

## **APPENDIX VI**

## **SUMMARY OF ARTICLES OF ASSOCIATION**

This appendix contains a summary of the principal provisions of the Articles of Association, which was adopted by our Shareholders in the general meeting held on 26 May 2022. The principal objective of this appendix is to provide an overview of the Articles of Association. As the information contained below is a summary form, it does not contain all the data that may be important.

### **DIRECTORS AND OTHER SENIOR EXECUTIVE OFFICERS**

#### **Power to Allot and Issue Shares**

There is no provision in the Articles of Association empowering the Board of Directors to allot or issue shares.

In order to allot or issue Shares, the Board of Directors is responsible for formulating a proposal for approval by Shareholders in a general meeting by way of a special resolution. Any such allotment or issuance shall be conducted in accordance with the procedures stipulated by the relevant laws and administrative regulations.

#### **Power to Dispose of the Company's or Any of its Subsidiaries' Assets**

Before the Board of Directors disposes of fixed assets, the Board of Directors shall not, without the approval of Shareholders in a general meeting, dispose or agree to dispose of fixed assets where the aggregate of the expected value of the fixed assets contemplated to be disposed of and the realised value of fixed assets that have been disposed of within four months immediately preceding the proposed disposition exceeds 33% of the value of fixed assets as shown in the latest balance sheet placed before Shareholders in a general meeting.

"Disposal of fixed assets" referred to in the Articles of Association shall include the transfer of certain interests in assets, but exclude provision of security with fixed assets.

The validity of a transaction for the disposition of fixed assets by the Company shall not be affected by a breach of the above-mentioned restriction contained in the Articles of Association.

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### Compensation or Payments for Loss of Office

The Company shall, with the prior approval of Shareholders at a general meeting, enter into a contract in writing with each Director, supervisor of the Company. The aforesaid emoluments shall include:

- (i) remuneration with respect to his/her service as a Director, supervisor or member of senior management of the Company;
- (ii) remuneration with respect to his/her service as a Director, supervisor or member of senior management of any subsidiary(ies) of the Company;
- (iii) remuneration with respect to the provision of other services in connection with the management of the Company and any of its subsidiaries; and
- (vi) any payment as compensation for, or in connection with loss of office or retirement from office of such Director or supervisor.

Except under the aforesaid contract, no proceedings may be brought by a Director or supervisor against the Company for any benefit due to him/her in respect of the aforesaid matters.

Contracts entered into by the Company with a Director, supervisor of the Company in connection with emoluments, shall provide that such Director, supervisor of the Company, in the event of a takeover of the Company and subject to the prior approval of Shareholders in a general meeting, has the right to receive compensation or other payments for loss of his/her office or retirement from office.

A takeover of the Company refers to either of the following circumstances:

- (i) a takeover offer is made by anyone to all Shareholders; or
- (ii) a takeover offer is made by anyone such that the offeror will become a Controlling Shareholder as defined in the Articles of Association.

In the event that the relevant Director, supervisor does not comply with this requirement, any payment so received by him/her shall belong to those persons who have sold their Shares as a result of accepting the aforesaid offer. The expenses incurred in distributing such payment pro rata among such persons shall be borne by the Director, supervisor and shall not be deducted from such payment.

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### Loans to Directors, Supervisors and Other Officers

The Company shall not, directly or indirectly, make a loan to or provide a loan guarantee to any Director, supervisor and members of senior management of the Company and of the Company's parent company or any of the Relevant Persons of the foregoing.

The preceding provision shall not apply to the following circumstances:

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

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

The loan guarantee which has been provided by the Company in breach of the foregoing provisions shall not be enforceable against the Company, save in respect of the following circumstances:

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

For the purpose of the foregoing provisions, the term "guarantee" shall include the undertaking of liability or the provision of property by the guarantor to secure the obligator's performance of his obligations.

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When a director, supervisor and member of senior management of the Company breaches the duties which he owes to the Company, in addition to any rights and remedies provided by laws, administrative regulations and the listing rules of the place where the Shares of the Company are listed, the Company shall be entitled:

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

### **Provision of Financial Assistance for the Purchase of the Shares of the Company or any of Subsidiaries**

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

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

The following transactions are not subject to such restriction:

- (i) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interest of the Company, and the principal purpose of giving the financial assistance is not for the acquisition of Shares of the Company, or the giving of the financial assistance is an incidental part of a master plan of the Company;
- (ii) the lawful distribution of the Company's assets by way of dividend;

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- (iii) the allotment of bonus Shares as dividends;
- (iv) a reduction in registered capital, repurchase of Shares or reorganisation of the share capital structure of the Company effected in accordance with the Articles of Association;
- (v) the lending of money by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company); and
- (vi) the provision of money by the Company for contributions to employees' share schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company).

The "financial assistance" referred above, but not limited to the following means:

- (i) gift;
- (ii) guarantee (including the assumption of liability or the provision of assets by the guarantor to secure the performance of obligations by the obligor), compensation (other than compensation in respect of the Company's own default), release or waive of any rights;
- (iii) provision of loan or entering into contract under which the obligations of the Company are to be fulfilled before the obligations of other parties, or change in the parties to, or the assignment of rights arising under such loan or agreement; and
- (iv) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

The expression assuming an obligation referred above includes the assuming of obligations by the changing of the obligor's financial position by way of contract or the making of an arrangement (whether enforceable or not, and whether assumes on its own account or with any other persons), or by any other means.

### **Disclosure of Interests in Contracts with the Company or any of Its Subsidiaries**

A director, supervisor and member of senior management of the Company who directly or indirectly has material interests in any contracts, transactions, or arrangements that are being planned or have already been concluded by the Company (except for the employment contracts between the Directors, supervisors and members of senior management and the Company), shall, as soon as possible, disclose to the Board of Directors the nature and extent of his interests, regardless of whether or not the relevant matters require the approval of the Board of Directors under normal circumstances.

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

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

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

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

If, prior to the Company's initial consideration of relevant contracts, transactions, or arrangements, a director, supervisor and member of senior management of the Company has delivered a written notice to the Board of Directors, which contains the statement that he has interests in the contracts, transactions, or arrangements to be entered into by the Company in the future due to the contents specified in the notice, such Director, supervisor and member of senior management shall be deemed to have made the disclosure stipulated by the preceding article in respect of the statement contained in the notice.

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### Remuneration

The remuneration of Directors shall be approved by the Shareholders in the general meeting. See "Directors and other senior executive officers – Compensation or payments for loss of office" above.

### Retirement, Appointment and Removal

No one shall be a director, supervisor, general manager or other member of senior management of the Company if falling under any of the following circumstances:

- (i) being without civil capacity or having limited civil capacity;
- (ii) having been penalised or sentenced due to an offence of corruption, bribery, encroachment on property, misappropriation of property or disruption of the socialist market economy order, or having been deprived of political rights due to the committing of any crime, and in each case, five years not having elapsed since the completion of the relevant penalty, sentence or deprivation;
- (iii) having been a director, factory director or manager of a company or enterprise which had been bankrupt and liquidated due to improper operation and management whereby such person was personally liable for the bankruptcy of such company or enterprise, and three years not having elapsed since the date of completion of the liquidation of the company or enterprise;
- (iv) having been the legal representative of a company or enterprise whose business licence was revoked due to violation of laws whereby such person was personally liable, and three years not having elapsed since the date of revocation of the business licence of the company or enterprise;
- (v) being a debtor personally liable for a relatively large debt which has not been paid as it fell due;
- (vi) having been subject to an investigation by judicial authorities for criminal offences, and such investigation not having come to an end;
- (vii) being banned from being a leader of an enterprise by laws and regulations;
- (viii) being a non-natural person;
- (ix) having been adjudged by the relevant competent authorities of violations of relevant securities laws which involves fraud or dishonesty, and five years not having elapsed since the date of the judgement;
- (x) the circumstances specified by the laws, administrative regulations, the listing rules of the place where the Shares of the Company are listed or relevant laws and regulations of the place where the Shares of the Company are listed.

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

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

The validity of an act carried out by a director and member of senior management of the Company on its behalf, against a bona fide third party, shall not be affected by any non-compliance in his office, election or qualification. The Company shall have a board of directors, consisting of 9 Directors, and shall have one chairman. The independent non-executive Directors shall account for at least one-third of the number of independent non-executive Directors, and at least one of them shall be a Certified Professional Accountant.

Directors shall be elected at the general meeting and a director's term of office shall be three years. The term of office of a Director may be renewed upon re-election when it expires. The chairman of Board of Directors shall be elected and removed by a simple majority of all Directors, and term of office thereof shall be three years, and may be renewed upon re-election when it expires. It is unnecessary for Directors to hold Shares of the Company.

The Articles of Association do not contain any provision in relation to the retirement age of Directors.

Generally, a proposal for candidates for Directors will be submitted by the Board of Directors at the general meeting. The Shareholders and the board of supervisors of the Company may nominate candidates for Directors in accordance with the Articles of Association. The notice period for delivery of the written notice to nominate a person as Director and a written notice by that person of his willingness to be nominated shall be at least seven days, which shall commence from the next date after issuance by the Company of the meeting notice in respect of the election, and end no later than seven days prior to the date when the meeting is held.

### **Borrowing Powers**

The Articles of Association do not contain any special provisions in respect of the manner in which borrowing powers may be exercised by the Directors nor contain any special provisions in respect of the manner in which such power may be raised, other than: (a) provisions giving the Directors the power to formulate proposals for the issuance of debentures by the Company; and (b) provisions providing that the issuance of debentures must be approved by the Shareholders of the Company in a general meeting by special resolutions.



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### Duties

In addition to the obligations imposed by laws, administrative regulations or the listing rules of the place where the Shares of the Company are listed, each of the Company's Directors, supervisors and members of senior management shall have the following obligations to each Shareholder, in the exercise their powers conferred by the Company:

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

Each of the Company's Directors, supervisors and members of senior management shall be obligated, in the exercise of his powers or performance of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise under similar circumstances.

Each of the Company's Directors, supervisors and members of senior management shall perform his duties in accordance with fiduciary principles; and shall not put himself in a position where his duty and his interest may conflict. These principles include (without limitation):

- (i) to act honestly in the best interests of the Company;
- (ii) to act within the scope of its powers and not to exceed such powers;
- (iii) to exercise his discretionary power in person without being subject to the manipulations of other persons, and not to transfer such power to other persons unless permitted by laws, administrative regulations or the listing rules of the place where the Shares of the Company are listed or approved by the general meeting with full knowledge;
- (iv) to treat Shareholders of the same class with equality, and Shareholders of different classes with fairness;
- (v) not to enter into any contracts or transactions or arrangements with the Company unless otherwise required by the Articles of Association or the listing rules of the place where the Shares of the Company are listed or approved by the general meeting with full knowledge;



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- (iv) company over which a director, supervisor and member of senior management of the Company has de facto single control or joint control with such persons as described in clauses (i), (ii) or (iii) above or other Directors, supervisors and members of senior management of the Company; and
- (v) Directors, supervisors and members of senior management of the controlled company referred to in clause (iv) above.

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

The general meeting with full knowledge of the relevant circumstances may relieve the liability of a director, supervisor and member of senior management of the Company as a result of his violation of any specific duty, subject to the circumstances otherwise stated in the Articles of Association.

### **ALTERATIONS TO CONSTITUTIONAL DOCUMENTS**

Any amendment of the Articles of Association shall, if involving the contents in the Mandatory Clauses, become effective upon approval by the Company's approval authority authorised by the State Council and the securities regulatory authority under the State Council; if there is any change relating to the registered particulars of the Company, the procedures for registration of the changes shall be handled in accordance with the laws.

### **VARIATIONS OF RIGHTS OF EXISTING SHARES OR CLASSES OF SHARES**

Shareholders holding different class of Shares are class Shareholders.

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

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

Rights granted on any class of Shareholders may not be varied or abrogated save as adoption of a special resolution at the general meeting, and by the Shareholders of the affected class at the general meeting convened respectively in accordance with provisions of the Articles of Association.



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

- (i) in the case of a repurchase of Shares by way of a general offer to all Shareholders of the Company on a pro rata basis or by way of public dealing on a stock exchange pursuant to provisions of the Article of Association, an "interested shareholder" shall mean the Controlling Shareholder as defined in the Articles of Association;
- (ii) in the case of a repurchase of Shares by an off-market agreement pursuant to the provisions of the Articles of Association, an "interested shareholder" shall mean a holder of the Shares to which the said agreement relates; or
- (iii) in the case of a restructuring of the Company, an "interested shareholder" shall mean a shareholder who assumes a relatively lower proportion of obligation than the obligations imposed on other Shareholders of that class or who has an interest in the proposed restructuring different from those of the other Shareholders of that class.

Resolutions of a class of Shareholders shall be passed by affirmative votes representing more than two-third of the voting rights of Shareholders of that class present at the relevant meeting who, according to the provisions of the Articles of Association, are entitled to vote thereat.

Written notice of a class meeting shall be given to all Shareholders who are registered as holders of that class in the register of Shareholders twenty days before the date of that annual general meeting and fifteen days before the date of the extraordinary general meeting, specifying the matters to be considered at such meeting and the date and place of the meeting.

Notice of class meetings need only be served on Shareholders entitled to vote thereat.

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

Apart from the Shareholders of other classes of Shares, the holders of domestic Shares and the holders of overseas-listed foreign Shares shall be deemed to be holders of different classes of Shares.

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

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

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### **QUORUM FOR MEETINGS AND CLASS MEETINGS**

No quorum is required to be present at any general meetings and class meetings of the Company.

### **SPECIAL RESOLUTIONS – MAJORITY REQUIRED**

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

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

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

### **VOTING RIGHTS OF THE PROXIES OF THE SHAREHOLDER (GENERAL RIGHT ON A POLL AND RIGHT TO DEMAND A POLL)**

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

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

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

### **REQUIREMENTS FOR ANNUAL GENERAL MEETINGS**

General meetings include annual general meetings and extraordinary general meetings. The general meeting shall be convened by the Board of Directors. The annual general meeting shall be held once every year within six months after the end of the previous accounting year.

### **ACCOUNTS AND AUDIT**

#### **Financial and Accounting System**

The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and the Accounting Standards of China formulated by the competent authorities of finance under the State Council. The Board of Directors of the Company shall present to the Shareholders, at every annual general meeting, such financial reports as are required to be prepared by the Company in accordance with the relevant laws, administrative regulations, regulatory documents promulgated by local government and competent governmental authorities and the listing rules of the place where the Shares of the Company are listed.

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The Company's financial reports shall be maintained at the Company for Shareholders' inspection twenty days before the date of the annual general meeting. Each Shareholder shall be entitled to obtain a copy of the financial reports referred to in the Articles of Association. Unless otherwise specified herein, the Company shall, at least 21 days before the date of the annual general meeting, deliver to each holder of overseas-listed foreign Shares by prepaid mail at the address registered in the register of Shareholders, the aforesaid reports, together with reports of the Board of Directors and the balance sheet (including each document required to be attached to the balance sheet as provided by laws), the income statement or the statement of revenues and expenditures or the financial summary report. Subject to the laws, administrative regulations, departmental rules, regulatory documents and the relevant requirements of the securities regulatory authority at the place where the Shares of the Company are listed, the Company may do by way of announcement (including publication on the website of the Company and/or on newspapers).

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

The Company shall publish the financial reports twice every accounting year, that is, the interim financial report within 60 days after the end of the first six months of an accounting year, and the annual financial report within 120 days after the end of the accounting year. The regulations of the securities regulatory authority at the place where the Shares of the Company are listed or the listing rules of the place where the Shares of the Company are listed shall apply if it is otherwise specified therein.

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

### **Appointment and Removal of Accountants**

The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the State to audit the Company's annual reports and review the Company's other financial reports. The term of the accounting firm engaged by the Company shall commence from the conclusion of the annual general meeting and expire at the conclusion of the next annual general meeting; the accounting firm may be re-engaged upon expiration of the term.



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

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

The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined by the general meeting. The remuneration of the accounting firm engaged by the Board of Directors shall be determined by the Board of Directors.

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

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

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

The term "leaving" includes being removed, resignation and retirement.

- (ii) if the accounting firm which is to leave its post makes representations in writing and requests the Company to give the Shareholders notice of such representation, the Company shall (unless the representations have been received too late) take the following measures:
  - 1. In any notice of the resolution given to the Shareholders, state the fact of the representations having been made by the accounting firm which is to leave its post; and
  - 2. Attach a copy of the representations to the notice and deliver it to all Shareholders who are entitled to receive the notice of the general meeting in the manner stipulated in the Articles of Association.
- (iii) If the Company fails to send out the accounting firm's representations in the manner set out in clause (ii) above, the respective accounting firm may require that the representations be read out at the general meeting and may make further complaint.





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### NOTICE OF MEETING AND BUSINESS TO BE CONDUCTED THEREAT

General meetings include annual general meetings and extraordinary general meetings. The general meeting shall be convened by the Board of Directors. The annual general meeting shall be held once every year within six months after the end of the previous accounting year. The Board of Directors shall hold an extraordinary general meeting within two months under any of the following circumstances:

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

When convening an annual general meeting, a notice of the time, place and agenda of the meeting shall be made to the Shareholders 20 days before the meeting (excluding the date on which the notice is issued and the meeting is held). In case of convening an extraordinary general meeting, a notice shall be made to the Shareholders 15 days before the meeting. The notice of meeting in connection with the issuance of bearer's shares stating the time, place and agenda of the meeting shall be announced 30 days before the meeting.

When the Company convenes the general meeting, the Board of Directors, the board of supervisors and the Shareholders, individually or in aggregate, holding more than 3% of Shares of the Company shall have the right to propose proposals. The contents of the proposal shall fall within the terms of reference of the general meeting and have specified subjects and specific resolutions, in further compliance with the laws and regulations and the Articles of Association.

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

The notice of the general meeting shall meet the following requirements:

- (i) be in writing;
- (ii) specify the place, date and duration of the meeting;

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

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

The term "announcement" referred to in the preceding paragraph shall be published in one or more national newspapers designated by securities regulatory authority under the State Council. After the publication of such announcement, all holders of domestic Shares shall be deemed to have received the relevant notice of the general meeting.

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

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Where the Shareholders holding, individually or together, more than 10% of the Shares of the Company request the convening of an extraordinary general meeting or class meeting of Shareholders, the following procedures shall be followed:

- (i) the Shareholders holding, individually or together, more than 10% of the voting Shares of the Company may sign one or more copies of written requests in the same form requesting the Board of Directors to convene an extraordinary general meeting or class meeting of Shareholders, and stating the matters to be considered at the meeting. The Board of Directors shall within ten days of receipt of the said written request give the written feedback opinion on approval or disapproval for convening an extraordinary general meeting or class meeting of Shareholders. The aforesaid number of Shares held shall be calculated as of the date when the Shareholders make the written request.
- (ii) If the Board of Directors approves convening an extraordinary general meeting or class meeting of Shareholders, it will within five days of adopting the resolution of the Board of Directors issue the notice of convening the meeting, and any changes in the original request in the notice shall be subject to the consent of relevant Shareholders.
- (iii) If the Board of Directors disagrees to convene an extraordinary general meeting or class meeting of Shareholders, or does not give feedback within 10 days upon receipt of the request, Shareholders individually or together holding more than 10% of the Shares of the Company are entitled to request the board of supervisors in writing to convene the meeting.
- (iv) If the board of supervisors agrees to convene an extraordinary general meeting or class meeting of Shareholders, it shall issue a notice convening the meeting within 5 days upon receipt of the request, and any changes in the original request in the notice shall be subject to the consent of relevant Shareholders.
- (v) If the board of supervisors does not issue the notice of meeting within the prescribed period, it shall be deemed as the board of supervisors not convening and not holding the general meeting. Shareholders individually or together holding more than 10% of the Shares of the Company for more than 90 consecutive days may themselves convene such a meeting in a manner as similar as possible to the manner in which general meeting are convened by the Board of Directors within four months of receipt of the request by the Board of Directors.

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

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

The following matters shall be resolved by special resolutions at the general meeting:

- (i) the increase or reduction in share capital and the issue of Shares of any class, warrants and other similar securities by the Company;
- (ii) the issue of debentures of the Company;
- (iii) the division, merger, dissolution, liquidation or change in the form of the Company;
- (iv) the amendments to the Articles of Association;
- (v) other matters that are passed by ordinary resolutions at the general meeting to be of material effect on the Company, which are required to be passed by special resolutions;
- (vi) other matters required to be passed by a special resolution in accordance with the laws, administrative regulations, Articles of Association and listing rules of the place where the Shares of the Company are listed.

### TRANSFER OF SHARES

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

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

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

### POWER OF THE COMPANY TO PURCHASE ITS OWN SHARES

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

- (i) reducing the registered capital of the Company;
- (ii) merging with another company that holds Shares in the Company;
- (iii) using the Shares in the employee stock ownership plan or as share incentive;
- (iv) requested by Shareholders who vote against any resolution proposed at any general meeting on the merger or division of the Company to purchase their Shares;
- (v) using the Shares to satisfy the conversion of corporate bonds convertible into Shares issued by the listed company;
- (vi) safeguarding corporate value and Shareholders' rights as deems necessary; or
- (vii) other circumstances as permitted by laws and administrative regulations.

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Where the Shares of the Company are acquired due to the reasons stated in clauses (i) and (ii) above, the resolution proposed by the Company shall be approved by the general meeting. Where the Shares are acquired due to the reasons stated in clauses (iii), (v) and (vi) above, the resolutions shall be implemented upon approval by two-third of the Directors attending the Board meeting. Upon acquisition of the Shares of the Company according to the rules above, such Shares shall be cancelled within 10 days from the date of acquisition in the circumstance set out in clause (i); and shall be transferred or cancelled within six months in the circumstances set out in clauses (ii) and (iv). The aggregate number of Shares of the Company held by the Company shall not exceed ten percent of the total issued Shares of the Company, and shall be transferred or cancelled within three years in the circumstances of clauses (iii), (v) and (vi).

The Company with the approval of the relevant competent authorities of the PRC may repurchase Shares in one of the following ways:

- (i) making an offer to all the Shareholders for repurchase of Shares proportional to Shares they own;
- (ii) repurchasing Shares by means of public trading on the stock exchange;
- (iii) repurchasing Shares by means of agreements outside the stock exchange; or
- (iv) other circumstances as permitted by the laws, administrative regulations, listing rules of the place where the Shares of the Company are listed and relevant competent authorities.

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

- (i) where the Company repurchases Shares at nominal value, payment shall be made out of the book balance of the distributable profits of the Company or out of the proceeds from a new issue of Shares made for that purpose;
- (ii) where the Company repurchases its Shares of the Company at a premium, payment up to the nominal value may be made out of the book balance of the distributable profits of the Company or out of the proceeds from the issue of new Shares made for that purpose. Payment of the premium shall be effected as follows:
  - 1. if the Shares being repurchased were issued at nominal value, payment shall be made out of the book balance of the distributable profits of the Company;
  - 2. if the Shares being repurchased were issued at a premium, payment shall be made out of the book balance of the distributable profits of the Company or out of the proceeds from the issue of new Shares made for that purpose, provided that the amount paid out of the proceeds from issue of new Shares shall not

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exceed the total premium received by the Company on the issue of the repurchased Shares nor shall it exceed the book value of the Company's premium account (or capital reserve account) (including any premium on the new issue) at the time of the repurchase;

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

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

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

### **POWER OF ANY SUBSIDIARIES OF THE COMPANY TO OWN SHARES IN ITS PARENT COMPANY**

The Articles of Association contains no restrictions preventing any subsidiaries of the Company from holding the Shares.

### **DIVIDENDS AND OTHER METHODS OF DISTRIBUTION**

The Company will give full consideration to the interests of Shareholders and make the implementation of a reasonable profit distribution policy each year according to operating conditions and market environment. The Company may distribute dividends in cash or by way of Shares. Where the statutory reserve fund of the Company is not sufficient to cover the Company's loss for the previous year, the profits for the current year shall be used to cover such loss before allocation is made to the statutory reserve fund pursuant to the previous paragraph. After allocation to the statutory reserve fund has been made from the after-tax profits of the Company, allocation may be made to discretionary reserve fund if a resolution is adopted at the general meeting. If the general meeting or the Board of Directors, in violation of the previous paragraph, distributes profits to Shareholders before covering losses of the Company and making allocation to the Company's statutory reserve fund, the profits so distributed must be returned by the Shareholders to the Company.

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



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The Company shall appoint one or more receiving agents for the Shareholders of the overseas-listed foreign Shares. Such receiving agents shall on behalf of such Shareholders receive dividends distributed by the Company in respect of the overseas-listed foreign Shares and all other amounts payable, hold in custody such amounts on behalf of such Shareholders of overseas-listed foreign Shares, to be paid to such holders. The receiving agents appointed by the Company shall meet the relevant requirements of the laws of the place or the relevant requirements of the stock exchange at the place where the Shares of the Company are listed. The receiving agents appointed for the Shareholders of overseas-listed foreign Shares that are listed on the Stock Exchange shall each be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

### PROXIES

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

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

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

If the Shareholder shall appoint his proxy in writing, such instrument appointing the proxy shall be signed by the appointing Shareholder or the proxy who is authorised in writing, or if the appointing Shareholder is a legal entity, either affixed with legal person seal or signed by a Director, or the duly authorised proxy.

Proxy forms shall be lodged at the domicile of the Company or other places specified in the notice of meeting 24 hours before the relevant meeting for voting according to the proxy form, or 24 hours before the designated time of voting. Where the proxy form is signed by a person under a proxy statement on behalf of the appointer, the proxy statement or other

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authorisation documents authorised to be signed shall be notarised. The notarised proxy statement or other authorisation documents shall, together with the proxy form, be maintained at the domicile of the Company or other places specified in the notice of meeting. Where the appointer is a legal person, its legal representative or such person as is authorised by resolution of the Board of Directors or other governing body may attend general meetings of the Company as a representative of the appointer.

Any form issued to a Shareholder by the Board of Directors for appointing a proxy of the Shareholder shall allow the Shareholder to freely instruct the proxy to cast vote in favour of or against, and instruct separately about each resolution dealing with the businesses to be considered at the meeting. Such proxy statement shall contain a statement that in absence of instructions by the Shareholders, his proxy may vote as he thinks fit. A vote given by a proxy in accordance with the terms of the proxy statement shall be valid, notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or the authority under which the proxy statement was executed, or the transfer of the Shares in respect of which the proxy is given, provided that the Company did not receive any written notice in respect of any such matters prior to the commencement of the relevant meeting.

### **CALLS ON SHARES AND FORFEITURE OF SHARES**

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

### **INSPECTION OF REGISTER OF SHAREHOLDERS AND OTHER RIGHTS OF SHAREHOLDERS**

The Company shall maintain a register of Shareholders. The Company may, in accordance with an understanding and agreement between the securities regulatory authority under the State Council and overseas securities regulatory authority, keep outside the PRC the original register of Shareholders of overseas-listed foreign Shares and appoint overseas agent(s) for management. The Company shall keep in Hong Kong the original register of Shareholders of the holders of the Shares listed and traded on Stock Exchange in register of Shareholders of overseas-listed foreign Shares, and maintain the duplicate thereof at the Company's domicile; the appointed overseas agent(s) shall ensure at all times the consistency between the original and the duplicate of the register of Shareholders of overseas-listed foreign Shares.

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

If laws and regulations in the PRC and the securities supervision rules of the place where the shares of the Company are listed provides for the period of closure of register of Shareholders prior to the general meetings or the reference date for the Company to distribute dividends, such provisions shall prevail.

No registration of changes resulting from share transfers may be made to the register of Shareholders within 30 days prior to the general meeting or 5 days prior to the reference date determined by the Company for the purpose distribution of dividends.

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

Any person who objects to the register of Shareholders and requests to have his name entered in or removed from the register of Shareholders may apply to a competent court for corrections of the register.

### **RIGHTS OF MINORITY SHAREHOLDERS IN RELATION TO FRAUD OR OPPRESSION**

In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the place where Shares of the Company are listed, the Controlling Shareholder when exercising his authorities as a shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or some of the Shareholders:

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

### **PROCEDURE ON LIQUIDATION**

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

- (i) where the operation period provided herein expires or where any cause for dissolution provided herein occurs;
- (ii) where the general meeting has adopted a resolution for dissolution;
- (iii) where dissolution is required due to merger or division of the Company;
- (iv) where the Company is declared bankrupt in accordance with the law due to its inability to pay the debts that are due;

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- (v) where the business licence of the Company is revoked, or the Company is ordered to close down or cancelled in accordance with the laws;
- (vi) where the Company suffers from significant difficulties in operation and management, its continuous existence may cause material losses to Shareholders' interests, and such difficulties cannot be dealt with in other ways, the Shareholders holding 10% or more of votes of all Shareholders of the Company may file an application to the People's Court to dissolve the Company.

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

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

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

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

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

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

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

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

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

After it has liquidated the Company's assets and prepared the balance sheet and an inventory of assets, the liquidation team shall formulate a liquidation plan and present it to the general meeting or to the competent authority for confirmation. If, liquidation occurs due to dissolution of the Company, and after liquidation of the Company's assets and preparation of a balance sheet and an inventory of assets, the liquidation team discovers that the Company's assets are insufficient to pay the Company's debts in full, the liquidation team shall immediately file an application to the People's Court for declaration of bankruptcy. After the Company is declared bankrupt pursuant to the adjudication of the People's Court, the liquidation team shall transfer all matters relating to the liquidation to the People's Court.

Upon completion of the liquidation, the liquidation team shall prepare a liquidation report, a statement of incomes and expenses for the liquidation period and financial books, which shall, after verified by a certified public accountant of China, be submitted to the general meeting or competent authority for confirmation. The liquidation team shall, within 30 days after confirmation by the general meeting or competent authority, submit the foregoing documents to the company registration authority and apply for cancellation of registration of the Company, and make announcement relating to the termination of the Company.

### **OTHER PROVISIONS MATERIAL TO THE COMPANY OR ITS SHAREHOLDERS**

#### **General Provisions**

The Company is a joint stock limited company of perpetual existence.

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

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

The Articles of Association are binding on the Company and its Shareholders, Directors, supervisors and members of senior management, and the above-mentioned persons shall be entitled to make claims on matters relating to the Company in accordance with the Articles of Association. Pursuant to the Articles of Association, a shareholder can sue the Company, the Company can sue its Shareholders, a shareholder can sue another Shareholder or other Shareholders, and a shareholder can sue Directors, supervisors and members of senior management of the Company. The term "sue" as mentioned in the preceding paragraph shall include the initiation of proceedings in a court or application to an arbitration organisation for arbitration.

### *Shares and Transfers*

The Company may increase its capital by the following methods:

- (i) Issuing new Shares to unspecified investors;
- (ii) Placing new Shares with existing Shareholders;
- (iii) Distributing new Shares to existing Shareholders;
- (iv) Other means permitted by laws and administrative regulations and approved by the competent administrative department.

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

The Company may reduce its registered capital. In doing so, it shall act according to the Company Law, listing rules of the place where the Shares of the Company are listed, other relevant regulations and the Articles of Association. Where the Company is to reduce its registered capital, it must prepare a balance sheet and an inventory of assets. The reduced registered capital of the Company may not be less than the statutory minimum limit.

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

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### Shareholders

A shareholder of the Company is a person who lawfully holds Shares of the Company and whose name is entered in the register of Shareholders.

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

The ordinary shareholders of the Company shall have the following rights:

- (i) to be entitled to dividends and other forms of distribution in proportion to the number of Shares held;
- (ii) to propose, convene and preside over, to attend or appoint a proxy to attend general meetings and to exercise the corresponding voting rights in accordance with laws;
- (iii) to supervise and manage the business activities of the Company and to put forward proposals or raise inquiries;
- (iv) to transfer, donate, or pledge Shares held by them in accordance with the laws, administrative regulations, relevant regulations of the securities regulatory authority of the place where the Shares of the Company are listed and provisions of the Articles of Association;
- (v) to obtain relevant information in accordance with the provisions of the Articles of Association, including:
  1. to obtain a copy of the Articles of Association after payment of cost thereof;
  2. to inspect and copy after payment of a reasonable cost:
    - (1) copies of the register of all shareholders;
    - (2) personal particulars of each of the Company's Directors, supervisors and members of senior management including:
      - a) present and former name and alias;
      - b) principal address (domicile);
      - c) nationality;
      - d) full-time and all other part-time occupations and positions;
      - e) identification certificate document and its number.



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- (3) report on the state of the issued share capital of the Company;
- (4) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of Shares repurchased by the Company since the last accounting year and the aggregate costs paid by the Company for this purpose (breakdown by domestic Shares and foreign Shares (and H Shares, if applicable));
- (5) meeting minutes of the general meeting (for inspection by Shareholders only) and copies of special resolutions of the Company and resolutions at meetings of the Board of Directors and board of supervisors;
- (6) the latest audited financial statements, reports of the Board of Directors, certified public accounting firms and board of supervisors of the Company;
- (7) duplicate of the latest annual report (if applicable) that has been filed with the administration for industry and commerce of China or any other competent authorities;

The Company shall maintain the documents set out in clauses (1) through (7) other than clause (2) described above and any other applicable documents at the address of the Company in Hong Kong in accordance with the requirements of the Hong Kong Listing Rules, for free inspection by the public and Shareholders (except for the meeting minutes of the general meeting for inspection by Shareholders only). The Shareholders of the Company may also inspect the resolutions of meetings of the Board of Directors and board of supervisors of the Company. Shareholders demanding inspection of the relevant information or requesting materials mentioned in the preceding provision shall provide to the Company written documents evidencing the class and number of Shares of the Company held by them. The Company shall, upon verification of the Shareholder's identity, provide such information at the Shareholder's request.

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

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



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

Any Shareholder who is registered in, or any person who requests to have his name entered in, the register of Shareholders may (if his share certificate (the "original share certificate") is lost) apply to the Company for replacement of the share certificate in respect of such Shares (the "Relevant Shares"). If a holder of the domestic Shares loses his share certificate and applies for replacement, it shall be dealt with in accordance with relevant provisions of the Company Law. If a holder of overseas-listed foreign Shares loses his share certificate and applies for replacement, it may be dealt with in accordance with the relevant laws, the rules of the stock exchange or other relevant regulations of the place where the original register of Shareholders of overseas-listed foreign Shares is maintained. Any replacement of share certificates to any Shareholders of overseas-listed foreign Shares to be listed in Hong Kong who have lost their share certificates and applied for replacement shall comply with the following requirements:

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

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## SUMMARY OF ARTICLES OF ASSOCIATION

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

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

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

### UNTRACEABLE MEMBERS

The Company shall have the right to terminate the serving of dividend warrant to a shareholder of the overseas-listed foreign Shares in the form of mailing, but it may exercise such power only if the dividend warrant has not been withdrawn for twice consecutively. However, if the dividend warrant has not been served to the addressee at the first time and is returned, the Company may then exercise such power. Subject to the applicable laws and regulations, the Company shall have the right to sell the Shares of the Shareholders of overseas-listed foreign Shares that cannot be contacted in such a manner as the Board of Directors deems appropriate, subject to the following conditions:

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

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### The Board of Directors

The Board of Directors shall be accountable to the general meeting, and shall exercise the following powers:

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

Other than the Board of Directors' resolutions in respect of the matters specified in clauses (vi), (vii) and (xi) of this Article which shall be passed by the affirmative votes of more than two-third of all Directors, the Board of Directors' resolutions in respect of all other matters may be passed by the affirmative votes of a simple majority of all the Directors. The Board of Directors shall perform duties in accordance with the laws, administrative regulations, the listing rules of the place where the Shares of the company are listed, the Articles of Association and the resolutions of the general meeting. Matters beyond the scope of authorisation of the general meeting shall be submitted to the general meeting for consideration.

## **APPENDIX VI**

## **SUMMARY OF ARTICLES OF ASSOCIATION**

Resolutions made by the Board of Directors on the related party transactions of the Company must be signed by independent non-executive Directors before they become effective.

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

Meetings of the Board of Directors shall be held only if more than half of the Directors (including the Directors appointed to attend the meeting on behalf pursuant to the provisions of the Articles of Association) are present. The Directors shall attend in person the meetings of the Board of Directors. Where any Director is unable to attend the meeting for reason, he/she may, by issuing a written proxy statement, entrust another Director to attend the meeting on his/her behalf, with the scope of authorisation to be stated therein. The Directors who attend the meeting on behalf shall exercise the rights as Directors within the scope of authorisation. Failure by a director to attend a meeting of the Board of Directors or to authorise a representative to attend the meeting on his/her behalf shall be deemed waiver of the voting right at such meeting. Each Director shall have one vote. Any resolutions of the Board of Directors must be subject to adoption by a simple majority of all Directors unless otherwise specified herein. Where there is an equality of votes both for and against a resolution, the chairman of the Board of Directors shall have another casting vote.

### **Independent Non-executive Directors**

Independent non-executive Directors mean such Directors as serve no other positions in the Company other than Directors, members of special committee of the Board of Directors or chairman and have no relationship with the Company and Substantial Shareholders which may affect their independent and objective judgement. Independent non-executive Directors shall account for at least one-third of the number of members of the Board of Directors, and be no less than three. At least one of the independent non-executive Directors of the Company shall have suitable professional qualification or have suitable accounting or relevant financial management expertise, and there shall be at least one independent non-executive Director who generally resides in Hong Kong.

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

The Company shall have a secretary to the Board of Directors. The secretary to the Board of Directors shall be a member of senior management of the Company. The secretary to the Board of Directors shall be a natural person who has essential expertise and experience, to be employed or dismissed by the Board of Directors.

## APPENDIX VI

## SUMMARY OF ARTICLES OF ASSOCIATION

### Board of supervisors

The Company shall have a board of supervisors.

The board of supervisors shall consist of 3 supervisors, and one of whom shall act as the chairman of the board of supervisors. Each supervisor shall serve for a term of three years, renewable upon re-election.

The appointment or removal of the chairman of the board of supervisors requires approval by votes by two-third or more of the members of the board of supervisors. The Directors and members of senior management of the Company shall not act concurrently as supervisors.

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

- (i) to review the Company's financial affairs;
- (ii) to supervise the acts of the Directors and members of senior management in performing duties of the Company, propose for removal of any Director or member of senior management in violation of any laws, administrative regulations, listing rules of the place where the Shares of the Company are listed, the Articles of Association or the resolutions of the general meeting;
- (iii) to demand any Director and member of senior management who acts in a manner which is harmful to the Company's interests to rectify such behaviour;
- (iv) to check the financial information, such as the financial reports, reports of operations and profit distribution plans to be submitted by the Board of Directors to the general meeting, and to authorise in the Company's name, public certified accountants and licenced auditors to assist in the re-examination of such information, should any doubt arise in respect thereof;
- (v) to propose to convene an extraordinary general meeting, and to convene and preside over the general meeting where the Board of Directors fails to perform his duty to do so;
- (vi) to submit proposals to the general meeting;
- (vii) to conduct investigation if they find the operation of the Company unusual; and may engage professionals such as accountants and lawyers to assist if necessary. The Company shall bear the expenses incurred;
- (viii) to represent the Company and its Directors in negotiation with or in instituting legal proceedings against its Directors and members of senior management in accordance with the laws and the Article of Association; and
- (ix) such other powers as provided by the laws and regulations as well as the Articles of Association.

## **APPENDIX VI**

## **SUMMARY OF ARTICLES OF ASSOCIATION**

### **General Manager of the Company**

The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors. The general manager of the Company shall be accountable to the Board of Directors and shall exercise the following powers:

- (i) to be in charge of the Company's operation and management, organise the implementation of the resolutions of the Board meeting and report its work to the Board of Directors;
- (ii) to organise the implementation of the Company's annual operation plans and investment plans;
- (iii) to draft plans for the establishment of the Company's internal management organisations;
- (iv) to draft the Company's basic management system;
- (v) to formulate the basic rules and regulations of the Company;
- (vi) to determine to appoint or dismiss the senior deputy general manager, deputy general manager and chief financial officer of the Company;
- (vii) to determine to appoint or dismiss the management officers other than those required to be appointed or dismissed by the Board of Directors;
- (viii) other powers granted by the Articles of Association and the Board of Directors.

### **Common Reserve Fund**

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

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

## APPENDIX VI

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### Dispute Resolution

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

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

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

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

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

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

- (iii) If any disputes or claims are settled by way of arbitration in accordance with clause (i), the laws of the People's Republic of China shall govern, save as otherwise provided in the laws and administrative regulations.
- (iv) The award rendered by an arbitral body shall be final and binding on all parties.



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**APPENDIX VI** **SUMMARY OF ARTICLES OF ASSOCIATION**

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- (v) The arbitration agreement is entered into by and between the Directors or members of senior management and the Company. The Company represents both itself and each Shareholder.
  
- (vi) Any submitted arbitration shall be deemed to authorise the arbitral tribunal to conduct a public hearing and announce its award.