by the Company in breach of the preceding Article shall be repaid immediately by the recipient of the loan regardless of the terms of the loan.
201. A guarantee for a loan provided by the Company in breach of Article 199 hereof shall not be enforceable against the Company, unless:
- (1) the guarantee was provided in connection with a loan to a Related Person of a director, supervisor, general manager, deputy general manager or other senior officer of the Company or of the Company's holding company and at the time the loan was advanced, the lender was not aware of the relevant circumstances;
  - (2) the collateral provided by the Company has been lawfully sold by the lender to a bona fide purchaser.
202. For the purposes of the foregoing Articles of this Chapter, a "guarantee" includes an undertaking or property provided to secure the performance of obligations of the obligor.



203. In addition to the rights and remedies provided by the laws and administrative regulations, where a director, supervisor, general manager, deputy general manager or other senior officer of the Company is in breach of his duties to the Company, the Company has the right to:
- (1) claim damages from the director, supervisor, general manager, deputy general manager or other senior officer in compensation for losses sustained by the Company as a result of such breach;
  - (2) rescind any contract or transaction entered into by the Company with the director, supervisor, general manager, deputy general manager or other senior officer or with a third party (where such third party knows or should have known that there is a breach of duties of such director, supervisor, general manager, deputy general manager or other senior officer);
  - (3) demand an account of the profits made by the director, supervisor, general manager, deputy general manager or other senior officer as a result of breach of his duties;
  - (4) recover any monies received by the director, supervisor, general manager, deputy general manager or other senior officer which should have been received by the Company, including (without limitation) commissions;
  - (5) demand payment of the interest earned or which may have been earned by the director, supervisor, general manager, deputy general manager or other senior officer on the monies that should have been paid to the Company.
204. The Company shall, with the prior approval of the shareholders' general meeting, enter into a contract in writing with each director and supervisor in respect of his emoluments. The aforesaid emoluments include:
- (1) emoluments in respect of his services as director, supervisor or senior officer of the Company;
  - (2) emoluments in respect of his services as director, supervisor or senior officer of a subsidiary of the Company;
  - (3) emolument in respect of other services provided in connection with the management of the affairs of the Company and any of its subsidiaries;
  - (4) monies payable as compensation for his loss of office or as consideration for his retirement from office.

Except pursuant to a contract as described above, a director or supervisor may not institute any proceedings against the Company for benefits due to him in respect of the matters mentioned above.

205. The contract concerning the emoluments between the Company and its director

or supervisor shall provide that in the event of a takeover of the Company, the Company's director or supervisor shall, subject to the prior approval of shareholders in general meeting, have the right to receive compensation or other payment in respect of his loss of office or retirement. A takeover of the Company referred to in this paragraph means any of the following:

- (1) an offer made by any person to all shareholders of the Company;
- (2) an offer made by any person with a view to the offeror becoming a "controlling shareholder" within the meaning set out in Article 63 hereof.

If the relevant director or supervisor fails to comply with this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of their acceptance of the offer made. The expenses incurred in distributing that sum pro rata amongst those persons shall be borne by the relevant director or supervisor and not be paid out of that sum.

### **Chapter 15 Financial and Accounting System and Distribution of Profits**

206. The Company shall establish its financial and accounting systems and internal audit system in accordance with the laws, administrative regulations and Chinese accounting standards formulated by the finance regulatory authority of the State Council.
207. At the end of each financial year (the financial year shall be calculated from Jan 1<sup>st</sup> to Dec 31<sup>st</sup>), the Company shall prepare a financial report which shall be examined and verified in accordance with law. The Company shall use RMB as the booking money and the accounts shall be written in Chinese.

The Company's financial reports shall include the following accounting statements and schedules:

- (1) balance sheet;
- (2) income statement;
- (3) statement of comprehensive income;
- (4) statement of changes in equity;
- (5) statement of cash flows;
- (6) notes to the financial statements.

The Company shall submit its annual financial and auditing report to the CSRC and the securities exchange within four months from the end of each fiscal year; its semi-annual financial and auditing report to the CSRC office and the securities

exchange within two months from the end of the first six months of each fiscal year; its quarterly financial and auditing reports to the CSRC office and the stock exchange within one month from the end of the first three months and the first nine months of each fiscal year.

The aforesaid financial and auditing reports shall be prepared in accordance with the relevant laws, administrative rules and departmental regulations.

208. The board of directors of the Company shall place before the shareholders at every annual general meeting such financial reports as are required by the laws, administrative regulations or directives promulgated by competent local governments and supervisory authorities to be prepared by the Company. These financial reports shall be verified.
209. The Company's financial reports shall be made available for shareholders' inspection at the Company's domicile 20 days prior to the shareholders' annual general meeting. Each shareholder shall have the right to obtain a copy of the financial reports referred to in this Chapter.

A copy of the aforesaid financial reports and report of the board of directors shall be sent by prepaid mail by the Company to each holder of Overseas-Listed Foreign-Invested Shares at his address as registered in the register of members no later than 21 days before the date of every shareholders' annual general meeting.

On the condition that the Company acts according to applicable laws and regulations and has obtained prior written approval from relative shareholders, the Company may distribute financial abstract report to substitute the aforesaid corporate financial report. "Financial abstract report" has interpretation of GEM Listing Rules and Hong Kong Companies Ordinance.

The related details shall implement in accordance with GEM Listing Rules and other applicable laws and regulations.

210. The financial statements of the Company shall be prepared in accordance with the China Accounting Standards for Business Enterprises and the requirements of applicable laws and regulations.
211. Any interim results or financial information announced or disclosed by the Company must also be prepared and presented in accordance with the China Accounting Standards for Business Enterprises and the requirements of applicable laws and regulations.
212. The Company shall not keep any other books of accounts other than those provided by law.

No assets of the Company shall be deposited in any account opened in the name of any individual.

213. The Company shall implement an internal audit system, and establish an internal auditing organization or provide internal auditing personnel to undertake the internal auditing and supervision over the Company's income and expenses and other economic activities under the leadership of the supervisory committee.
214. When distributing each year's after-tax profits, the Company shall set aside 10% of its after-tax profits for the company's statutory common reserve fund. When the aggregate balance in the statutory common reserve fund is 50% or more of the registered capital of the Company, the company need not make any further allocation to that fund.

When the Company's statutory common reserve fund is not sufficient to make up for the Company's losses of the previous year, current year profits shall be used to make up for the losses before allocations are set aside for the statutory common reserve fund in accordance with the previous paragraph.

After having set aside the statutory common reserve fund from the after-tax profits, the Company may also, with the approval of the resolution of the shareholders' general meeting, set aside any common reserve fund from the after-tax profits.

After the Company has made up its losses and made allocations to its common reserve fund, the remaining profits are distributed in proportion to the number of shares held by the shareholders. If the shareholders' general meeting or the board of directors violates the provisions in the preceding paragraph and profits are distributed to the shareholders before the Company makes up for losses or makes allocations to the statutory common reserve fund, the profits distributed in violation of the provisions must be returned by such shareholders to the Company.

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

The Company shall not share the stock dividend or share the profit in other forms of bonuses before loss making-up and drawing statutory common reserve fund. The stock dividend shall not bear any interest unless the Company fails to distribute the stock interest to shareholders before due date. The shareholder shall benefit from the stock interest of the shares before the called-up shares payment. The shareholder shall not have the right to benefit from the interest of shares arising from its advance payment before due date.

215. The capital reserve fund includes the following items:
- (1) premium on shares issued at a premium price;
  - (2) any other income designated for the capital reserve fund by the finance supervisory authorities of the State Council.
216. The common reserve fund of the Company (the statutory reserve fund,





discretionary reserve fund and capital reserve fund) shall be applied to the following purposes:

- (1) making up losses;
- (2) expansion of the Company's production and operation;
- (3) increase of the Company's capital.

When the Company converts its common reserve fund into its capital upon a resolution adopted in the shareholders' general meeting, the Company shall either distribute new shares in proportion to the shareholders' number of shares, or increase the par value of each share, provided, however, that when the statutory common reserve fund is converted to capital, the balance of the statutory common reserve fund may not fall below 25% of the register capital before the conversion.

The capital reserve fund shall not be used to make up the losses of the Company.

217. Dividends shall be distributed in accordance with the proportion of shares held by shareholders.

Unless otherwise resolved by the shareholders' general meeting, the Company apart from distributing annual dividends, may by its board of directors acting under the power conferred by the shareholders' general meeting, distribute interim dividends, provided that the amount of interim dividends distributed shall not exceed 50% of the distributable profits as stated in the interim profit statement of the Company.

218. The Company may distribute dividends in the form of:

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

In the event that the Company implements the power to confiscate the dividends not being drawn, such power shall be implemented after the end of applicable term.

Concerning the termination of powers' implementation by post, in the event that the dividends sheets are not drawn, such powers shall not be implemented until the dividends sheets are not drawn in consecutive two years. Nevertheless, the powers can be implemented in the event that the dividends sheets are failed to be delivered to the recipient and are returned at first time.

Concerning the powers' implementation to sell shares held by ones out of communication, the powers cannot be implemented unless the provisions hereunder are satisfied:

(1) The dividends of relative shares shall be distributed at least three times in twelve years, and no one claims for the dividends in such period; and

(2) The Company shall advertise on the newspaper after the twelve-year-period, and illuminate the intent to sell such shares and inform the stock exchange where such shares are listed.

219. In order to ensure consistent and stable dividends distribution policy, the Company shall focus on long-term and sustainable development, take the actual situation and development target into consideration comprehensively, and establish consistent, stable and scientific rewarding mechanism for the investors.

The Company implements consistent, stable and positive profit distribution policy and emphasize reasonable investment rewarding for the shareholders. The Company may distribute its profits in the form of cash, shares or a combination of cash and shares. The Company shall distribute profits in the form of cash dividends as long as it satisfies the conditions for distribution of cash dividends. Where the Company distributes profit in the form of shares, the decision shall be made based on true and reasonable factors such as the Company's cash flow, growth of the Company and the dilution of net assets per share.

The profit distribution policy and distribution plan will be drafted and reviewed by the board of directors. The board of directors shall take the actual operation situation and future development into consideration, focus on long-term and sustainable development to establish systematic arrangement of dividends distribution and insist on the basic principle of cash dividends. The board of directors shall review shareholder dividends distribution policy at least each three years.

The board of directors shall achieve resolution on the profit distribution policy and profit distribution plan and propose such resolution to the shareholders' general meeting for review. Independent director shall review proposed profit distribution policy and profit distribution plan and raise specific written suggestions. The Company shall communicate with the shareholders especially minority shareholders by different ways, listen to their suggestions and respond to their questions immediately before shareholders' general meeting.

220. Except for special circumstances, if the profits and accumulated and not distributed profits of the Company is positive for the current year, it shall distribute dividends in cash, while the ratio of cash dividend not less than 10% of the distributable profits of the year for each of three years after the initial public offering and listing of A Shares of the Company. Special circumstances refer to:

- (1) distribution of cash dividends may affect the capital needs of the Company's normal operation;
- (2) the Company may have matters including significant cash expenses in the

future twelve months (excluding fund-raising projects). Significant cash expenses refer to: the accumulated expenses of the Company for external investment, assets acquisition or purchase of equipment, reach or exceed 50% of the latest audited net assets of the Company;

- (3) other circumstances as the directors deemed inappropriate for distribution of cash dividends.

221. The board of directors shall, by comprehensively considering the characteristics of the industry which the listed company belongs to, its development stage, business model and profitability, whether it has major capital expenditure arrangements and other factors, distinguish the following circumstances and propose differentiated cash dividend policies according to the procedures specified in these Articles:

- (1) Where the Company is in a mature stage of development and has no major capital expenditure arrangement, cash dividends shall account for at least 80% of all profits to be distributed by the Company in this round of profit distribution;
- (2) Where the Company is in a mature stage of development but has major capital expenditure arrangements, cash dividends shall account for at least 40% of all profits to be distributed by the Company in this round of profit distribution; and
- (3) Where the Company is in the growth stage of development and has major capital expenditure arrangements, cash dividends shall account for at least 20% of all profits to be distributed by the Company in this round of profit distribution.

Where the Company has major capital expenditure arrangements, but its development stage is difficult to distinguish, the Company may distribute cash dividends in accordance with the preceding item.

When the cash dividends conditions are satisfied, the board of directors can propose mid-term cash distribution pursuant to profit and capital requirements situation of the Company.

222. Under the situation that the Company is in good condition, the board of directors thinks that the stock price does not match the equity scale and issuance of stock dividends will benefit the shareholders, the Company can distribute profits in the form of stock dividends with the aforementioned cash dividends conditions satisfied. The specific dividends distribution percentage will be reviewed by the board of directors and proposed to the shareholders' general meeting for review.

223. The profit distribution of the Company shall satisfy the regulatory requirements or regulations, not exceeding cumulative allocable profits, and not affecting the ability of consistent operation. If the Company achieved profitability in the last



fiscal year, and the board of directors have not proposed cash dividends plan after the end of the last fiscal year, the Company shall clarify the reasons of not distributing profit, the use of credit reserved in the Company in the annual report and independent director shall issue independent opinion.

If the following situation appear and passed by the shareholders representing more than two thirds of the voting rights of all shareholders present at the shareholders' general meeting, the Company can adjust or change the aforementioned profit distribution policy:

- (1) relevant regulations or rules have changed or been adjusted;
- (2) warning signs appear in risk control index including net capital;
- (3) the deterioration of the Company operation;
- (4) the board of directors propose to adjust.

By the end of each fiscal year, the board of directors shall propose distribution plan, and submit to shareholders' general meeting for decision-making process. The opinions of independent directors and minority shareholders shall be fully listened and network platform for voting shall be provided for shareholders attending the meeting. The Company accept the supervisions and suggestions of profits distribution by all shareholders. The adjustment or change of profits distribution policy shall be adopted by at least two-thirds of the voting rights represented by the shareholders present at the general meeting of shareholders and independent directors shall issue independent opinions on the amendments of the profit distribution plan.

The Company shall disclose the formulation and implementation of profits distribution policy and other relevant situations in the annual report. For adjustment or change of cash dividends, whether the conditions and process are legal and transparent need to be clarified with more details.

When a shareholder occupies the funds of the Company illegally, the Company shall deduct the cash dividends distributed to the shareholder to cover the occupied credit.

224. Dividends or other payments declared by the Company to be payable to holders of A Shares shall be declared and calculated in Renminbi, and paid in Renminbi; and those payable to holders of Foreign-Invested Shares shall be declared and calculated in Renminbi, and paid in the local currency at the place where such Foreign-Invested Shares are listed (if there is more than one place of listing, then the principal place of listing as determined by the board of directors)

Dividend paid in cash and other foreign currency required by the Company for payment of dividends or other sum to holders of Overseas-Listed Foreign-Invested Shares shall be handled in accordance with the relevant foreign



exchange control regulations of the State. The exchange rate shall be determined by the average selling rates promulgated by People's Bank of China within 1 week before the announcement of the dividend and other payments.

225. The Company shall, in accordance with the tax laws of China, withhold and make payments on behalf of shareholders in respect of their tax payable on their dividend income.
226. The Company shall appoint on behalf of holders of Overseas-Listed Foreign-Invested Shares receiving agents to receive on behalf of such shareholders dividends and other monies payable by the Company in respect of their shares.

The receiving agents appointed by the Company shall meet the requirements of the laws of the place of listing or relevant rules of the securities exchanges.

The receiving agent appointed on behalf of holders of H Shares shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

227. After the shareholders' general meeting has adopted the resolution on the plan for distribution of the Company's profits, the board of directors of the Company shall complete the distribution of dividends (or shares) within two months from the end of the shareholders' general meeting.

#### **Chapter 16 Appointment of Accountants Firm**

228. The Company shall implement the internal auditing system and equip such with full-time auditors to undertake internal audit and supervision over the financial receipts, expenditures and the economic activities of the Company.

The Company's internal auditing system and the duties of the auditors shall be implemented only after approved by the board of directors. The person in charge of the audit shall be responsible to and report work to the board of directors.

229. The Company shall appoint an independent firm of accountants which is qualified under the relevant regulations of the State and "qualify for securities-related businesses" to provide services of auditing the Company's annual reports, capital authentication and other relevant services.
230. The accountants firm appointed by the Company shall hold office from the conclusion of the annual general meeting of shareholders until the conclusion of the next annual general meeting of shareholders. The appointment of accounting firms will be valid for one year and may be renewed.
231. The accountants firm appointed by the Company shall have the following rights:
- (1) to inspect at any times the books, records and vouchers of the Company, and



- to require the directors, general manager, deputy general managers and other senior officers of the Company to provide any relevant information and explanation;
- (2) to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary to enable it to discharge its duties;
- (3) to attend shareholders' general meetings and to receive all notices of, and other communications relating to, such meetings as which a shareholder of the Company is entitled to receive, and to speak at any shareholders' general meeting on any matter concerning its role as the accountants of the Company.
232. The appointment by the Company of accounting firms shall be decided by the shareholders' general meeting and the board of directors shall not appoint the accounting firm before the resolution is adopted by the shareholders' general meeting. The auditing fee for the accounting firm shall be decided by the shareholders' general meeting.
233. The shareholders in general meeting may by ordinary resolution remove an accountants firm before the expiry of its term of office, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.
234. The remuneration of an accountants firm or the manner in which such remuneration is determined shall be decided by the shareholders in general meeting. The remuneration of an accountants firm appointed by the board of directors shall be determined by the board of directors.
235. The Company's appointment of, removal of and non-reappointment of an accountants firm shall be resolved upon by the shareholders in general meeting. The resolution of shareholders' general meeting shall be filed with the securities regulatory authorities of the State Council.

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

- (1) A copy of the proposal shall be sent before notice of meeting is given to the shareholders to the firm proposed to be appointed or proposing to leave its post or the firm which has left its post in the relevant fiscal year (leaving includes leaving by removal, resignation and retirement).
- (2) If the firm leaving its post makes representations in writing and requests the



Company to notify such representations to the shareholders, the Company shall (unless the representations are received too late):

- (i) in any notice of the resolution given to shareholders, state the fact of the representations having been made;
  - (ii) attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in these Articles.
- (3) If the firm's representations are not sent in accordance with the preceding item (2), the relevant accountants firm may (in addition to its right to be heard) require that the representations be read out at the shareholders' general meeting.
- (4) An accountants firm which is leaving its post shall be entitled to attend:
- (i) the shareholders' general meeting at which its term of office would otherwise have expired;
  - (ii) any shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal;
  - (iii) any shareholders' general meeting convened on its resignation;

and to receive all notices of, and other communications relating to, any such meetings as referred to in this sub-paragraph (4), and to speak at any such meeting in relation to matters concerning its role as the former accountants firm of the Company.

236. Prior to the removal or the non-renewal of the appointment of the accountants firm, notice of such removal or non-renewal shall be given to the accountants firm and such firm shall have the right to make representation to the shareholders' general meeting. Where the accountants firm resigns its post, it shall make clear to the shareholders' general meeting whether there is any impropriety on the part of the Company.

An accountants firm may resign its office by depositing at the Company's domicile a resignation notice which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice and such notice shall include the following:

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

Where a notice is deposited under the preceding subparagraph, the Company shall



within 14 days send a copy of the notice to the relevant governing authority. If the notice contains a statement under item (2) of the second paragraph of Article 235, a copy of such statement shall be placed at the Company for shareholders' inspection. The Company should also send a copy of such statement by prepaid mail to every holder of Overseas-Listed Foreign-Invested Shares at the address registered in the register of shareholders.

Where the accountants firm's notice of resignation contains a statement of any circumstance which should be brought to the notice of the shareholders or creditors of the Company, it may require the board of directors to convene a shareholders' extraordinary general meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.

### **Chapter 17 Insurance**

237. The types of coverage, the insured amounts and periods of the Company's insurance shall be decided at a meeting of the board of directors based on the laws and administrative regulations of the State, the practices of similar industries in China and other countries and the circumstances of the Company.

### **Chapter 18 Labor and Personnel Management Systems**

238. The Company shall, in accordance with the relevant provisions of the Labor Law of the People's Republic of China and other relevant laws and regulations of the State, formulate its labor and personnel management systems which shall be appropriate to its particular circumstances.

### **Chapter 19 Trade Union**

239. The Company shall establish trade union organizations and organize its employees to carry out trade union activities in accordance with the Trade Union Law of the People's Republic of China.
240. The Company shall allocate funds to the trade union in accordance with the Trade Union Law of the People's Republic of China. Such fund shall be used by the trade union of the Company in accordance with the Measures for the Management of Trade Union Funds formulated by the All China Federation of Trade Unions.

### **Chapter 20 Merger and Division of the Company**

241. In the event of the merger or division of the Company, a plan shall be presented by the Company's board of directors and shall be approved in accordance with the procedures stipulated in these Articles and then the relevant examining and approving procedures shall be processed as required by law. A shareholder who objects to the plan of merger or division are entitled to demand the Company or any shareholders who agreed to the plan of merger or division to purchase his shares at a fair price.





The contents of the Company's merger or division resolution shall be made into special documents for shareholders' inspection. Such special documents shall be sent by mail to holders of Overseas-Listed Foreign-Invested Shares.

242. Companies can adopt two forms to merge: merge by absorption and merge by consolidation.

Merger by absorption is where one company merges with another company whereby the absorbed company shall be dissolved. Merge by consolidation is where at least two companies are consolidated into a new company whereby the consolidated parties are dissolved respectively.

In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution to merge and shall make an announcement of the merger at least 3 times in a newspaper within 30 days from the date of the Company's resolution to merge. A creditor has the right within 30 days of receiving such notice from the Company or, for creditors who do not receive the notice, within 45 days of the date of the first public announcement, to demand that the Company repay its debts to that creditor or provide a corresponding guarantee for such debt. Where the Company fails to repay its debts or provide corresponding guarantees for such debts, it may not be merged.

After the merger, the rights and liabilities of each of the merged parties shall be assumed by the company which survives the merger or the new company established as a result of the merger.

243. When the Company is divided, its assets shall be split up accordingly.

In the event of division of the Company, all parties to such division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution to divide and shall make an announcement of the division at least 3 times in a newspaper within 30 days from the date of the Company's resolution to divide. A creditor has the right within 30 days of receiving such notice from the Company or, for creditors who do not receive the notice, within 45 days of the date of the first public announcement, to demand that the Company repay its debts to that creditor or provide a corresponding guarantee for such debt. Where the Company fails to repay its debts or provide corresponding guarantees for such debts, it may not be divided.

For the debts of the Company prior to the said division, the Company existing thereafter shall bear the joint and several liabilities, unless otherwise specified in the written agreement which is concluded before the said division by the Company with its creditors on the settlement of the Company's debts.

244. When the Company merges or divides and there is a change in any item in its registration, the Company shall change its registration with the company

registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.

### **Chapter 21 Dissolution and Liquidation of the Company**

245. The Company shall be dissolved and liquidated in accordance with law upon occurrence of any of the following events:

- (1) a resolution for dissolution is passed by a shareholders' general meeting;
- (2) dissolution is necessary due to a merger or division of the Company;
- (3) the Company is legally declared insolvent due to its failure to repay debts due;
- (4) the Company is ordered to close down or its business license is revoked, canceled because of its violation of laws or administrative regulations;
- (5) the Company is dissolved by the People's Court in accordance with the provision of Article 182 of the Company Law;
- (6) Pursuant to the provisions of these Articles, one of the other events which are grounds for dissolution has occurred.

246. The Company may survive by amending these Articles in the case of the circumstance mentioned in Item (6) of Article 245.

Any amendment hereto pursuant to the preceding paragraph shall require the approval of more than 2/3 of the voting rights represented by the shareholders attending the shareholders' general meeting.

247. A liquidation group shall be set up within 15 days of the Company being dissolved pursuant to items (1), (4) and (5) and (6) of Article 245, and the composition of the liquidation group of the Company shall be determined by an ordinary resolution of shareholders in general meeting. If a liquidation group to carry out liquidation procedure is not set up within the specified time limit, the creditors may apply to the People's Court to have it designate relevant persons to form a liquidation group in order to carry out liquidation procedure.

Where the Company is dissolved under items (3) of the preceding Article 245, the People's Court shall in accordance with provisions of relevant laws organize the shareholders, relevant organizations and relevant professional personnel to establish a liquidation group to carry out liquidation procedure.

248. Where the board of directors proposes to liquidate the Company due to causes other than where the Company has declared that it is insolvent, the board shall include a

statement in its notice convening a shareholders' general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the board of directors is of the opinion that the Company will be able to pay all its debts in full within 12 months from the commencement of the liquidation.

Upon the passing of the resolution by the shareholders in general meeting for the liquidation of the Company, all functions and powers of the board of directors shall cease.

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

249. The liquidation group shall within 10 days of its establishment send a notice to creditors, and within 60 days of its establishment make a public announcement in a newspapers at least three times. A creditor shall within 30 days of receiving the notice, or for creditors who do not receive the notice, within 45 days of the date of the first public announcement, report its creditors' rights to the liquidation group.

When reporting creditors' rights, the creditor shall provide an explanation of matters relevant to the creditor's rights and shall provide materials as evidence. The liquidation group shall carry out registration of creditors' rights so reported.

During the period of registration of creditors' rights, the liquidation committee shall not repay the debt to creditors.

250. During the liquidation period, the liquidation group shall exercise the following functions and powers:
- (1) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
  - (2) to notify all creditors by notice or public announcements;
  - (3) to dispose of and liquidate any relevant unfinished business matters of the Company;
  - (4) to pay all outstanding taxes as well as taxes arising in the course of liquidation;
  - (5) to settle claims and debts;
  - (6) to deal with assets remaining after the Company's debts having been paid in full;
  - (7) to represent the Company in any civil proceedings.

251. After sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation group shall formulate a liquidation plan and present it to the shareholders' general meeting or to the relevant governing authorities for confirmation.

To the extent that the Company is able to repay its debts, it shall, in the following order, pay: the liquidation expenses, wages of the employees, social insurance premiums and statutory compensation, outstanding taxes, and the Company's debts.

The assets of the Company remaining after its debts have been repaid in accordance with the provisions of the preceding paragraph shall be distributed to its shareholders according to the class and proportion of their shareholdings.

During the liquidation period, the Company shall not commence any new operational activities.

252. If after putting the Company's assets in order and preparing a balance sheet and an inventory of assets in connection with the liquidation of the Company resulting from dissolution, the liquidation group discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation group shall immediately apply to the People's Court for a declaration of insolvency.

After a Company is declared insolvent by a ruling of the People's Court, the liquidation group shall turn over liquidation matters to the People's Court.

253. Following the completion of liquidation, the liquidation group shall present a report on liquidation and prepare a statement of the receipts and payments during the period of liquidation and financial books and records which shall be audited by Chinese registered accountants and submitted to the shareholder's general meeting or the relevant governing authority for confirmation.

The liquidation group shall also within 30 days after such confirmation, submit the documents referred to in the preceding paragraph to the company registration authority and apply for cancellation of registration of the Company, and publish an announcement relating to the termination of the Company.

254. Members of the liquidation group shall be faithful to their duties and fulfill their liquidation obligations in accordance with the law. Members of the liquidation group shall not abuse their functions and powers to accept bribery or any other illegal income, nor embezzle the Company's properties. Where members of the liquidation group incur losses to the company or the creditors thereof intentionally or due to gross negligence, they shall be liable to compensation.

255. Where the Company is lawfully declared bankrupt, it shall carry out bankruptcy liquidation in accordance with laws concerning the bankruptcy of enterprises.

## Chapter 22 Procedures for Amendment of these Articles

256. The Company shall amend these Articles in any of the following circumstances:
- (1) After the Company Law or other relevant laws or administrative rules are amended, the matters specified under these Articles are in conflict with the provisions of the laws, or administrative rules as amended;
  - (2) Any change occurs in the Company and it is thus not in conformity with the matters recorded in these Articles; or
  - (3) Any amendment meeting to these Articles of the Company is decided by the shareholders' general meeting.
257. The Company may amend these Articles in accordance with the stipulations of laws, administrative regulations and these Articles.

The amendments of these Articles shall be in accordance with the following procedures:

- (1) the board of directors shall pass resolutions, prepare proposals for amendments of these Articles in accordance with the provisions of these Articles, or the shareholders shall propose the amendments of these Articles;
  - (2) inform the shareholders of the amendment proposals and submit the proposals to the general meeting for passing;
  - (3) amendments as submitted to the general meeting shall be passed through a special resolution.
258. The amendments to these Articles involving the contents of the Mandatory Provisions for the Articles of Association of the Companies Listed Overseas shall become effective upon approvals by the company approval authorities of the CSRC (if necessary). If there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with law.
259. Any amendment to these Articles shall be subject to announcement if so required by the laws and regulations.

### **Chapter 23 Settlement of Disputes**

260. The Company shall act according to the following principles to settle disputes:
- (1) Whenever any disputes or claims arising between: holders of the Overseas-Listed Foreign-Invested Shares and the Company; holders of the Overseas-Listed Foreign-Invested Shares and the Company's directors, supervisors, general manager, deputy general manager or other senior officers; or holders of the Overseas-Listed Foreign-Invested Shares and



holders of Domestic-Invested Shares, based on these Articles or any rights or obligations conferred or imposed by the Company Law or any other laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.

Where a dispute or claim of rights referred to in the preceding paragraph is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall abide by the arbitration, provided that such person is the Company or the Company's shareholder, director, supervisor, general manager, deputy general manager or other senior officer.

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

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

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

- (3) If any disputes or claims of rights are settled by way of arbitration in accordance with sub-paragraph (1) of this Article, the laws of China shall apply, save as otherwise provided in laws and administrative regulations.
- (4) The award of an arbitration body shall be final and conclusive and binding on all parties.

#### **Chapter 24 Notices and Announcements**

261. Save as otherwise required by these Articles, notices of the Company shall be served by the following methods:

- (1) by hand;
- (2) by mail;
- (3) by announcement;
- (4) by announcement on the website designated by the stock exchange at the location where the Company's shares are listed in accordance with the laws,



administrative regulations and listing rules of the stock exchange at the location where the Company's shares are listed;

- (5) by other means agreed before between the Company and the recipient or accepted by the recipient after receiving notice;
- (6) by other means as required by these Articles.

Unless the context otherwise requires, "announcement" referred to herein means an announcement published in newspapers or websites in the PRC as to the announcement made to holders of Domestic Shares or the announcement required to be published in the PRC according to the relevant provisions and these Articles, which shall be as specified in PRC laws and regulations or designated, approved or permitted by the CSRC. In respect of the announcement sent to holders of H Shares of the Company or required to be sent in Hong Kong pursuant to relevant regulations and these Articles, the announcement shall be published in the newspapers or other designated media as required by Hong Kong listing rules.

262. If the notice is sent out by personal delivery, it shall be deemed to be effectively served on the day when the receiver signs (or seals) the return receipt.

If the notice is sent out by mail, on the third working day after being turned over to the post office with address clearly written and postage paid.

If the notice is made by public announcement, the date of service is the date of the first publication of the public announcement, which shall be deemed to have been received by all relevant parties after the publication of such announcement.

### **Chapter 25 Supplementary**

263. In these Articles, the meaning of an accountants firm is the same as that of "auditors".

The terms "or more", "or less", "within" herein shall include the given figure, while "without", "less than", "more than" shall not include the given figure.

The "actual controllers" shall refer to the persons, other than shareholders, who are able to actually control the acts of the Company through investment relationship, according to agreement or by any other arrangement. Spouse and direct relatives of the actual controllers and people who directly or indirectly hold more than 5% of the shares of the Company and serve as directors and senior management of the Company shall be deemed as joint actual controllers, unless there is evidence to the contrary.

The "connected relationship" shall refer to the relationship between the Company's controlling shareholders, actual controllers, directors, supervisors, senior officers, and enterprises directly or indirectly under their control, as well as any other relationship which may cause transfer of the Company's interests. However, the



relationship between State-controlled enterprises is not a connected relationship due to the fact that such enterprises are under the common control of the State.

264. The board of directors may, in accordance with these Articles, formulate detailed rules for implementation of these Articles which shall not go against the provisions thereof.
265. These Articles shall be interpreted by the board of directors of the Company.
266. Any appendix to these Articles shall include the procedural rules of the shareholders' general meeting, the meeting of the board of directors and the meeting of the board of supervisors respectively.
267. These Articles have been prepared in Chinese. In the event of any discrepancy between the Chinese version hereof and any translation hereof in any other language, the Chinese version shall prevail.
268. Any matters unspecified in these Articles shall follow the requirements of relevant laws and regulations, regulatory documents and listing rules of the stock exchange where the Company's shares are listed. If the requirements of these Articles are contradicted to those specified by relevant laws and regulations, regulatory documents and listing rules of the stock exchange where the Company's shares are listed, the requirements of relevant laws and regulations, regulatory documents and listing rules of the stock exchange where the Company's shares are listed shall prevail.

Upon the consideration and approval at the general meeting and class meetings of the Company, these Articles shall take effect on the date of initial public offering and listing of the Company's RMB ordinary shares (A Shares).