

**Jinke Smart Services Group Co., Ltd.**

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

**Articles of Association**

(Approved at the extraordinary general meeting of the Company on October 13, 2023)

(The Articles of Association were prepared in Chinese. The English translation is not an official version and is for your reference only. In case of any inconsistencies and discrepancies between the Chinese and the English versions, the Chinese version shall prevail.)

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## CHAPTER I GENERAL PROVISIONS

**Article 1** Jinke Smart Services Group Co., Ltd. (the “Company”) is a joint stock company established in accordance with the Company Law of the People’s Republic of China (the “Company Law”). The Articles of Association is formulated in accordance with the Company Law, the Securities Law of the People’s Republic of China, the Rules Governing (the “Listing Rules”) the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) and other relevant laws, administrative rules, departmental rules, normative documents and the listing rules of the stock exchange where the shares of the Company are listed.

**Article 2** The Company was incorporated upon registration in Chongqing City on July 18, 2000 and was entirely converted into a joint stock company with limited liability by way of promotion from Jinke Property Services Group Co., Ltd. on May 25, 2020, with its joint stock company business license obtained on May 28, 2020. The unified social credit code of the Company: 91500105450411798D.

The promoters of the Company: Jinke Property Group Co., Ltd., Tianjin Hengye Meihao Management Consulting Partnership (Limited Partnership), Beijing Ronghui Ruiguang Investment Management Center (Limited Partnership), Ningbo Meishan Bonded Port Area Huagai Shengyuan Equity Investment Partnership (Limited Partnership), CITIC Securities Investment Co., Ltd., Beijing Ronghui Yangguang Xinxing Industries Investment Management Center (Limited Partnership), Tianjin Jinheng Hongxin Management Consulting Partnership (Limited Partnership) and Tianjin Zhuoyue Gongying Jinke Management Consulting Partnership (Limited Partnership).

**Article 3** Registered name of the Company:

Full name in Chinese: 金科智慧服務集團股份有限公司

Full name in English: JINKE SMART SERVICES GROUP CO., LTD.

Name of the Group Company: Jinke Smart Services Group

**Article 4** Domicile of the Company: No. 1 affiliated to 484 Panxi Road, Shima River Street, Jiangbei District, Chongqing, PRC.

**Article 5** The legal representative of the Company is the chairman or the general manager (president) of the Company.

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

All the assets of the Company are divided into shares of equal value. Shareholders shall be liable to the Company to the extent of the shares they have subscribed for. The Company shall be liable for its debts to the extent of all of its assets.

**Article 7** The Articles of Association shall become effective on the date when they are passed by way of a special resolution at the general meeting of the Company. From the effective date, the Articles of Association shall become a legally binding document regulating the organisation and activities of the Company, as well as the rights and obligations between the Company and its shareholders, and among the shareholders.

**Article 8** The Articles of Association are binding on the Company and its shareholders, directors, supervisors and other senior management, all of whom have the rights to make claims on any matters of the Company pursuant to the Articles of Association.

A shareholder may take legal action against the Company pursuant to the Articles of Association; the Company may take legal action against any shareholder pursuant to the Articles of Association; a shareholder may take legal action against another shareholder pursuant to the Articles of Association; a shareholder may take legal action against the directors, supervisors and other senior management of the Company pursuant to the Articles of Association; the Company may take legal action against the shareholders, directors, supervisors, managers and other senior management.

The legal action as referred to in the preceding paragraph includes applications to competent courts or arbitration tribunals.

**Article 9** The Company may invest in other enterprises provided that unless otherwise provided by laws, the Company shall not act as a capital contributor which assumes joint and several liabilities of the enterprises it invested in.

**Article 10** The “other senior management” referred to in the Articles of Association means the executive general manager (chief executive officer), the deputy general manager (vice president), chief financial officer (financial director), secretary to the Board and other senior management designated by the board of directors.

## CHAPTER II BUSINESS OBJECTIVES AND SCOPE

**Article 11** The business objectives of the Company: With users' satisfaction as the core and technological innovation as the engine, the Company aims to become a leader in global smart life services, stay true to the original aspirations and ideals, build a "community of shared development and destiny" with customers, employees and shareholders and create more value for the society.

**Article 12** The scope of business of the Company: licensed items: labour dispatch services, operational services on urban household waste, the installment, modification and repairing of special equipment (for items required to be approved by laws, operation may be conducted only with the approval of relevant departments, and specific licensed items should be determined by approval documentations or licenses issued by relevant departments); general items: property management; parking lot management services; property agency (excluding property appraisal); green maintenance; seedling operation; construction and management of green projects; delivery of green materials; river channel clearing; cleansing services; cleaning services; household management services; septic tank cleaning services; external walls cleaning services; catering management; nursing services for patients; meeting services; indoor and outdoor decoration; houses repairing services (the house structure shall not be changed); swimming pool management; logistics management services for companies; hotel management; information consultancy services (excluding licensed information consultancy services); human resources management (excluding professional intermediary activities); health consultancy services (excluding diagnosis and treatment services); services for the aged; urban parks management; urban green management; etiquette services; construction of parks and green projects; heat generation and supply; forest pest prevention services; buildings cleaning services; household management services; hospital management; scenic spots management; scenic areas management; municipal facilities management; professional cleaning, washing and disinfection services; construction projects; general aviation services; aviation business services; aviation operation and support services; air transport cargo packing services; road management and maintenance; conference and exhibition services; water-related consulting services; natural water collection and distribution; fire-fighting technical services; urban and rural amenities management; water pollution control; business agency services; catering services; daily life services for residents; cultural venues management services; water resources management; accommodation services; organization of cultural and artistic exchange activities; marketing planning; commercial complex management services; information system integration services; environmental protection monitoring; business management consulting; furniture installation and repair services; residential interior decoration (except for items that are subject to approval in accordance with the laws, the business activities should be conducted independently with the business licenses in accordance with the laws).

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

### CHAPTER III SHARES AND REGISTERED CAPITAL

**Article 13** The shares of the Company shall be issued in the form of share certificates. All the shares issued by the Company shall have a par value, which shall be RMB1 for each share.

**Article 14** The shares of the Company shall be issued in accordance with the principles of openness, equitability and fairness. Each share of the same class shall carry the same rights.

Shares of the same class and in the same issue shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for each of the shares it/he/she subscribes for.

**Article 15** The Company shall register and file with China Securities Regulatory Commission according to the laws for the issuance of shares to domestic investors and foreign investors.

“Foreign investors” as referred to in the preceding paragraph mean those investors who subscribe for the shares of the Company and are located in foreign countries and in the Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan. “Domestic investors” mean those investors who subscribe for the shares of the Company and are located within the territory of the People’s Republic of China excluding the regions mentioned above.

**Article 16** Shares issued by the Company in RMB to investors for subscription shall be referred to as domestic shares. Shares issued by the Company in foreign currency to investors for subscription shall be called foreign shares. Foreign shares which are listed overseas shall be called overseas listed foreign shares.

**Article 17** The Company issued a total of 455,472,500 ordinary shares to its promoters upon the overall conversion into a joint stock company with limited liability. The names of promoters, the number of shares held by them and their shareholding proportions are as follows:

No.	Names of Promoters	Number of Shares Held	Shareholding Proportion
1	Jinke Property Group Co., Ltd.	341,604,375	75.00%
2	Tianjin Hengye Meihao Management Consulting Partnership (Limited Partnership)	50,516,464	11.09%
3	Beijing Ronghui Ruiguang Investment Management Center (Limited Partnership)	17,185,005	3.77%
4	Ningbo Meishan Bonded Port Area Huagai Shengyuan Equity Investment Partnership (Limited Partnership)	7,451,493	1.64%
5	CITIC Securities Investment Co., Ltd.	9,109,450	2.00%
6	Beijing Ronghui Yangguang Xinxing Industries Investment Management Center (Limited Partnership)	9,109,450	2.00%

No.	Names of Promoters	Number of Shares Held	Shareholding Proportion
7	Tianjin Jinheng Hongxin Management Consulting Partnership (Limited Partnership)	2,774,750	0.61%
8	Tianjin Zhuoyue Gongying Jinke Management Consulting Partnership (Limited Partnership)	17,721,513	3.89%
	<b>Total</b>	<b>455,472,500</b>	<b>100%</b>

**Article 18** Prior to the initial public offering of overseas listed foreign shares, the registered capital of the Company was RMB500,000,000 and the total number of shares was 500,000,000, all of which are ordinary shares.

Upon the completion of the initial public offering of overseas listed foreign shares and full exercise of the over-allotment option, the registered capital of the Company was RMB652,848,100 and the total number of shares was 652,848,100, and the share capital structure of the Company includes: 652,848,100 ordinary shares, 455,472,500, 44,527,500 and 152,848,100 shares of which are respectively held by the promoters, other domestic shareholders and H shareholders.

On 16 August 2021, the China Securities Regulatory Commission approved for the Company to convert 500,000,000 domestic shares into overseas listed shares. On 31 August 2021, the Hong Kong Stock Exchange approved the listing and trading of the aforementioned 500,000,000 converted overseas listed shares. Upon the completion of the conversion on 9 September 2021 and the listing of such converted overseas listed shares on the Main Board of the Hong Kong Stock Exchange on 10 September 2021 by the Company, the registered capital of the Company was RMB652,848,100 and the total number of shares was 652,848,100. After the completion of the cancellation of 1,556,800 H shares on 30 June 2023 and the completion of the cancellation of 5,508,200 H shares on 8 August 2023, the registered capital of the Company was RMB645,783,100 and the total number of shares was 645,783,100. The share capital structure of the Company shall be as follows: 645,783,100 ordinary shares, including 0 domestic share and 645,783,100 overseas listed shares.

**Article 19** The shares of the Company may be transferred freely according to laws.

**Article 20** The Company shall not accept its own share certificates as the subject matter of a pledge.

**Article 21** The shares of the Company held by the promoters shall not be transferred within one year from the date of establishment of the Company. Shares in issue prior to the public offering of the Company shall not be transferred within one year from the date of their listing on any stock exchange.

The directors, supervisors and senior management members of the Company shall report to the Company the shares of the Company that they hold and the changes in their shareholdings. During his or her term of service, he or she may not transfer more than 25 percent of his or her total holding of the Company's same class of shares each year. Any of them may not transfer the Company's shares he or she holds within six months after his or her departure from the Company.

**Article 22** The Company or the Company's subsidiaries (including the Company's affiliated enterprises) shall not provide any assistance in the form of donates, advances, guarantees, compensation or loans to persons who acquire or intend to acquire the shares of the Company.

#### **CHAPTER IV INCREASED AND REDUCTION OF CAPITAL AND BUYBACK OF SHARES**

**Article 23** Based on its business and development, the Company may increase its capital in accordance with relevant laws, administrative regulations, departmental rules, normative documents and the listing rules of the stock exchange where the shares of the Company are listed and subject to relevant requirements of the Article of Association, by any of the following methods:

- (I) public offering of shares;
- (II) private placement of shares;
- (III) allotment of new shares to existing shareholders;
- (IV) allotment of bonus shares to existing shareholders;
- (V) conversion of capital reserve to share capital;
- (VI) other methods permitted by laws and administrative regulations and approved by relevant competent authorities.

If the Company is to increase its capital by an offering of new shares, it shall do so by the procedure provided for in relevant laws, administrative regulations, departmental rules, normative documents and the listing rules of the stock exchange where the shares of the Company are listed after such increase has been approved in accordance with the Articles of Association.

**Article 24** The Company may reduce its registered capital. If the Company reduces its registered capital, it shall do so by the procedures set forth in relevant laws, administrative regulations, departmental rules, normative documents and the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association.

**Article 25** If the Company is to reduce its registered capital, it must prepare a balance sheet and a list of its property.

The Company shall notify its creditors within 10 days from the date of adoption of the resolution to reduce its registered capital and publish a public announcement of the resolution in newspapers within 30 days and post the same on its website and the website of the relevant stock exchange in accordance with the requirements of the place where the Company's shares are listed. Creditors shall, within 30 days of receiving written notice, or within 45 days of the date of the public announcement for those who have not received written notice, be entitled to require the Company to pay its debts in full or to provide a corresponding security for repayment.

**Article 26**

The Company shall not acquire shares of the Company. However, except in one of the following circumstances:

- (I) to reduce the capital of the Company;
- (II) to merge with other companies that hold shares in the Company;
- (III) to use the shares for employee shareholding schemes or as share incentives;
- (IV) to acquire the shares of shareholders (upon their request) who vote against to any resolution adopted at any general meetings on the merger or division of the Company;
- (V) to use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the listed company;
- (VI) to safeguard corporate value and shareholders' equity as the listed company deems necessary; or
- (VII) other methods permitted by laws and administrative regulations and approved by relevant competent authorities.

Where the Company purchases its own shares due to the reasons in items (I) to (II) of the preceding paragraph, a resolution shall be adopted at a general meeting in this regard. Where the Company purchases its own shares due to the circumstances specified in items (III), (V) and (VI) of the preceding paragraph, a resolution shall be adopted at a meeting of the board of directors attended by more than two-thirds of the directors in this regard.

Save as otherwise provided by relevant laws, administrative regulations, departmental rules, normative documents and the listing rules of the stock exchange where the shares of the Company are listed, if the Company purchases its own shares in accordance with the provisions of paragraph 1 of this article, the shares shall be cancelled within 10 days from the date of acquisition in case of item (I); or transferred or cancelled within six months in case of items (II) and (IV); or in case of items (III), (V) and (VI), the total number of shares held by the Company shall not exceed 10 percent of its total issued shares, and such shares shall be transferred or cancelled within three years.

**Article 27**

The Company may elect to buy back its own shares by any of the following methods:

- (I) issuance to all of the shareholders of a buyback offer on a pro rata basis;
- (II) buyback through open transactions on a stock exchange;
- (III) buyback by agreements outside a stock exchange; or
- (IV) another method approved in laws, administrative regulations or by the examination and approval authority authorised by the State Council.

**Article 28** If the Company is to buy back shares by agreements outside a stock exchange, prior approval shall be obtained from the general meeting in accordance with the Articles of Association. Upon prior approval by the general meeting obtained in the same manner, the Company may terminate or vary a contract concluded in the manner set forth above or waive any of its rights under such contract.

For the purposes of the preceding paragraph, “contracts for the buyback of shares” shall include but not be limited to agreements whereby buyback obligations are undertaken and buyback rights are acquired.

The Company may not transfer a contract for the buyback of its own shares or any of its rights thereunder.

With respect to redeemable shares which the Company has the right to buy back, if the buyback is to be made in a manner other than through the market or by tender, the buyback price must be limited to a maximum price; if the buyback is to be made by tender, tenders shall be available to all shareholders alike.

**Article 29** Unless the Company has already entered the liquidation stage, it must comply with the following provisions in buying back its outstanding shares:

- (I) if the Company buys back shares at their par value, the amount thereof shall be deducted from the book balance of distributable profit of the Company and/or from the proceeds of the new shares offer made to repurchase the old shares;
- (II) if the Company buys back shares at a price higher than their par value, the portion corresponding to their par value shall be deducted from the book balance of distributable profit of the Company and/or from the proceeds of the new shares offer made to repurchase the old shares; and the portion in excess of the par value shall be handled according to the following methods:
  - (1) if the shares being bought back were issued at their par value, the amount shall be deducted from the book balance of distributable profit of the Company;
  - (2) if the shares being bought back were issued at a price higher than their par value, the amount shall be deducted from the book balance of distributable profit of the Company and/or the proceeds of the new share offer made to repurchase the old shares, provided that the amount paid out of the proceeds of the new share offer shall not exceed the aggregate of the premiums received on the issue of the old shares repurchased nor shall it exceed the amount in the Company’s premium account (or capital reserve account) (including the premiums from the new share offer) at the time of the buyback;

- (III) the Company shall make payments for the following applications out of the Company's distributable profits:
- (1) acquisition of the right to buy back its own shares;
  - (2) modification of any contract for the buyback of its shares;
  - (3) release from any of its obligations under a buyback contract.
- (IV) after the Company's registered capital has been reduced by the aggregate par value of the cancelled shares in accordance with relevant regulations, the amount deducted from the distributable profit for payment of the par value of the repurchased shares shall be credited to the Company's premium account (or capital reserve account).

Where laws, administrative regulations, departmental rules, normative documents and relevant provisions of the securities regulatory authority in the place where the Company's shares are listed have otherwise provisions on the financial treatment involved in the aforesaid share buyback, such provisions shall prevail.

## **CHAPTER V SHARE CERTIFICATES AND REGISTER OF MEMBERS**

**Article 30** The share certificates of the Company shall be in registered form.

Besides the items provided in the Company Law, the share certificates of the Company shall also contain other items required to be specified by the stock exchange where the shares of the Company are listed.

**Article 31** The Company shall keep a register of shareholders based on vouchers provided by securities registries, in which the following particulars shall be recorded:

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

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

**Article 32** The Company may, in accordance with the mutual understanding and agreements made between the State Council's securities authority and overseas securities regulatory authorities, keep its register of holders of overseas-listed foreign shares outside of the PRC and appoint overseas agent(s) to manage such register. The original register of holders of overseas-listed foreign shares listed on the Hong Kong Stock Exchange shall be maintained in Hong Kong.

The Company shall maintain a duplicate of the register of holders of overseas listed foreign shares at its place of domicile. The appointed overseas agent(s) shall ensure consistency between the original version and the duplicate register of holders of overseas listed foreign shares at all times.

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

**Article 33** All overseas listed foreign shares for which the share capital has been paid in full may be transferred freely in accordance with the Articles of Association. The board of directors may refuse to recognize any instrument of transfer without giving any reason unless such transfer is carried out in compliance with the following conditions:

- (I) payment of HK\$2.50 per instrument of transfer or the charge as agreed at such time by the Hong Kong Stock Exchange has been made to the Company for the purpose of registering the instrument of transfer and other documents relating to or which may affect the title to the shares;
- (II) the instrument of transfer only involves overseas listed foreign shares listed in Hong Kong;
- (III) the stamp duty payable on the instrument of transfer as required by Hong Kong laws has been paid;
- (IV) relevant share certificates and evidence that the transferor has the right to transfer such shares as reasonably required by the board of directors have been provided;
- (V) if the shares are to be transferred to joint holders, the number of registered joint holders may not exceed four; and
- (VI) the relevant shares are not encumbered by any company lien.

All transfers of overseas listed foreign shares shall be effective with a written instrument of transfer in general or ordinary format or such other format as acceptable to the board of directors. If the transferor or transferee of the Company's shares is a recognized clearing house as defined by relevant ordinances of Hong Kong laws in force from time to time (a "Recognized Clearing House") or an agent thereof, the signature on the written instrument of transfer may be signed by hand or in mechanically-printed form. All instruments of transfer must be kept at the legal address of the Company or other place as may be designated by the board of directors from time to time.

**Article 34** Laws, administrative regulations, departmental rules, normative documents and the listing rules of the stock exchange where the shares of the Company are listed on the period of suspension of share registration and transfers before the convening of the shareholders' meeting or the benchmark date, on which the company decides to distribute dividends, shall prevail.

**Article 35** When the Company intends to convene a general meeting, distribute dividends, enter into liquidation and engage in other activities that need to confirm the identity of shareholders, the board of directors or the convener of the shareholders' general meeting shall set a date for ascertainment of the shareholding. The shareholders who appear in the register of shareholders after the close of trading on such date shall be entitled to the relevant rights.

## **CHAPTER VI RIGHTS AND OBLIGATIONS OF SHAREHOLDERS**

**Article 36** A shareholder of the Company is a person who lawfully holds shares of the Company and whose name (title) is recorded in the register of members.

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

Shareholders are entitled to speak and vote at general meetings (unless individual shareholders are required to abstain from voting on individual matters in accordance with applicable laws and regulations and the listing rules of the stock exchange where the Company's shares are listed).

Any shareholder is entitled to appoint a proxy, but such proxy need not be a shareholder of the Company. Where the shareholder of the Company is a legal person, its legal representative, the agent of its legal representative or a person authorised by the resolution of the board of directors or other decision-making authorities shall exercise its rights on its behalf. If the legal person has appointed a representative to attend any meeting, he shall be deemed to be present in person.

No powers shall be taken to freeze or otherwise impair any of the rights attaching to any shares by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.

**Article 37** Holders of the ordinary shares of the Company shall enjoy the following rights in accordance with applicable laws and the Articles of Association:

- (I) the right to dividends and other profit distributions in proportion to the number of shares held;
- (II) the right to propose, convene and preside over, to attend or appoint proxies to attend general meetings and to exercise the corresponding voting right;
- (III) the right to supervise, present proposals or raise enquiries about the Company's operations;

- (IV) the right to transfer, give as a gift or pledge the shares in their possession in accordance with laws, administrative regulations, departmental rules, normative documents and the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association;
- (V) The Hong Kong branch register of shareholders must be available for inspection by shareholders, however, the Company is allowed to close the register of members on terms equivalent to section 632 of the Companies Ordinance (The Laws in Hong Kong);
- (VI) the right to inspect these Articles of Association, the register of shareholders, the corporate bond stubs, the minutes of the general meeting of shareholders, the resolutions of the board of directors, the resolutions of the supervisory committee, and the financial reports of the Company;
- (VII) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the number of shares held;
- (VIII) the right to require the Company to repurchase its shares held by the dissident shareholders when they cast votes against the proposal for merger or division at the shareholders' general meeting of the Company;
- (IX) such other rights conferred by laws, administrative regulations, departmental rules, normative documents and the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association.

If a shareholder asks to review the information mentioned in the preceding Article or makes a request for information, he or she shall submit to the Company written documents evidencing the class and number of shares he or she holds. The Company shall provide the same as requested by the shareholder after authenticating his or her identity.

### **Article 38**

Shareholders of common shares of the Company shall have the following obligations:

- (I) to abide by the Articles of Association;
- (II) to pay the share subscription price based on the shares subscribed for by them and the method of acquiring such shares;
- (III) not to withdraw their shares, unless required by laws and regulations;
- (IV) not to abuse the rights of shareholders to harm the interests of the Company or other shareholders; and not abuse the right of the independent status of the Company and the limited liability of shareholders to harm the interests of the Company's creditors;
- (V) to assume other obligations required by laws, administrative regulations, departmental rules, normative documents and the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association.

A shareholder of the Company who abuses the rights as a shareholder and causes losses to the Company or other shareholders shall be liable for compensation according to laws. Where a shareholder of the Company abuses the independent status of the Company and the limited liability of the shareholder to evade debts and seriously damages the interests of the Company's creditors, the shareholder shall be jointly and severally liable for the debts of the Company.

**Article 39** If a holder of at least 5 percent of the voting shares of the Company wishes to create a pledge over his or her shares, he or she shall report the same in writing to the Company in a timely manner in accordance with relevant laws, administrative regulations, departmental rules, normative documents and the listing rules of the stock exchange where the shares of the Company are listed.

## **CHAPTER VII GENERAL MEETINGS**

**Article 40** The general meeting shall be the organ with supreme authority of the Company and shall exercise its functions and powers in accordance with the law.

**Article 41** The general meeting shall exercise the following functions and powers:

- (I) to decide on the operating policies and investment plans of the Company;
- (II) to elect and replace directors who are not representatives of the employees and to decide on matters relating to the remuneration;
- (III) to elect and replace non-employee representative supervisors and to decide on matters relating to their remuneration;
- (IV) to consider and approve reports of the board of directors;
- (V) to consider and approve reports of the supervisory committee;
- (VI) to consider and approve the annual financial budgets and final accounts of the Company;
- (VII) to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (VIII) to make resolutions on increasing or reducing the registered capital of the Company;
- (IX) to make resolutions on the merger, division, dissolution, liquidation/winding-up or change in corporate form of the Company;
- (X) to make resolutions on the issuance of corporate bonds;
- (XI) to make resolutions on the engagement, dismissal or non-renewal of the engagement of accounting firms by the Company;
- (XII) to amend the Articles of Association;

(XIII) to consider matters raised by a shareholder alone or shareholders together holding more than three percent (including three percent) of the shares of the Company;

(XIV) to consider other matters that required to be resolved by the general meeting as prescribed by laws, administrative regulations, departmental rules and the Articles of Association.

**Article 42** The Company shall not conclude any contract with any person other than a director, a supervisor, a general manager or other senior management whereby such person is put in charge of the management of the whole or a substantial part of the Company's business without the approval by way of a special resolution at the shareholders' general meeting unless the Company is in crisis and other special circumstances.

**Article 43** General meetings include annual general meetings and extraordinary general meetings. General meetings shall be convened by the board of directors. Annual general meetings shall be convened once a year and within six months after the end of the preceding fiscal year.

**Article 44** The Company shall convene an extraordinary general meeting within two months from the date of the occurrence of any of the following circumstances:

(I) the number of directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in the Articles of Association;

(II) the losses of the Company that have not been made up reach one-third of its total paid in share capital;

(III) such is requested in writing by a shareholder alone or shareholders together holding ten per cent or more of the Company's outstanding voting shares (the number of shares held by such shareholder(s) shall be calculated based on the number of shares held at the close of trading on the date when such shareholder(s) request in writing, or if the written request is made on a non-trading day, the number of shares held at the close of trading on the preceding trading day);

(IV) the board of directors considers it necessary;

(V) the Supervisory Committee proposes that such a meeting shall be held;

(VI) other circumstances as specified by relevant laws, administrative regulations, departmental rules, normative documents, the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association.

**Article 45**

Shareholders requesting the convening of an extraordinary general meeting shall do so by the procedure set forth below:

- (I) shareholders individually or jointly holding at least 10 percent of the shares carrying the right to vote at the meeting sought to be held may sign one or more written requests of identical form and substance requesting that the board of directors convene an extraordinary general meeting and stating the subject to be discussed at the meeting; the board of directors shall convene the extraordinary general meeting as soon as possible after having received the aforementioned written request; the shareholding referred to above shall be calculated as of the day on which the written request is made.
- (II) if the board of directors fails to issue a notice to convene such meeting within 30 days after having received the aforementioned written request, the shareholders who made such request may themselves convene the meeting within four months after the board of directors received the request. The procedure according to which they convene such meeting shall, to the extent possible, be identical to the procedure according to which general meetings are to be convened by the board of directors.
- (III) if the board of directors is unable to or fails to perform its duty of convening the general meeting, the supervisory committee shall convene and preside over the meeting in a timely manner. If the supervisory committee fails to issue a notice to convene such meeting within 30 days after having received the aforementioned written request, shareholders individually or jointly holding over 10 percent of the shares of the Company for at least 90 days in succession may themselves convene the meeting within four months after the board of directors received the request. The procedure according to which they convene such meeting shall, to the extent possible, be identical to the procedure according to which general meetings are to be convened by the board of directors.

If shareholders convene and hold a meeting themselves because the board of directors failed to hold such meeting pursuant to a request as mentioned above, the reasonable expenses incurred by such shareholders shall be borne by the Company and shall be deducted from the sums owed by the Company to the negligent directors.

**Article 46**

When the Company is to hold a general meeting, it shall issue a written notice 20 days prior to an annual general meeting or 15 days prior to an extraordinary general meeting, informing all shareholders of the date, time and place of the meeting and the matters to be considered at the meeting and stating that shareholders may appoint a proxy in writing to attend the meeting and vote on their behalf. Regarding the calculation of the notice period, the date of the meeting shall not be included.

**Article 47**

The notice of the general meeting shall be delivered by hand or prepaid mail to the shareholders (whether or not such shareholders have a voting right at the general meeting) or issued by way of public announcement. The address of the recipient shall be the address registered in the register of shareholders.

For the holders of domestic shares, notice of the general meeting may be issued by way of public announcement. The announcement referred to in the preceding paragraph, should be released 20 days prior to an annual general meeting or 15 days prior to an extraordinary general meeting in media that meets the requirements by the China Securities Regulatory Commission. All holders of domestic shares shall be deemed to have received such notice upon the publication of such notice.

**Article 48** The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

**Article 49** Motions before the general meeting shall be in writing. The contents of motions before the general meeting shall fall within the scope of the functions and powers of the general meeting, contain a clear topic and a specific resolution and comply with relevant provisions of laws and the Articles of Association.

**Article 50** When the Company is to hold a general meeting, the board of directors, the supervisory committee and a shareholder alone or shareholders together holding at least three percent of the Company's shares shall be entitled to propose motions to the Company.

A shareholder alone or shareholders together holding at least three percent of the shares of the Company may submit extempore motions in writing to the convener 10 days prior to the date of such meeting. The convener shall issue a supplementary notice of the general meeting and make a public announcement of the contents of such extempore motion within two days after receipt of the motion, and submit such extempore motion to the general meeting for consideration. The contents of such an extempore motion shall fall within the scope of the functions and powers of the general meeting, and contain a clear topic and a specific resolution.

Except as provided in the preceding paragraph, the convener may not make any changes to the motions set forth in the notice of the general meeting or add any new motions once the notice and announcement of the general meeting have been issued.

The general meeting may not vote and pass resolution on motions that are not set forth in the notice of the general meeting or that are not consistent with Article 49 of the Articles of Association.

**Article 51** A notice of shareholders' meeting shall be made in writing and include the following content:

- (I) the date, the place and the duration of the meeting;
- (II) the matters to be considered at the meeting;
- (III) contain a clear statement that shareholders entitled to attend and vote have the right to appoint one or more proxies to attend and vote on their behalf and that such proxy need not be a shareholder; and

(IV) other matters as required by law, administrative regulations, departmental rules or the Listing Rules.

**Article 52** Any shareholder entitled to attend and vote at a shareholders' meeting shall have the right to appoint one or more persons (who need not be shareholders) as his or her proxies to attend and vote on his or her behalf. Such proxy may exercise the following rights in accordance with his or her appointment by the shareholder:

- (I) the shareholders right to be heard at the general meeting;
- (II) the right to demand or join in the demand for a ballot; and
- (III) the right to vote by show of hands or by poll, except that if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights by poll.

**Article 53** Shareholders shall appoint their proxies by written instruments, which shall be signed by the principals or their agents appointed in writing. If the principal is a legal person, the instrument shall be under the seal of the legal person or signed by its director(s) or duly authorised agent(s).

**Article 54** The instrument appointing a voting proxy shall be deposited at the domicile of the Company or at such other place as specified in the notice of the meeting within 24 hours prior to the meeting at which the proxy is authorised to vote or 24 hours prior to the specified time of the vote. If the instrument is signed by another person authorised by the principal, the power of attorney or other document authorizing the signature shall be notarized. The notarized power of attorney or other authorizing document shall be deposited together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

If the principal is a legal person, its legal representative or the person authorised by a resolution of its board of directors or other decision-making body shall attend the general meeting of the Company as the representative of such legal person.

If the shareholder is a Recognized Clearing House (or an agent thereof) as defined in the relevant regulations under the Hong Kong laws in effect from time to time, one or more individuals that it deems suitable may be appointed by it to act as its representative(s) at any general meeting and creditors' meeting and these proxies or representatives shall have the same statutory rights as other shareholders, including the right to speak and to vote; however, if two or more individuals are appointed as representatives, their powers of attorney shall specify the number and class of shares involved in the appointment of each such individual. The individual(s) so appointed may exercise the rights of the Recognized Clearing House (or its agent) as if he, she or they was or were (an) individual shareholder(s) of the Company.

**Article 55** Any form issued by the board of directors of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast an affirmative or negative vote and enable the shareholders to give separate instructions on each matter to be voted on in connection with each point of discussion of the meeting. The instrument of appointment shall specify that in the absence of instructions from the shareholder, the proxy may vote as he or she thinks fit.

**Article 56** A vote made in accordance with the terms of an instrument of appointment shall be valid notwithstanding the previous death or loss of capacity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the relevant shares, as long as the Company did not receive written notice of the event before the relevant meeting commenced.

**Article 57** If a general meeting is convened by the board of directors, the chairman shall serve as host and preside over the meeting. If the chairman fails or is unable to perform his or her duties, the meeting shall be presided over by the vice chairman. If the vice chairman fails or is unable to perform his or her duties, the meeting shall be presided over by the director jointly elected by at least one half of the directors.

At a general meeting convened by the supervisory committee, the chairman of the supervisory committee shall preside. If the chairman of the supervisory committee fails or is unable to perform his or her duties, the meeting shall be presided over by the supervisor jointly elected by at least one half of the supervisors.

If a general meeting is convened by a shareholder himself or shareholders themselves, the meeting shall be presided over by the representative selected by the convener(s).

When a general meeting is held, if the chairman of the meeting violates the rules of procedure, making continuance of the general meeting impossible, with the consent of shareholders holding more than one half of the voting rights present at the meeting, the general meeting may elect a person to serve as chairman of the meeting and the meeting shall continue. If, for any reason, the shareholders are unable to elect a meeting chairman, the shareholder (including his or her proxy) present who holds the greatest number of voting shares shall serve as the meeting chairman.

**Article 58** Resolutions of the general meeting are divided into ordinary resolutions and special resolutions.

Ordinary resolutions of the general meeting shall be adopted by shareholders in attendance (including proxies) holding more than half of the voting rights.

Special resolutions of the general meeting shall be adopted by shareholders in attendance (including proxies) holding at least two-thirds of the voting rights.

**Article 59** When a shareholder (or a proxy) exercises his or her voting rights based on the number of voting shares which he or she represents, each share shall entitle him or her to one vote.

No voting rights shall attach to the Company shares held by the Company, and such shares shall not be counted among the total number of voting shares present at a general meeting.

Where any shareholder, under applicable laws and regulations and the listing rules of the stock exchange where the shares of the Company are listed, is required to abstain from voting on any particular matter being considered or restricted to voting only for or only against any particular matter being considered, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

**Article 60** Decisions of the general meeting on any of the following matters shall be adopted by ordinary resolution:

- (I) to decide on the business policies and investment plans of the Company;
- (II) to elect and replace directors and to decide on matters relating to their remuneration;
- (III) to elect and replace non-employee representative supervisors and to decide on matters relating to their remuneration;
- (IV) to consider and approve reports of the board of directors;
- (V) to consider and approve reports of the supervisory committee;
- (VI) to consider and approve the Company's annual financial budgets and final accounts;
- (VII) to consider and approve the Company's profit distribution plans and plans for making up losses;
- (VIII) to pass resolutions on the engagement, dismissal or non-renewal of the engagement of accounting firms by the Company;
- (IX) to consider the motion of shareholders individually or jointly holding more than three percent (including three percent) voting shares of the Company;
- (X) to consider other matters that, pursuant to laws, administrative regulations, department rules, the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association, require a decision by the general meeting.

**Article 61** When a ballot is held, shareholders (including proxies) having the right to two or more votes need not use all of their voting rights in the same way.

- Article 62** Decisions of the general meeting on any of the following matters shall be adopted by special resolution:
- (I) the increase or reduction of the registered capital by the Company;
  - (II) the issuance of corporate bonds;
  - (III) the division, merger, dissolution, liquidation/winding up or change in the corporate form of the Company;
  - (IV) the amendment of the Articles of Association;
  - (V) other matters which laws, administrative regulations or the Articles of Association require to be adopted by special resolution or which the general meeting considers will have a material impact on the Company and therefore require, by an ordinary resolution, to be adopted by special resolution.

**Article 63** The method of, and procedure for, nominating directors and supervisors (except employee representative supervisors) to be elected at the general meeting are as set forth below:

- (I) Except the direct submission of a motion on the election of directors to the general meeting in accordance with Article 63 by shareholders, shareholders, directors and supervisors individually or jointly holding more than three percent shares of the Company may, to the extent of the number of persons specified in the Articles of Association, propose a list of recommended director candidates consistent with the number of persons to be elected, and submit the same to the board of directors for review; once the board of directors has conducted its review and adopted a resolution determining the director candidates, it shall bring the same before the general meeting in the form of a written motion.
- (II) Except the direct submission of a motion on the election of shareholder representative supervisors to the general meeting in accordance with Article 63 by shareholders, shareholders, directors and supervisors individually or jointly holding more than three percent shares of the Company may, to the extent of the number of persons specified in the Articles of Association, propose a list of recommended supervisor candidates consistent with the number of persons to be elected, and submit the same to the supervisory committee for review; once the supervisory committee has conducted its review and adopted a resolution determining the supervisor candidates, it shall bring the same before the general meeting in the form of a written motion.

- (III) the written notices of the intention to nominate director or non-employee representative supervisor candidates and of the nominees indicating their willingness to accept the nomination as well as relevant written materials on the nominees shall be dispatched to the Company at least 7 days before the date of the general meeting (the 7-day notice period shall commence from the date no earlier than the date of issuance of the notice of the meeting for the election and end no later than 7 days before the convening of the general meeting); the board of directors or the supervisory committee shall provide to the shareholders the resumes and basic particulars of the director or supervisor candidates.
- (IV) the period accorded to the Company to nominate director or non-employee representative supervisor candidates and to the nominees to submit the aforementioned notices and documents shall not be less than 7 days (commencing from the day immediately following the date of issuance of the notice of the general meeting).
- (V) the general meeting votes on each of the director or non-employee representative supervisor candidates.

If the need arises for an additional or replacement director or supervisor at short notice, the same shall be proposed by the board of directors or the supervisory committee, recommending that the general meeting elect or replace the same.

**Article 64**

If the chairman of the meeting has any doubts concerning the result of the vote on any resolution, he or she may organise a recount of the number of votes cast. If the chairman of the meeting does not conduct a recount of the votes and an attending shareholder or proxy challenges the result of a vote announced by the chairman of the meeting, he or she has the right to demand a vote recount immediately following the announcement of the result, in which case the chairman of the meeting shall promptly organise a recount of the votes.

**Article 65**

If a vote recount is conducted at a general meeting, the result thereof shall be recorded in the minutes of the meeting.

The minutes of meetings together with the sign-in register of attending shareholders and the instruments of appointment of proxies shall be kept at the Company's domicile.

**Article 66**

The rights of class shareholders to be changed or abolished by the Company shall be passed by a special resolution of class shareholders at a separate general meeting before proceeding when the Company's share capital is divided into different classes of shares.

## CHAPTER VIII BOARD OF DIRECTORS

### Article 67

The Company shall have a board of directors which shall be accountable to the general meetings. The board of directors shall consist of nine directors, including at least one-third of the board of directors and no less than three independent directors. The board of directors shall have a chairman and where it's necessary, shall have vice chairmen.

The term of office of a director shall be three years and is renewable upon re-election, but an independent non-executive Director shall be re-elected upon corresponding review procedures in accordance with the listing rules of the stock exchange where the shares of the Company are listed if such director has served in his/her position for more than nine years.

Directors shall be elected or replaced by general meetings, and may be dismissed by general meetings before the expiration of their term of office. The term of office of directors shall be three years and upon the maturity of the term of office, a director shall be eligible to offer himself for re-election.

Subject to the relevant laws and regulations and the regulatory rules of the local authority where the Company's shares are listed, if the board of directors appoints a new director to fill a casual vacancy or as an addition to the board of directors, the term of office of the appointed director shall expire at the first annual general meeting upon his appointment and shall then be eligible for re-election and re-appointment.

The chairman and vice chairman shall be elected and dismissed by over half of the directors (provided that such director's rights to claim for relevant damages under any contract shall not be affected thereby). The chairman and vice chairman shall have a term of three years and may be renewable upon re-election and re-appointment.

### Article 68

The directors may, prior to expiration of their terms of office, resign and submit their resignation report in writing to the board of directors.

If the total number of members of the board of directors or independent non-executive directors is less than the minimum quorum due to the resignation of any director, then before the newly elected director assumes office, the former director shall continue discharge the duties of his/her directorship in accordance with the laws, administrative regulations, department rules, normative documents, the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association.

Other than the circumstances presented in the preceding paragraph, the resignation of directors shall come into effect since the resignation reports are lodged with the board of directors.

Subject to compliance with the relevant laws, administrative regulations, department rules, normative documents and the listing rules of the stock exchange where the shares of the Company are listed, the general meeting may remove any director before the expiration of his/her term of office by way of ordinary resolution. However, such director's rights to claim for relevant damages under any contract shall not be affected thereby.

**Article 69**

The powers of independent non-executive directors and the relevant matters shall be subject to the laws, administrative regulations, departmental rules and the listing rules of the stock exchange where the shares of the Company are listed. The appointment of independent non-executive directors shall meet the independence requirements under the listing rules of the stock exchange where the shares of the Company are listed. Unless otherwise specified in this Chapter, the provisions on the rights and obligations of directors the Articles of Association shall apply to the independent non-executive directors.

At least one independent non-executive director of the Company shall be a financial or accounting professional.

Independent non-executive directors shall honestly fulfill their duties and protect the interests of the Company, in particular the legitimate rights and interests of public shareholders, to ensure the sufficient representation of the interests of all shareholders.

**Article 70**

Any independent non-executive director who fails to attend in person three consecutive meetings of the board of directors and further fails to appoint other directors to attend shall be deemed incapable of performing his/her duties and the board of directors shall propose a general meeting to replace such director.

**Article 71**

The board of directors is accountable to the general meetings and exercise the following functions and powers:

- (I) to convene of general meetings and report its work to the general meetings;
- (II) to implement resolutions of the general meetings;
- (III) to decide on the Company's business plans and investment plans;
- (IV) to formulate the annual financial budgets and final accounts of the Company;
- (V) to formulate the Company's profit distribution plans and plans on making up losses;
- (VI) to formulate proposals for the increase or reduction of the Company's registered capital and the issuance of shares, debentures or other securities of the Company;
- (VII) to formulate plans for the Company's merger, division, dissolution, liquidation or alteration of corporate form and to formulate plans for the Company's substantial acquisitions and repurchase of shares of the Company;

- (VIII) within the scope authorised by the general meeting, to decide on such matters as the Company's external investments, acquisition and disposal of assets, pledge of assets, provision of security on the Company's assets, wealth management entrustment, related party transaction etc.;
- (IX) to decide on establishment of internal management organisations of the Company;
- (X) to engage or dismiss the Company's general manager and secretary to the Board, to engage or dismiss senior management including vice general manager(s) and the person in charge of finance of the Company in accordance with the nominations by general manager, and to decide on their remunerations and rewards and punishments;
- (XI) to formulate the basic management system of the Company;
- (XII) to formulate proposals to amend the Articles of Association;
- (XIII) to manage information disclosure of the Company;
- (XIV) to propose to the general meeting the appointment or replacement of the accounting firm that provides audit service of annual financial statement to the Company;
- (XV) to listen to work reports submitted by the general manager of the Company and review his/her work;
- (XVI) to decide other material matters apart from such regulated in the Company Law and the Article of Association;
- (XVII) other functions and powers provided for in laws, administrative regulations, department rules, the listing rules of the stock exchange where the shares of the Company are listed and authorised at general meetings and by the Articles of Association.

Except for the board resolutions in respect of the matters specified in paragraphs (VI), (VII) and (XII) which shall be passed by more than two-thirds of the directors, the board resolutions in respect of all other matters set out in the preceding paragraph may be passed by more than half of the directors.

**Article 72**

The chairman shall exercise the following powers:

- (I) to preside over the general meeting and to convene and preside over the meetings of the board of directors;
- (II) to urge and check the implementation of board resolutions;
- (III) to sign the securities issued by the Company; and

(IV) other functions and powers conferred by laws, regulations, the listing rules of the stock exchange where the shares of the Company are listed, the Articles of Association or the board of directors.

Vice chairman of the Company shall assist the work of the chairman. Whereas the chairman is unable or fail to perform his duties, the vice chairman shall perform the duties (when there are two or more vice chairmen in the Company, the vice chairman elected by a majority of directors shall perform the duties); if the vice chairman unable or fail to perform his duties, one director elected by a majority of directors shall perform the duties.

#### **Article 73**

At least four meetings of the board of directors shall be held a year and shall be convened by the chairman. A written notice shall be issued 14 days before the convening of the regular meeting.

A special meeting of the board of directors may be convened upon requisition by either shareholder holding 10 percent or more of voting shares, one-third of directors or the supervisory committee. The chairman shall convene the meeting within 10 days after receiving the requisition and issue the notice of the meeting three days before the date of the convening of the meeting. The notice of the meeting of the board of directors shall be served to all directors by hand, mail, facsimile or other electronic communication means.

If an extraordinary meeting of the board of directors needs to be held quickly due to urgent circumstances in the opinion of the chairman, a meeting notice may be given at any time by telephone or other oral method.

#### **Article 74**

Meetings of the board of directors may be held only if more than one half of the directors are present.

Each director shall be entitled to one vote. Resolutions of the board of directors shall be passed by more than a half of all directors.

Voting at the meetings of the board of directors shall be made on a one-person-one-vote basis.

If a director has a connected relationship with an enterprise involved in a matter on which a resolution is to be made at a meeting of the board of directors, he or she may not exercise his right to vote regarding such resolution, nor may he or she the voting right of another director as such director's proxy thereon. Such a board meeting may be held only if more than one half of the directors without a connected relationship are present, and the resolutions made at such a board meeting shall require adoption by more than one half of the directors without a connected relationship. If the board meeting is attended by less than three directors without a connected relationship, the matter shall be submitted to the general meeting for consideration.

If at least one-quarter of the directors believe that they are unable to reach a determination on a relevant matter because the motion before the board of directors is unclear or unspecific, the meeting materials are insufficient or other such reason, they may jointly propose that discussion of the motion in question be postponed to a later time. In such circumstances the board of directors shall accept the proposal.

The directors who proposed postponement of the discussion shall put forth clear requirements in respect of the conditions that are to be satisfied for the motion to be submitted again for consideration.

**Article 75** Except the meetings of the board of directors by means of correspondence (excluding the four regular meetings of the board of directors to be held each year), the board of directors shall record decisions on matters deliberated at a meeting to form the minutes of the meeting. Directors and recorder present at the meeting shall sign on the minutes. The directors shall be liable for the resolutions of the board of directors. If a resolution of the board of directors is in violation of laws, administrative regulations or the Articles of Association, thereby causing the Company to sustain a material loss, the directors who took part in the resolution shall be liable to the Company for damages. However, if a director is proved to have expressed his opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, such director may be released from such liability.

**Article 76** Where necessary, the board of directors may establish relevant special committees such as the audit committee, nomination committee, remuneration committee, related party transaction control committee and environmental, social and governance committee to provide advice and suggestions for the material decisions of the board of directors and the exercise of duties by the chairman of the board of directors within the scope of authorization of the board of directors. The board of directors shall formulate the composition and duties and of meetings of each of the special committees.

## **CHAPTER IX SECRETARY TO THE BOARD**

**Article 77** The Company shall have a secretary to the Board. The secretary to the Board shall be a member of the senior management of the Company.

**Article 78** The secretary to the Board of the Company shall be a natural person with the requisite professional knowledge and experience and shall be appointed by the board of directors. The main duties of the secretary to the Board shall include:

- (I) to ensure that the Company has complete organisational documents and records;
- (II) to ensure that the Company legally prepares and submits reports and documents as required by the competent authorities;

- (III) to ensure that the register of shareholders of the Company is properly set up and to ensure that people entitled to obtain the Company's relevant records and documents can receive such records and documents in a timely manner; and
- (IV) to perform other duties conferred by the board of directors and required by laws, administrative regulations, departmental rules, normative documents and the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association.

**Article 79** A director or other senior management of the Company may also act as the secretary to the Board of the Company. Any accountant from accountancy firm which has been appointed by the Company shall not act as the secretary to the Board.

Where the office of secretary is held concurrently by a director, and an act is required to be done by a director and a secretary separately, the person who holds the office of director and secretary shall not perform the act in a dual capacity.

## **CHAPTER X SUPERVISORY COMMITTEE**

**Article 80** The Company shall establish a supervisory committee. The Supervisory Committee shall consist of three supervisors, one of which shall be the chairman. The term of office of each supervisor shall be a period of three years, renewable upon re-election.

Any directors, general managers and other senior management shall not act concurrently as supervisors.

**Article 81** Supervisors shall faithfully perform their supervisory duties faithfully in accordance with laws, administrative regulations, departmental rules, normative documents and the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association.

**Article 82** The supervisory committee shall have one chairman, whose appointment and dismissal shall be subject to the affirmative vote of more than half of the members of the supervisory committee. The chairman of the supervisory committee shall convene and preside over meetings of the supervisory committee. If the chairman of the supervisory committee is unable or fails to perform his or her duties, a supervisor jointly selected by at least one half of the supervisors shall convene and preside over a meeting.

The supervisory committee shall include at least one employee representative supervisor. The employee representative supervisor shall be democratically elected or removed from office by the Company's employees.

- Article 83** The Supervisory Committee shall be accountable to the general meeting and exercise the following functions and powers in accordance with laws:
- (I) to examine the Company's financial position;
  - (II) to supervise the performance by the directors, general managers and other senior management of their duties to the Company for violation of the laws;
  - (III) to demand rectification from the directors, general manager(s) and other senior management when the acts of such persons are harmful to the Company's interests;
  - (IV) to verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the board of directors to the general meetings and, should any queries arise, to engage, in the name of the Company, certified public accountants and practising auditors for a re-examination of the aforesaid information;
  - (V) to propose the holding of extraordinary general meetings;
  - (VI) to sue directors and communicated on behalf of the Company;
  - (VII) other functions and powers provided in laws, administrative regulations, departmental rules, normative documents and the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association.

Supervisors shall attend as a nonvoting delegate at the meeting of the directors.

The reasonable expenses incurred by the Supervisory Committee in the engagement of professionals such as lawyers, certified public accountants and practising auditors, in exercising its functions and powers shall be borne by the Company.

- Article 84** At least one regular meeting of the supervisory committee shall be held every six months, which shall be convened by the chairman of the supervisory committee.

Supervisors may propose the calling of interim meetings of the supervisory committee.

- Article 85** Votes at meetings of the supervisory committee shall be held by disclosed ballot and each supervisor shall have one vote.

Resolutions of the supervisory committee shall be approved by the affirmative vote of more than half of the members of the supervisory committee.

- Article 86** Where there are no provisions on the rules of procedure for the meeting of the supervisory committee (including but not limited to the notice, convening, holding, voting and resolution of the meeting) in this chapter, it shall be implemented with reference to relevant provisions of Chapter VIII.

Minutes shall be prepared for the meeting of the supervisory committee, and supervisors and recorder present at the meeting shall sign thereon.

## **CHAPTER XI GENERAL MANAGER AND OTHER MEMBERS OF SENIOR MANAGEMENT**

**Article 87** The Company has one general manager (president), one executive manager (executive president), several vice general managers (vice presidents), one person in charge of financial matters (chief financial officer). They shall serve terms of three years and may serve consecutive terms if reappointed by the board of directors.

Directors may concurrently serve as general manager and vice general manager.

**Article 88** The general manager shall be accountable to the board of directors and exercise the following functions and powers:

- (I) to be in charge of the production, operation and management of the Company and to organise the implementation of the resolutions of the board of directors;
- (II) to organise the implementation of the Company's annual business plans and investment plans;
- (III) to draft plans for the establishment of the Company's internal management organisation;
- (IV) to draft the Company's basic management system;
- (V) to draft the Company's basic rules;
- (VI) to propose the appointment or dismissal of the Company's executive general manager, vice general managers and the person in charge of financial matters (chief financial officer);
- (VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (VIII) such other functions and powers conferred by the Articles of Association or the board of directors.

**Article 89** The general manager shall be present at meetings of the board of directors. The general manager shall not have voting rights at the board meetings unless he is also a director.

**Article 90** In the exercise of their functions and powers, the general manager and other senior management members shall perform their fiduciary duty and obligation of diligence in accordance with laws administrative regulations, departmental rules, normative documents and the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association.

**CHAPTER XII QUALIFICATIONS AND OBLIGATIONS  
OF THE DIRECTORS, SUPERVISORS, GENERAL MANAGER  
AND OTHER SENIOR MANAGEMENT MEMBERS**

**Article 91** None of the following persons may serve as directors, supervisors, the general manager or other senior management members of the Company:

- (I) persons without capacity or with limited capacity for civil acts;
- (II) persons who were sentenced to criminal punishment for the crime of corruption, bribery, misappropriation of property or diversion of property or for disrupting the order of the socialist market economy, where not more than five years have elapsed since the expiration of the period of punishment; or persons who were deprived of their political rights for committing a crime, where not more than five years have elapsed since the expiration of the period of deprivation;
- (III) persons who served as directors, or factory directors or managers, who bear personal liability for the bankruptcy liquidation of their companies or enterprises, where not more than three years have elapsed since the date of completion of the bankruptcy liquidation of their companies or enterprises;
- (IV) persons who served as the legal representatives of companies or enterprises that had their business licenses revoked for breaking the law, where such representatives bear individual liability therefor and not more than three years have elapsed since the date of revocation of the business license;
- (V) persons with comparatively large debts that have fallen due but have not been settled;
- (VI) persons who are banned from the securities market by China Securities Regulatory Commission, and the term is not expired;
- (VII) other matters stipulated by laws, administrative regulations or its departmental rules.

Where a director is elected or appointed in violation of the provisions of this Article, the election, appointment or employment shall be invalid. If any of these circumstances occurs during the term of a director, the Company shall relieve him/her of his/her post.

**Article 92** The validity of an act of a director, the general manager or other senior management member of the Company on behalf of the Company shall not, vis-avis a bona fide third party, be affected by any non-compliance in his or her holding of such office, election or qualification.

**Article 93**

The Company's directors shall abide by laws, administrative regulations and the Articles of Association, and bear the following loyalty obligations to the Company:

- (I) not to take advantage of his authority to accept bribes or other illegal income, and not to misappropriate the property of the Company;
- (II) not to misappropriate the funds of the Company;
- (III) not to open an account in his own name or in the name of any other individual to deposit the assets or funds of the Company;
- (IV) not to lend the Company's funds to others or provide guarantees for others with the Company's property in violation of the provisions of these Articles of Association and without the consent of the shareholders' general meetings or the board of directors;
- (V) not to enter into contracts or conduct transactions with the Company in violation of the provisions of these Articles of Association or without the consent of the shareholders' general meeting;
- (VI) without the consent of the shareholders' general meeting, not to take advantage of his authority to seek for himself or others business opportunities that should belong to the Company, or to engage in business of the same kind as that of the Company for himself or others;
- (VII) not to accept commissions from transactions with the Company for his own benefit;
- (VIII) not to disclose the secrets of the Company without authorization;
- (IX) not to damage the interests of the Company by taking advantage of its connected relationship;
- (X) other loyalty obligations stipulated by laws, administrative regulations, departmental rules and these Articles of Association.

Any revenue derived by a Director from his/her breach of the provisions of this Article shall belong to the Company; and the Company shall be indemnified for its consequential losses.

The provisions of the directors' loyalty obligations under Article 93 shall also apply to senior management members.

**Article 94** The Company's directors shall abide by laws, administrative regulations and the Articles of Association, and bear the following diligence obligations to the Company:

- (I) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's commercial activities comply with the requirements of national laws, administrative regulations and various national economic policies, and its commercial activities do not exceed the business scope stipulated in;
- (II) to treat all shareholders fairly;
- (III) to keep abreast of the business operation and management status of the Company;
- (IV) to sign a written confirmation opinion on the periodic report of the Company. Ensure that the information disclosed by the Company is true, accurate and complete;
- (V) to truthfully provide the relevant information and materials to the Supervisory Committee and not to prevent the Supervisory Committee or supervisors from exercising their functions and powers;
- (VI) other diligence obligations stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

The provisions of the directors' diligence obligations in item (IV), (V) and (VI) under Article 94 of these Articles shall also apply to senior management members.

**Article 95** The Company's directors, supervisors, general manager and other senior management members shall have an obligation, in the exercise of their rights or discharge of their obligations, to perform their acts with the care, diligence and skill that a reasonably prudent person should exercise in comparable circumstances.

**Article 96** The directors, supervisors, the general manager and other senior management members of the Company may not incite the following persons or organisations ("connected persons") to do what such directors, supervisors, general manager and other senior management members may not do:

- (I) the spouses or minor children of such directors, supervisors, general manager and other senior management members of the Company;
- (II) the trustees of such directors, supervisors, general manager and other senior management members of the Company or of persons referred to in item (I) hereof;
- (III) the partners of such directors, supervisors, general manager and other senior management members of the Company or of persons referred to in items (I) and (II) hereof;

- (IV) the companies over which such directors, supervisors, general manager and other senior management members of the Company, alone or jointly with persons referred to in items (I), (II) and (III) hereof or any other directors, supervisors, general manager and other senior management members of the Company, have de facto control; and
- (V) the directors, supervisors, the general manager and other senior management members of the companies being controlled as referred to in item (IV) hereof.

**Article 97**

The fiduciary obligations of the Company's directors, supervisors, general manager and other senior management members do not necessarily cease with the termination of their tenure. Their confidentiality obligations in relation to the Company's trade secrets shall survive the termination of their tenure. The terms for which other obligations shall continue shall be determined in accordance with the principle of fairness, depending on the time lapse between the termination and the occurrence of the matter and the circumstances and conditions under which the relationship with the Company terminated.

**Article 98**

If the directors, supervisors, general manager or other senior management members of the Company are, directly or indirectly, materially interested in contracts, transactions or arrangements entered into or contemplated by the Company (excluding their engagement contract with the Company), they shall disclose the nature and extent of their interests to the board of directors at the earliest opportunity, whether or not the relevant matters are subject to the approval of the board of directors under normal circumstances.

Except the exceptions specified by the stock exchange where the shares of the Company are listed, a director may not vote on any contract, transaction or arrangement in which he or she or any of his or her close associate (as defined in the securities listing rules in force from time to time) has a material interest and which is to be approved by the board of directors or any other proposals related thereto. Additionally, he or she may not count in the quorum for the meeting.

Unless the interested director, supervisor, general manager or other senior management member has disclosed such interest to the board of directors as required under the first paragraph hereof and the matter has been approved by the board of directors at a meeting in which he or she was not counted in the quorum and had refrained from voting, the Company shall have the right to void the contract, transaction or arrangement, unless the other party is a bona fide party acting without knowledge of the breach of obligation by the director, supervisor, general manager or other senior management member concerned.

A director, a supervisor, the general manager or other senior management member of the Company shall be deemed to be interested in any contract, transaction or arrangement in which a connected person of that director, supervisor, general manager or other senior management member is interested.

**Article 99** The Company shall specify in the contract concluded with a director or supervisor of the Company concerning his or her remuneration that in the event of a takeover of the Company, a director or supervisor of the Company shall, subject to prior approval of the general meeting, have the right to receive the compensation or other money for his or her loss of office or in connection with his or her retirement from office.

For the purposes of the preceding paragraph, the term “a takeover of the Company” shall mean:

- (I) a takeover offer made by any person to all shareholders; or
- (II) a takeover offer made by any person with a view to the offeror becoming a controlling shareholder as defined in the Articles of Association.

If the relevant director or supervisor has failed to comply with this Article, any sums received by him or her shall belong to those persons that have sold their shares as a result of their acceptance of the aforementioned offer, and the expenses incurred in the pro rata distribution of such sums shall be borne by the relevant director or supervisor and may not be paid out of such sums.

### **CHAPTER XIII FINANCIAL AND ACCOUNTING SYSTEMS AND DISTRIBUTION OF PROFITS**

**Article 100** The Company shall formulate its financial and accounting systems in accordance with the PRC laws and the PRC accounting standards formulated by relevant state authorities.

**Article 101** The Company shall prepare financial reports at the end of each fiscal year. Such reports shall be audited and verified in accordance with the law.

The Company shall adopt the Gregorian calendar year as its fiscal year, which shall commence on January 1 and end on December 31 of the same Gregorian calendar year.

The Company’s accounts shall be prepared in Chinese with amounts denominated in Renminbi.

**Article 102** The Company shall publish financial reports twice every fiscal year, namely an interim financial report within 60 days after the end of the first six months of the fiscal year and an annual financial report within 120 days after the end of the fiscal year. Where the securities regulatory authority of the place where the shares of the Company are listed has other provisions, such provisions shall prevail.

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

**Article 103** The board of directors of the Company shall place before the shareholders at each annual general meeting such financial reports prepared by the Company as required by relevant laws, administrative regulations and normative documents promulgated by local government and competent authorities.

**Article 104** The financial reports of the Company shall be made available for inspection by shareholders 20 days prior to the convening of an annual general meeting. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this Chapter.

The company listed in Hong Kong shall send the foregoing report of the board of directors, the financial report together with the balance sheet (including all annexes to the balance sheet as prescribed by the laws), profit and loss statement and income and expenditure statement, or summary financial report to each holder of overseas listed foreign shares by pre-paid mail at least 21 days before the convening of the general meeting. The address of the recipient shall be the registered address as shown on the register of shareholders.

**Article 105** The Company shall prepare its financial statements in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the place where the Company's shares are listed overseas. If there is any material discrepancy between the financial statements prepared in accordance with the two accounting standards respectively, explanations shall be made in the notes to the financial statements. Distribution of the after-tax profits for the relevant fiscal year shall be based on the lower of the after-tax profits as shown in the two sets of financial statements.

**Article 106** The interim results or financial information announced or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the place where the Company's shares are listed overseas.

**Article 107** The Company shall not keep accounts other than those provided by law. Any assets of the Company shall not be kept under any account opened in the name of any individual.

**Article 108** The capital common reserve shall include the following funds:

- (I) the premiums obtained from the issue of shares above par; and
- (II) other revenue required by the State Council's finance authority to be included in the capital common reserve.

**Article 109** When the Company distributes its after-tax profits for a given year, it shall set aside 10 percent of profits for its statutory common reserve.

The Company shall no longer be required to make allocations to its statutory common reserve once the aggregate amount of such reserve reaches at least 50 percent of its registered capital.

If the Company's statutory common reserve is insufficient to make up losses for previous years, the Company shall use its profits for the current year to make up such losses before making the allocation to its statutory common reserve in accordance with the preceding paragraph.

After making the allocation from its after-tax profits to its statutory common reserve, the Company may, subject to a resolution of the general meeting, make an allocation from its after-tax profits to the discretionary common reserve.

After the Company has made up its losses and made allocations to its common reserves, the remaining after-tax profits of the Company shall be distributed in proportion to the shareholdings of its shareholders, unless the Articles of Association provide that distributions are to be made otherwise than proportionally. If the general meeting breaches the provisions of the preceding paragraph by distributing profits to shareholders before the Company has made up its losses and made allocations to the statutory common reserve, the shareholders must return to the Company the profits that were distributed in breach of the said provisions.

No profit distribution shall be made in respect of the shares of the Company which are held by the Company.

**Article 110** The Company's common reserves shall be used to make up the Company's losses, to expand the Company's production and operations or, through conversion into capital, to increase the Company's capital. However, the capital common reserve will not be used to make up the Company's losses.

When funds in the statutory common reserve are converted into capital, the funds remaining in such reserve will not be less than 25 percent of the Company's registered capital before the conversion.

**Article 111** The Company shall appoint receiving agents for holders of overseas listed foreign shares to collect on behalf of the relevant shareholders the dividends distributed and other money payable in respect of overseas listed foreign shares.

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

The receiving agents appointed by the Company for the holders of overseas listed foreign shares listed on the Hong Kong Stock Exchange shall be trust companies registered under the Trustee Ordinance of Hong Kong.

Subject to the laws of the PRC, the Company may exercise the power to forfeit unclaimed dividends, provided that it does so only after the expiration of the applicable relevant period.

Any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

The Company has the power to cease sending dividend warrants by post to a given holder of overseas listed foreign shares, but may exercise such power only if such warrants have been left uncashed on two consecutive occasions. However, the Company may exercise such power after the first occasion on which such a warrant is returned undelivered.

The Company has the power to sell by a method deemed fit by the board of directors the shares of a holder of overseas listed foreign shares who is untraceable, provided that it complies with the following conditions:

- (I) the Company has paid, during a period of 12 years, at least three dividends in respect of the shares in question but no dividend during that period was claimed; and
- (II) on expiry of the 12 years, the Company gives notice of its intention to sell the shares by way of an announcement published in one or more newspapers in the place where the Company is listed and notifies the securities regulatory authority of the place where its shares are listed of such intention.

**Article 112** The Company shall engage an accounting firm which has obtained relevant business qualifications to audit the financial statements, verify net asset and provide other relevant consultancy service. The accounting firm to be engaged by the Company shall be appointed or dismissed by the general meeting, and the term of engagement shall commence upon the conclusion of the annual general meeting of the Company and end upon the conclusion of the next annual general meeting.

**Article 113** An accounting firm engaged by the Company shall have the following rights:

- (I) the right of accessing to the account books, records or vouchers of the Company and the right to require directors, the general manager or other senior management members of the Company to provide relevant information and explanations;
- (II) the right to require the Company to take reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform its duties; and
- (III) the right to attend a general meeting in a non-voting capacity, to receive notice of, or other information concerning, any meetings which shareholders have a right to receive, and to be heard at any general meeting on any matter which relates to it as the accounting firm of the Company.

**Article 114** If the position of accounting firm becomes vacant, the board of directors may appoint an accounting firm to fill such vacancy before a general meeting is held. However, if there are other accounting firms holding the position of accounting firm of the Company while such vacancy persists, such accounting firms may continue to act.

**Article 115** The general meeting may by ordinary resolution decide to dismiss any accounting firm prior to the expiration of its term of engagement, notwithstanding the terms of the contract between the accounting firm and the Company, but without prejudice to such accounting firm's right, if any, to claim damages from the Company in respect of such dismissal.

**Article 116** The remuneration or method of determining the remuneration of an accounting firm shall be determined by the general meeting. The remuneration of an accounting firm engaged by the board of directors shall be determined by the board of directors.

**Article 117** The engagement, dismissal or non-reappointment of an accounting firm shall be determined by the general meeting.

Prior to the dismissal or non-reappointment of the appointment of an accounting firm, a notice in advance of such dismissal or non-reappointment shall be given to the accounting firm concerned and such firm shall be entitled to make representation at the general meeting.

Where a resolution at a general meeting is to be passed to appoint as accounting firm an accounting firm other than an incumbent accounting firm, to fill a casual vacancy in the office of accounting firm, or to remove an accounting firm before the expiration of its term of office, matters shall be handled in accordance with the following provisions:

(I) the motion of engagement or dismissal shall be sent, before issuance of the notice of the general meeting, to the accounting firm proposed to be appointed or the accounting firm proposing to leave its post or the accounting firm that has left its post in the relevant fiscal year.

Leaving includes leaving by removal, resignation and retirement.

(II) if the accounting firm leaving its post makes representations in writing and requests their notification to the shareholders, the Company shall (unless the representations are received too late):

1. in any notice of the resolution given to shareholders, state the fact of the representations having been made by the accounting firm that is leaving its post; and
2. serve a copy of the representations as an attachment to the notice on the shareholders by the method specified in the Articles of Association.

(III) if the accounting firm's representations are not sent under item (II) of this Article, the relevant accounting firm may require that the representations be read out at the general meeting, and further complaints may be lodged.

(IV) an accounting firm that is leaving its post shall be entitled to attend:

1. the general meeting at which its term of office would otherwise have expired;
2. any general meeting at which it is proposed to fill the vacancy caused by its removal; and
3. any general meeting convened on its resignation.

The leaving accounting firm shall be entitled to receive all notices of, and other information relating to, any such meeting, and to be heard at any such meeting on matters which concern it as former accounting firm of the Company.

**Article 118** Prior to the dismissal or non-reappointment of the appointment of an accounting firm, a notice in advance of such dismissal or non-reappointment shall be given to the accounting firm concerned and such firm shall be entitled to make representation at the general meeting. Where the certified public accounting firm resigns from its post, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company

(I) Any accounting firm may resign from its office by depositing at the Company's legal residence a written resignation notice which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following:

1. a statement to the effect that there are no circumstances connected to its resignation which shall be brought to the attention of the shareholders or creditors of the Company; or
2. a statement of any matters which shall be explained.

(II) Where a notice is deposited under the item (I) of this Article, the Company shall within 14 days send a copy of the notice to the competent authority. If the notice contains a representation referred to in item (I) 2 of this Article, a copy of such representation shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of such representation to each shareholder entitled to receive report on the financial position of the Company by prepaid post at his or her address shown on the register of shareholders.

(III) Where the notice of resignation of an accounting firm contains a statement of Item (I) 2 of this Article, the accounting firm may require the board of directors to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

## **CHAPTER XIV MERGER, DIVISION, DISSOLUTION AND LIQUIDATION OF THE COMPANY**

### **Section I Merger and Division of the Company**

**Article 119** The merger or division of the Company shall require the preparation of a proposal by the board of directors. After such proposal has been adopted in accordance with the procedures specified in the Articles of Association, relevant approval procedures shall be carried out in accordance with the law. Shareholders that oppose the proposal for the merger or division of the Company shall have the right to require the Company or shareholders that are in favor of such proposal to purchase their shares at a fair price. The contents of resolutions approving the merger or division of the Company shall be compiled in a special document for inspection by shareholders.

The aforesaid documents shall be sent to each holder of overseas listed shares of companies listed in Hong Kong by post.

**Article 120** A merger may take either the form of a merger by absorption or the form of a merger by new establishment.

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and a property list. Within 10 days from the date of adoption of the merger resolution, the Company shall notify its creditors and within 30 days it shall make an announcement in the newspapers.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

**Article 121** If the Company is divided, its property shall be divided accordingly.

When the Company is involved in a division, the parties to the division shall enter into a division agreement and prepare a balance sheet and a property list. Within 10 days from the date of adoption of the resolution on the division, the Company shall notify its creditors and within 30 days it shall make an announcement in the newspapers.

The post-division companies shall be jointly and severally liable for the pre-division debts of the Company.

**Article 122** If a change occurs in the Company's registered particulars due to its merger or division, the change shall be registered with the Company's registrar in accordance with the law. If the Company is dissolved, de-registration of the Company shall be carried out in accordance with the law. If a new company is established, registration of the establishment of such company shall be carried out in accordance with the law.

## **Section II Dissolution and Liquidation**

**Article 123** The Company shall be dissolved in accordance with the law under any of the following circumstances:

- (I) the general meeting resolves to dissolve the Company;
- (II) dissolution is necessary as a result of the merger or division of the Company;
- (III) the Company is legally declared bankrupt because it is unable to pay its debts as they fall due;
- (IV) the Company's business license is revoked or it is ordered to close down or it is deregistered according to laws;

- (V) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding at least 10 percent of all shareholders' voting rights of the Company may petition a People's Court to dissolve the Company.

**Article 124** Where the Company is dissolved according to the provisions of sub-paragraphs (I), (IV), and (V) of the preceding Article, it shall establish a liquidation committee and liquidation shall commence within 15 days from the date on which the cause for dissolution arose. The liquidation committee shall be composed of persons determined by way of ordinary resolution at a general meeting. If the Company fails to establish the liquidation committee and carry out the liquidation within the time limit, its creditors may petition a People's Court to designate relevant persons to form a liquidation committee and carry out the liquidation.

If the Company is to be dissolved pursuant to item (III) of the preceding Article, the People's Court shall, in accordance with the provisions of relevant laws, arrange for the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out liquidation.

**Article 125** The liquidation committee shall notify creditors within 10 days of its establishment, and make announcements on the newspapers within 60 days of its establishment. Claims shall be registered by the liquidation committee.

Creditors shall declare their claims to the liquidation committee within 30 days from the date of receipt of the written notice or, if they did not receive a written notice, within 45 days from the date of the announcement.

When declaring their claims, creditors shall explain the particulars relevant to their claims and submit supporting documentation. The liquidation committee shall register the claims.

During the claim declaration period, the liquidation committee shall not pay any debts to creditors.

**Article 126** The liquidation committee shall exercise the following functions and powers during liquidation:

- (I) to check the Company's property, and to prepare a balance sheet and property list;
- (II) to notify creditors by notice and public announcement;
- (III) to dispose of outstanding affairs of the Company relating to the liquidation;
- (IV) to settle outstanding taxes as well as taxes arising in the course of liquidation;
- (V) to liquidate claims and debts;

(VI) to dispose of the Company's property remaining after the debts are paid in full; and

(VII) to represent the Company in civil actions.

**Article 127** After the liquidation committee has liquidated the Company's property and prepared a balance sheet and property list, it shall formulate a liquidation plan and submit such plan to the general meeting or the People's Court for confirmation.

The Company's property remaining after payment of the liquidation expenses, the wages, social insurance premiums and statutory compensation of the employees, the taxes owed and all the Company's debts shall be distributed by the Company to the shareholders in proportion to the shares they hold.

During liquidation, the Company shall continue to exist but may not engage in any business activities unrelated to the liquidation. The Company's property will not be distributed to the shareholders until repayment of its debts in accordance with the preceding paragraph.

**Article 128** If the liquidation committee, having liquidated the Company's property and prepared a balance sheet and property list, discovers that the Company's property is insufficient to pay its debts in full, it shall apply to the People's Court for a declaration of bankruptcy in accordance with the law.

After the People's Court has ruled to declare the Company bankrupt, the liquidation committee shall turn over the liquidation matters to the People's Court.

**Article 129** Following the completion of liquidation of the Company, the liquidation committee shall formulate a liquidation report, submit the same to the general meeting or the competent authority for confirmation. The liquidation committee shall submit the aforementioned documents to the company registration authority to apply for company deregistration, and announce the Company's termination.

## **CHAPTER XV AMENDMENT TO THE ARTICLES OF ASSOCIATION**

**Article 130** The Company may amend the Articles of Association according to the provisions of the laws, administrative regulations, the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association.

**Article 131** Amendments to the Articles of Association shall become effective from the date of approval by the shareholders' general meeting through special resolution. Where any amendment involves the registered particulars of the Company, application shall be made for change of registration in accordance with the laws.

## CHAPTER XVI NOTICES AND ANNOUNCEMENTS

**Article 132** Notices (for the purposes of this Chapter, the term “notice” includes company communications and other written materials) of the Company shall be given or provided by one or more of the following means:

- (I) By hand;
- (II) by mail;
- (III) by such electronic means as e-mail, fax, etc. or on information media;
- (IV) by way of a public announcement; and
- (V) other ways recognized by the regulatory authorities of the place where the shares of the Company are listed or required by the Articles of Association.

Unless otherwise specified in the Articles of Association, if a notice is issued by the Company to the shareholders of overseas listed foreign shares by way of announcement, the Company shall on the same day submit an electronic version of such announcement to the Hong Kong Stock Exchange through the electronic publishing system of the Hong Kong Stock Exchange for immediate release on the website of the Hong Kong Stock Exchange in accordance with the requirements of the local listing rules. Such announcement shall also be published on the website of the Company at the same time. In addition, the notice shall be delivered to each of the registered addresses as set forth in the register of holders of overseas listed foreign shares by way of personal delivery or pre-paid mail so as to give the shareholders sufficient notice and time to exercise their rights or take any action in accordance with the terms of the notice.

Holders of the Company’s overseas listed foreign shares may elect in writing to receive corporate communication that the Company is required to deliver to shareholders either by electronic means or by post, and may also elect to receive either the Chinese or English version only, or both the Chinese and English versions. Such holders shall have the right to change their choices as to the manner of receiving and the language versions of the aforesaid information by giving a written notice to the Company in advance within a reasonable period in accordance with applicable procedures.

The Company may serve a notice to the shareholders whose registered address are located outside Hong Kong.

**Article 133** For a notice given by hand, the person on whom it is served shall sign (or affix his or her seal to) the acknowledgement slip, and the date on which he or she signed in receipt shall be the date of service.

For a notice given by mail, the date of service shall be 48 hours from the date of consignment to the post office.

For a notice given by fax, e-mail or publication on a website, the date on which such notice is dispatched shall be the date of service.

For a notice given by way of a public announcement, the first day of publication shall be the date of service. Such announcement shall be published in a newspaper that satisfies relevant regulations or given by the method set forth in Article 164 of the Articles of Association.

**Article 134** If the listing rules in the place of listing require the Company to send, mail, issue, dispatch, publish or otherwise provide relevant documents of the Company in both English and Chinese versions, the Company may, to the extent permitted by laws and regulations and in accordance with applicable laws and regulations, (if a shareholder has so indicated) only send him or her the English versions or Chinese versions of documents if the Company has made sufficient arrangements to ascertain whether its shareholders wish to only receive English versions or Chinese versions of documents.

## **CHAPTER XVII SUPPLEMENTARY PROVISIONS**

**Article 135** Unless otherwise required by the context, the following terms used in the Articles of Association shall have the meanings ascribed to them below:

- (I) “Controlling shareholder” means a person that satisfies any of the following conditions:
1. he or she, acting alone or in concert with others, has the power to elect at least one half of the directors;
  2. he or she, acting alone or in concert with others, has the power to exercise or to control the exercise of, at least 30 percent of the Company’s voting rights;
  3. he or she, acting alone or in concert with others, holds at least 30 percent of the outstanding shares of the Company; or
  4. he or she, acting alone or in concert with others, actually controls the Company in any other manner.
- (II) “Actual controller” means a person who, although not a shareholder of the Company, is nevertheless able to actually direct the acts of the Company by virtue of an investment relationship, agreement or other arrangement.
- (III) “Connected relationship” means the relationship between the Company’s controlling shareholder, actual controller, director, supervisor or senior management member on the one hand and an enterprise directly or indirectly controlled by him or her on the other hand, as well as any other relationship that may result in a diversion of the Company’s interests; however, enterprises controlled by the state shall not be deemed to have a connected relationship merely by virtue the fact that such enterprises are under the common control of the state.
- (IV) H Shares means overseas listed shares issued by the Company for listing on the Hong Kong Stock Exchange.

- Article 136** For the purposes of the Articles of Association, the term “accounting firm” shall have the same meaning as the term “auditor” used in the Listing Rules.
- Article 137** For the purposes of the Articles of Association, the term “PRC” means the mainland of the People’s Republic of China, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.
- Article 138** The Articles of Association are written in Chinese. In the event that there is a discrepancy between any other language version or different version hereof and the Articles of Association, the Chinese version shall prevail.
- Article 139** Unless otherwise provided in the Articles of Association, “days” mean “natural days”. For the purposes of the Articles of Association, the terms “at least”, “within” and “not more than” shall include the number itself; and the terms “less than”, “lower than”, “other than”, “more than”, “before” and “after” shall not include the number itself.
- Article 140** The board of directors is responsible for the interpretation of the Articles of Association.

The matters not covered in the Articles of Association shall be dealt with in accordance with relevant laws, administrative regulations, departmental rules, normative documents and the listing rules of the stock exchange where the shares of the Company are listed, in conjunction with the actual circumstances of the Company. In the event that the Articles of Association is in conflict with the newly promulgated relevant laws, administrative regulations, departmental rules, normative documents and the listing rules of the stock exchange where the shares of the Company are listed, such newly promulgated laws, administrative regulations or the listing rules of the places where the shares of the Company are listed shall prevail.

Jinke Smart Services Group Co., Ltd.