



中鋁國際工程股份有限公司

**China Aluminum International Engineering Corporation Limited**

(於中華人民共和國註冊成立的股份有限公司)

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

## ARTICLES OF ASSOCIATION

**Considered and Approved at the 2<sup>nd</sup> Extraordinary General Meeting in 2011**

**Revised at the 1<sup>st</sup> Extraordinary General Meeting in 2012**

**Revised at the 1<sup>st</sup> Extraordinary General Meeting in 2015**

**Revised at the Annual General Meeting of 2016**

**Revised at the 1<sup>st</sup> Extraordinary General Meeting in 2019**

**Revised at the 3<sup>rd</sup> Extraordinary General Meeting in 2019**

**Revised at the Annual General Meeting of 2019, the 1<sup>st</sup> A Share Class**

**Meeting of 2020 and the 1<sup>st</sup> H Share Class Meeting of 2020**

**Revised at the 2<sup>nd</sup> Extraordinary General Meeting in 2021**

**Revised at the Annual General Meeting of 2021**

**Revised at the 1<sup>st</sup> Extraordinary General Meeting of 2023**

**Revised at the 2<sup>nd</sup> Extraordinary General Meeting of 2023**

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Note: In the side notes to the Articles of Association, “**Company Law**” represents “The Company Law of the People’s Republic of China”; “**Mandatory Provisions**” represents “The Mandatory Provisions for the Article of Association of Companies to be Listed Overseas” (Zheng Wei Fa [1994] No. 21) promulgated by CSRC on 27 August 1994; “**Supplemental Letter of Opinion**” represents “The Letter of the Opinion on the Supplemental Amendments to the Articles of Association of Companies to be Listed in Hong Kong” (Zheng Jian Hai Han [1995] No. 1) jointly promulgated by the Overseas Listing Department of CSRC and the Production System Department of the former State Commission for Restructuring the Economic System on 3 April 1995; “**Guidelines**” represents the *Guidelines on Articles of Association of Listed Companies* Issued by China Securities Regulatory Commission) issued by the China Securities Regulatory Commission; “**Rules for Independent Directors**” represents the *Administrative Measures for Independent Directors of Listed Companies* (China Securities Regulatory Commission Order No.220) issued by the China Securities Regulatory Commission; “**Listing Rules**” represents the *Rules Governing the Listing of Securities on Shanghai Stock Exchange* issued by the Shanghai Stock Exchange; “**Opinions on Standardizing Operations and Reform**” represents “The Opinions on Further Promotion of Regulated Operation and In-depth Reform of Companies Listed outside the PRC” (Guo Jing Mao Qi Gai [1999] No. 230) jointly promulgated by the former State Economic and Trade Commission and CSRC on 29 March 1999; “**Guidelines for Standardized Operation**” refer to the Guideline No. 1 of the Self-Regulation Guidelines for Listed Companies of the Shanghai Stock Exchange; “**Main Board Listing Rules**” represents the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* issued by The Stock Exchange of Hong Kong Limited; “**Appendix 3 to the Main Board Listing Rules**” represents Appendix 3 to *the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* issued by The Stock Exchange of Hong Kong Limited; “**Former Appendix 13D to the Main Board Listing Rules**” represents Part D of Former Appendix 13 to *the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* issued by The Stock Exchange of Hong Kong Limited; and “**Appendix 14 to the Main Board Listing Rules**” represents the *Corporate Governance Code* as set out in Appendix 14 to *the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* issued by The Stock Exchange of Hong Kong Limited.

## Articles of Association of

### China Aluminum International Engineering Corporation Limited

#### Chapter 1 General Provisions

**Article 1** These Articles of Association are formulated in accordance with “The Company Law of the People’s Republic of China” (the “Company Law”), “The Securities Law of the People Republic of China” (the “Securities Law”), “The Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies” (the “Special Regulations”), “The Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas” (the “Mandatory Provisions on The Guidelines on Articles of Association of Listed Companies” (the “Guidelines on Articles”), “The Letter of the Opinion on the Supplemental Amendments to the Articles of Association of Companies to be Listed in Hong Kong”, “The Guiding Opinion regarding the Further Improvement in Corporate Governance Structure of State-Owned Enterprises promulgated by the General Office of the State Council”, “The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” and other relevant national requirements with an aim to safeguard the legal interests of China Aluminum International Engineering Corporation Limited (the Aluminum International Engineering Corporation, as well as to regulate the organization and acts of the Company, and adhere to and strengthen the overall leadership of the Party.

The Company is a joint stock limited company incorporated in accordance with the Company Law, the Securities Law, the Special Regulations, The Constitution of the Chinese Communist Party and other related laws in PRC. As approved by the document entitled “The Reply of Approving the Establishment of China Aluminum International Engineering Corporation Limited” (Guo Zi Gai Ge (2011) No. 597) 《關於設立中鋁國際工程股份有限公司的批覆》) (國資改革(2011) 597號) issued by the State-owned Assets Supervision and Administration Commission of the State Council (“SASAC”) on 30 June 2011, the Company was established by way of promotion and modification, and was registered with the State Administration for Industry and Commerce of the People’s Republic of China on 30 June 2011 to obtain its business license numbered 911100007109323200.

The promoters of the Company include Aluminum Corporation of China (“Chinalco”) and Luoyang Engineering & Research Institute for Nonferrous Metals Processing (“Luoyang Institute”).

Article 1 of the Guidelines

Article 1 of the Mandatory Provisions

Article 2 of the Guidelines

Rule 1(a) of Appendix 13D to the Former Main Board Listing Rules

Guiding Opinions on Deepening the Reform of State-owned Enterprises (Zhong Fa (2015) No.22), Opinions on Adhering to the Party’s Leadership and Strengthening the Construction of the Party in Deepening the Reform of State-owned Enterprises (Zhong Fa (2015) No.44)

**Article 2** Registered names of the Company:

Full name in Chinese: 中鋁國際工程股份有限公司

Abbreviation in Chinese: 中鋁國際

Full name in English: China Aluminum International Engineering Corporation Limited

Abbreviation in English: CHALIECO

**Article 3** Place of domicile of the Company: Building C, No. 99, Xingshikou Road, Haidian District, Beijing, PRC

Postal code: 100093

Tel: 0086-10-82406888

Fax: 0086-10-82406999

**Article 4** The legal representative of the Company is the chairman of the Board of the Company.

Article 81 of the Company Law

Article 2 of Mandatory Provisions

Article 4 of the Guidelines

Article 81 of the Company Law

Article 3 of Mandatory Provisions

Article 5 of the Guidelines

Article 81 of the Company Law

Article 4 of Mandatory Provisions

Article 8 of the Guidelines

**Article 5** The Company is a joint stock limited company in perpetual existence and an independent legal entity.

The assets of the Company shall be divided into shares of equal value. The Company shall undertake its liabilities with all its assets, while the shareholders of the Company shall undertake limited liabilities subject to their respective shares subscribed.

**Article 6** The Company, for the first time, as approved by the China Securities Regulatory Commission in 2012, issued 363 million overseas-listed foreign shares to be subscribed in foreign currency, which were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). As at 2018, the Company, for the first time, as approved by the China Securities Regulatory Commission, issued 295,906,667 ordinary shares to be subscribed in RMB in the PRC, which were listed on Shanghai Stock Exchange (the “Shanghai Stock Exchange”).

The Articles of Association shall be effective from the date of passing the special resolution at the general meeting of the Company, and shall supersede the articles of association previously filed with industry and commerce administration authorities. From the date of the Articles of Association becoming effective, the Articles of Association constitutes a legally binding document regulating the Company’s organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders.

Article 7 of the Guidelines

Article 5 of Mandatory Provisions

Article 3 of the Company Law

Article 9 of the Guidelines

Article 11 of the Company Law

Article 6 of Mandatory Provisions

Article 10 of the Guidelines

**Article 7** The Articles of Association are binding on the Company and its shareholders, members of the Party Committee, directors, supervisors and senior management officers; the aforementioned person(s) may assert claims in respect of the Company's affairs pursuant to the Articles of Association.

Pursuant to the Articles of Association, shareholders may institute legal proceedings against the Company; the Company may institute legal proceedings against shareholders, directors, supervisors, and senior management officers; shareholders may also institute legal proceedings against shareholders; and shareholders may institute legal proceedings against the directors, supervisors, and senior management officers of the Company.

"Legal proceedings" referred to in the preceding paragraph include any legal action brought to a court or any arbitration application submitted to an arbitration institution.

**Article 8** The Company may invest in other limited liability companies or joint stock limited companies, and shall be liable to such investee companies according to its capital contribution.

Unless otherwise stipulated by law, the Company shall not become a capital contributor that shall bear joint liabilities for the debts of its investee.

**Article 9** In accordance with the requirements of the Constitution of the Communist Party of China (《中國共產黨章程》) and the Regulations on the Work of Basic Organizations of the State-owned Enterprises of the Communist Party of China (Trial) (《中國共產黨國有企業基層組織工作條例（試行）》), the Company shall establish a Communist Party of China organization to carry out the activities of the Party, set up a working organ for the Party, allocate sufficient staff to deal with Party affairs and guarantee sufficient funds to operate the Party organization.

**Article 10** The Company adheres to the rule of law, and strives to build a law-abiding company with sound governance, operational compliance, management discipline, law-abiding and integrity.

**Article 11** In conducting business activities, on the basis of complying with laws and regulations, the Company shall fully consider the interests of stakeholders such as employees and consumers as well as social and public interests such as ecological and environmental protection in order to bear social responsibilities.

Article 7 of the  
Mandatory  
Provisions

Article 10 of the  
Guidelines

Article 8 of the  
Mandatory  
Provisions



**Article 12** “Senior management officers” referred to in the Articles of Association include the general manager, the vice general manager, chief financial officer, chief legal adviser and secretary of the Board of the Company.

Article 217 of the Company Law

Article 11 of the Guidelines

## Chapter 2 Business Objectives and Scope

**Article 13** The business objectives of the Company are: to develop the EPC business driven by advanced technology and leading design; to leverage engineering construction for the upstream and downstream extension of the production chain and to lead the equipment manufacturing business; to selectively develop emerging industries such as energy conservation and environmental protection and new materials, to develop a new driver of profit growth; and to develop the Company into a globally competitive conglomerate providing industrial technology services on nonferrous metals and related industries.

Article 9 of the Mandatory Provisions

Article 13 of the Guidelines

**Article 14** The Company’s business scope covers the following operations:

Article 81 of the Company Law

Licensed operations: dispatching workers required to undertake overseas projects. General operations: industrial and special planning; the survey, design, consultancy, supervision and EPC services of domestic projects, and the sales of equipment and materials; undertaking overseas nonferrous metal projects and the domestic projects of international tendering; undertaking the survey, consultancy, design and supervision of the aforesaid overseas projects; import and export business; undertaking technical research and development, production and sales of products for such industries as equipment manufacturing, energy conservation and environmental protection, and new materials; property management.

Article 10 of the Mandatory Provisions

Article 14 of the Guidelines

The aforementioned business scope is subject to the approval by company registration authorities.

The Company may, based on the changes in domestic and international markets, business development and its own capability, adjust the business scope and undergo business registration procedures for such changes according to relevant regulations.

### Chapter 3 Shares and Registered Capital

**Article 15** The Company shall have ordinary shares at all times. The Company may create other classes of shares, according to its needs and subject to the approval by company approval departments authorized by the State Council.

Article 11 of the Mandatory Provisions

Rule 9 of Appendix 3 to the Former Main Board Listing Rules

**Article 16** The shares of the Company are in form of stock. All the shares issued by the Company shall have a par value of RMB1 per share.

Article 12 of the Mandatory Provisions

“RMB” referred to in the preceding paragraph represents the lawful currency of the PRC.

Articles 15 and 17 of the Guidelines

**Article 17** The Company shall issue its shares in the principle of openness, fairness and impartiality, with equal right attached to each share of the same class.

Article 126 of the Company Law

For the shares of the same class under one issuance, their terms and issue price shall be the same; and the same price shall be paid for each share subscribed by any institution or individual.

Articles 16 and 31 of the Guidelines

Domestic shares and foreign shares issued by the Company are entitled to the same rights in dividend or any distribution of any form.

Rule 9 of Appendix 3 to the Former Main Board Listing Rules

**Article 18** Subject to the approval by competent securities regulatory authorities of the State Council, the Company may issue shares to domestic investors and overseas investors.

“Overseas investors” referred to in the preceding paragraph represent the investors located in foreign countries, and in the regions of Hong Kong, Macau and Taiwan, who subscribe for the shares issued by the Company. “Domestic investors” represent the investors located in the PRC, excluding the regions mentioned above, who subscribe for the shares issued by the Company.

Article 13 of the Mandatory Provisions

**Article 19** The shares issued by the Company to domestic investors for subscription in RMB are referred to as domestic shares. The shares issued by the Company to overseas investors for subscription in foreign currencies are referred to as foreign shares. Domestic shares listed in the PRC are referred to as onshore listed domestic shares. The foreign shares that are listed overseas are referred to as overseas-listed foreign shares.

Both the shareholders of domestic shares and those of foreign shares are shareholders of ordinary shares, with the same rights and obligations.

“Foreign currencies” referred to in the preceding paragraph represent the lawful currencies (other than RMB) of other countries or regions that are recognised by the national foreign exchange authorities and can be used to pay for the shares of the Company.

**Article 20** The foreign shares issued by the Company and listed in Hong Kong are referred to as H shares. H shares represent the shares approved to be listed on the Hong Kong Stock Exchange, the par value of which are denominated in RMB, and which are subscribed for and traded in Hong Kong dollars.

Onshore listed domestic shares issued by the Company are centrally deposited under China Securities Depository and Clearing Corporation Limited.

H shares of the Company are primarily held in custody in the central securities depository under Hong Kong Securities Clearing Company Limited, and such shares may also be held in the names of the shareholders.

**Article 21** As approved by the approval department authorized by the State Council, the Company issued 2,300 million ordinary shares to its promoters upon its establishment. All these shares were subscribed for and held by the promoters of the Company.

Article 14 of the  
Mandatory  
Provisions

Articles 18 of the  
Guidelines

Article 15 of the  
Mandatory  
Provisions

Article 19 of the  
Guidelines

Article 81 (4) (5)  
of the Company  
Law

**Article 22** Upon its establishment and as approved by the competent securities regulatory authorities of the State Council, the Company initially issued 363,160,000 overseas-listed foreign shares in 2012. Subsequent to the completion of the above issuance, the shareholding structure of the Company is as follows: 2,176,758,534 shares held by Chinalco, representing 81.74% of the total share capital; 86,925,466 shares held by Luoyang Institute, representing 3.26% of the total share capital; 36,316,000 shares held by the National Council for Social Security Fund of the PRC, representing 1.36% of the total share capital; and 363,160,000 shares held by shareholders of the overseas-listed foreign shares, representing 13.64% of the total share capital.

With the approval from the China Securities Regulatory Commission, the Company issued 295,906,667 onshore listed domestic shares (referred to as A shares) under the initial public offering in 2018. As of the date of completion of the issue of A shares, the structure of share capital of the Company was: as to 2,176,758,534 shares were held by Chinalco, representing 73.56%; as to 86,925,466 shares held by Luoyang Institute, representing 2.94%; as to 399,476,000 shares held by shareholders of overseas-listed H shares, representing 13.50%; and as to 295,906,667 shares held by the shareholders of onshore listed domestic shares (excluding Chinalco and Luoyang Institute), representing 10.00%.

The registered capital of the Company upon establishment was RMB2,300,000,000. After completion of the issue of the aforesaid shares, the registered capital of the Company changed to RMB2,959,066,667.

**Article 23** The Company's proposals for the issuance of overseas-listed foreign shares and domestic shares, upon approval by the competent securities regulatory authorities of the State Council, may be implemented by the Board of the Company through separate offerings.

The Company may implement its proposals for issuance of overseas-listed foreign shares and domestic shares respectively pursuant to the preceding paragraph, within 15 months from the date of approval by the competent securities regulatory authorities of the State Council.

**Article 24** Where the Company issues overseas-listed foreign shares and domestic shares respectively within the total number of shares stated in the issuance proposals, such shares shall be fully subscribed at one time respectively. If the shares cannot be fully subscribed at one time under special circumstances, the shares may be issued in separate tranches subject to the approval by the competent securities regulatory authorities of the State Council.

Articles 16 and 19 of the Mandatory Provisions

Articles 6 and 20 of the Guidelines

Rule 9 of Appendix 3 to the Former Main Board Listing Rules

Article 81 (4) of the Company Law

Article 17 of the Mandatory Provisions

Article 18 of the Mandatory Provisions

**Article 25** Unless otherwise provided by national laws, administrative regulations and relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed, the shares of the Company are freely transferable and are not subject to any lien. For the foreign shares listed in Hong Kong, their transfer shall be registered with the share registrar in Hong Kong entrusted by the Company.

Article 21 of the Mandatory Provisions

Article 27 of the Guidelines

Rule 1(2) of Appendix 3 to the Former Main Board Listing Rules

Articles 138 and 142 of the Company Law

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

**Article 26** The Company may, based on its needs in operation and development and pursuant to laws, regulations and the Articles of Association, adopt the following approaches to increase its capital by way of special resolution(s) at the shareholder's general meeting:

- (1) public offer shares;
- (2) non-public offer shares;
- (3) distributing bonus shares to its existing shareholders;
- (4) transferring capital reserve fund into share capital;
- (5) any other means stipulated by laws and administrative regulations and approved by relevant regulatory authorities.

Article 20 of the Mandatory Provisions

Article 22 of the Guidelines

The Company's increase of capital by issuing new shares shall, upon approval in accordance with the provisions of the Articles of Association, take place in accordance with the procedures stipulated by relevant national laws and administrative regulations.

**Article 27** The Company may sell the shares of an untraceable shareholder and retain the proceeds therefrom, if:

- (1) no one claims the dividend within 12 years during which there are at least three times of dividend distribution in respect of the shares concerned; and
- (2) Upon expiry of the 12-year period, the Company shall give a notice of its intention to sell the shares by way of an advertisement in newspapers upon approval by the securities authority of the State Council, and notify such securities authority and the relevant overseas stock exchanges and the relevant securities regulatory authorities in such places where the Company's shares are listed.

Rule 13(2) of Appendix 3 to the Former Main Board Listing Rules

**Article 28** Pursuant to the provisions of the Articles of Association, the Company may reduce its registered capital. Such reduction shall take place in accordance with the procedures stipulated in the Company Law, any other relevant regulations, and the Articles of Association.

Article 22 of the  
Mandatory  
Provisions

Article 23 of the  
Guidelines

**Article 29** When reducing its registered capital, the Company shall prepare a balance sheets and a list of assets.

Article 177 of  
the Guidelines

Article 23 of the  
Mandatory  
Provisions

Article 177 of  
the Company  
Law

The Company shall notify its creditors within 10 days from the date of the Company's resolution for reduction of registered capital and shall publish an announcement in newspaper within 30 days from the date of the resolution. A creditor has the right to demand the Company to settle its debts or provide a corresponding guarantee for such debts within 30 days from the date of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within 45 days from the date of the announcement.

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

**Article 30** Given the following circumstances, the Company may repurchase its shares according to laws, administrative regulations, the Listing Rules of the Hong Kong Stock Exchange, departmental rules and the Articles of Association after reporting such repurchase to competent national authorities for approval:

- (1) reducing its registered capital;
- (2) merging with another company that holds shares in the Company;
- (3) granting shares for the purpose of employee stock ownership scheme or as equity incentives;
- (4) a shareholder requests the Company to purchase his/her shares, as he/she objects to a resolution on the merger or division of the Company adopted at a shareholders' general meeting;
- (5) using the shares for conversion of corporate bonds which are convertible into shares issued by the listed company;
- (6) such circumstances that are necessary for the Company to safeguard its value and the interests of its shareholders;
- (7) other circumstances permitted by laws and administrative regulations.

Article 24 of the  
Mandatory  
Provisions

Article 24 of the  
Guidelines

Clause 1 of  
Article 142 of  
the Company  
Law

Otherwise, the Company shall not acquire its shares.

**Article 31** The Company may repurchase its shares in one of the following approaches, subject to the approval by competent national authorities:

- (1) making a general offer to all of its shareholders for the repurchase of shares on a pro rata basis;
- (2) repurchasing shares through public dealing on a stock exchange;
- (3) repurchasing shares by an off-market agreement outside a stock exchange.
- (4) other means as approved by laws and regulations and CSRC.

Where the Company repurchases its shares under the circumstances as stated in subparagraphs (3), (5) and (6) of the first paragraph of Article 30 of the Articles of Association, it shall be conducted through open and centralized trading.

**Article 32** Where the Company repurchases its shares by means of agreements outside stock exchanges, the prior approval of shareholders at a general meeting shall be obtained in accordance with the Articles of Association. The Company may rescind or vary the contract it has so entered into or waive its rights under a contract with the prior approval of shareholders' general meeting obtained in the same manner.

The share repurchase contract referred to in the preceding paragraph includes an agreement to become obliged to repurchase or acquire the right to repurchase the shares of the Company.

The contract to repurchase its shares or any rights provided therein shall not be assigned by the Company.

**Article 33** Where the Company repurchases its shares under the circumstances as stated in subparagraphs (1) and (2) of the first paragraph of Article 30 of the Articles of Association, such actions shall be approved by way of resolution at the general meeting; where the Company repurchases its shares under the circumstances as stated in subparagraphs (3), (5) and (6) of the first paragraph of Article 30 of the Articles of Association, such actions shall be authorized at the general meeting and approved by way of resolution at the board meeting attended by more than two-thirds of the directors.

Article 25 of the  
Mandatory  
Provisions

Article 25 of the  
Guidelines

Article 26 of the  
Mandatory  
Provisions

Article 26 of the  
Guidelines

Clause 2 of  
Article 142 of  
the Company  
Law

**Article 34** In respect of the redeemable shares that the Company has the right to repurchase, their prices shall be limited to a certain cap, if such shares are not repurchased from the market or by way of tender. In case of repurchase by tender, the tender shall be offered to all the shareholders on equal conditions.

Rule 8(1)(2) of Appendix 3 to the Former Main Board Listing Rules

**Article 35** Where the Company lawfully repurchases its shares under to the circumstance as stated in Article 30(1) of the Articles of Association, such shares shall be cancelled within 10 days from the date of repurchase; should the circumstance fall within the scope of Article 30(2) and (4), such shares shall be transferred or cancelled within 6 months thereafter; should the circumstance fall within Article 30(3), (5) and (6), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within 3 years.

Article 27 of the Mandatory Provisions

Article 26 of the Guidelines

Clauses 2, 3 of Article 142 of the Company Law

After cancelling the repurchased shares lawfully, the Company shall apply to its original registration authority to register the change of its registered capital and issue an announcement accordingly.

Rule 10.06 of the Main Board Listing Rules

The aggregate par value of the cancelled shares shall be deducted from the registered capital of the Company.

The repurchase of overseas listed foreign shares of the Company shall comply with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant regulatory requirements of the place where the Company is listed.

**Article 36** The Company shall not accept any of its shares as the subject of pledge.

Clause 4 of Article 142 of the Company Law

Article 28 of the Guidelines

**Article 37** Unless the Company is in the course of liquidation, it shall comply with the following provisions in relation to the repurchase of its issued shares:

- (1) where the Company repurchases its shares at par value, payment shall be deducted from the book surplus distributable profits of the Company or from the proceeds of a fresh issue of shares made for that purpose;



Article 28 of  
the Mandatory  
Provisions

- (2) where the Company repurchases its shares at a premium to par value, the payment up to the par value shall be deducted from the book surplus distributable profits of the Company or from the proceeds of a fresh issue of shares made for that purpose. The payment of the portion in excess of the par value shall be effected as follows:
1. if the repurchased shares were issued at par value, payment shall be deducted from the book surplus distributable profits of the Company;
  2. if the repurchased shares were issued at a premium to par value, payment shall be deducted from the book surplus distributable profits of the Company or from the proceeds of a fresh issue of shares made for that purpose, provided that the amount deducted from the proceeds of the fresh issue shall not exceed the aggregate premiums received from the issue of the repurchased shares and the amount of the Company's share premium account (or capital reserve fund account, including the premiums on the fresh issue) at the time of the repurchase;
- (3) as for the following purposes, the Company shall make payments with its distributable profits:
1. acquiring the rights to repurchase its shares;
  2. varying the contract(s) to repurchase its shares;
  3. discharging any of its obligations under the contract(s) to repurchase its shares.
- (4) after the total par value of the cancelled shares is deducted from the Company's registered capital in accordance with relevant provisions, the amount deducted from the distributable profits for payment of the par value portion of the repurchased shares shall be included in the Company's share premium account (or capital reserve fund account).

## Chapter 5 Financial Assistance for the Purchase of Shares of the Company

**Article 38** The Company or its subsidiaries shall not by any means including gifts, advance payment, guarantees, compensation, or loan at any time, offer any financial assistance to a person who is acquiring or is proposing to acquire the shares of the Company. The said acquirers of shares include those who directly or indirectly incur obligations due to the acquisition of the shares of the Company.

Article 29 of the  
Mandatory  
Provisions

The Company or its subsidiaries shall not, by any means at any time, offer financial assistance to the said acquirer for the purpose of reducing or discharging the acquirer's obligations.

Article 21 of the  
Guidelines

This Article is not applicable to the circumstances referred to in Article 40 in the Articles of Association.

**Article 39** "Financial assistance" referred to in this chapter includes (without limitation to) the following means:

- (1) gifts;
- (2) guarantees (including the assumption of liability by the guarantor or providing assets by the guarantor to secure the obligor's performance of obligations), compensation (other than compensation arising from the Company's own default) or release or waiver of any rights;
- (3) provision of loans or entering into other contracts under which the Company shall fulfill the obligations prior to other parties, and changes in the parties to the said loans or contracts, or the assignment of rights under such loans or contracts; and
- (4) any other form of financial assistance provided by the Company in the event that the Company is insolvent, possesses no net assets, or its net assets would thereby be reduced to a material extent.

Article 30 of the  
Mandatory  
Provisions

"Incur obligations" referred to in this chapter include the incurrence of obligations by the changes in the obligor's financial position due to entering into contracts or arrangements (whether enforceable or not, and whether such obligations are to be born on its own account or with any other persons), or by any other means.

**Article 40** The following activities are not deemed to be prohibited activities as prescribed in Article 38 of the Articles of Association:

- (1) the Company's provision of relevant financial assistance is in good faith, in the interest of the Company, and not mainly for the purpose of acquiring the shares of the Company, or the provision of such financial assistance is an incidental part of an overall plan of the Company;
- (2) the lawful distribution of the Company's assets as dividends;
- (3) distribution of dividends in the form of shares;
- (4) inter alias, a reduction of registered capital, repurchase of shares or reorganization of the equity structure, effected in accordance with the Articles of Association;
- (5) the Company's provision of loans for its normal operations within its scope of business (provided that the net assets of the Company are not thereby reduced or that, to the extent that they are thereby reduced, the financial assistance is provided out of the Company's distributable profits); and
- (6) the Company's provision of funds for the staff and workers' share ownership schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that they are thereby reduced, the financial assistance is provided out of the Company's distributable profits).

Article 31 of the  
Mandatory  
Provisions

## Chapter 6 Share Certificates and Register of Shareholders

**Article 41** The share certificates of the Company shall be in registered form.

In addition to the matters required by the Company Law, the share certificates of the Company shall state other matters as required by the stock exchange on which the shares of the Company are listed.

During the period when H shares are listed on the Hong Kong Stock Exchange, the Company shall ensure all the title documents of its securities listed on the Hong Kong Stock Exchange (including H share certificates) contain the following statements at all times:

- (1) The share purchasers agree with the Company and each of the shareholders, and the Company agrees with each of the shareholders to observe and comply with the requirements of the Company Law and other relevant laws, administrative regulations, the Special Regulations and the Articles of Association;
- (2) The share purchasers agree with the Company, each of the shareholders, directors, supervisors and senior management officers of the Company, and the Company acting on its own behalf and for the benefit of each director, supervisor and senior management officer shall agree with each shareholder, that all the disputes or claims arising from the Articles of Association or from the rights or obligations stipulated in the Company Law or other relevant laws or administrative regulations in relation to the affairs of the Company shall be referred to arbitration in accordance with the Articles of Association. Any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award, which shall be final and conclusive;
- (3) The share purchasers agree with the Company and each of the shareholders that the shares of the Company may be freely transferred by the holder thereof;
- (4) The share purchasers authorize the Company to enter into contracts on their behalf with each of the directors and senior management officers. Pursuant to such contracts, the directors and senior management officers undertake to observe and fulfill their responsibilities to the shareholders under the Articles of Association.

Article 32 of  
the Mandatory  
Provisions

Rule 19A.52  
of the Former  
Main Board  
Listing Rules

The Company shall instruct and procure its share registrar not to register the subscription, purchase or transfer of shares in the name of any individual shareholder unless and until such shareholders deliver to the share registrar a duly signed form in respect of such shares which shall include the aforesaid statements.

**Article 42** The shares of the Company may be transferred, donated, inherited and pledged in accordance with the requirements of relevant laws, administrative regulations and the Articles of Association. The transfer documents and other documents in respect of share ownership shall be registered at the share registrar entrusted by the Company.

**Article 43** The share certificates shall be signed by the chairman of the Board. Where the stock exchange on which the shares of the Company are listed requires the share certificates to be signed by the general manager and other senior management officers of the Company, the share certificates shall also be signed by such officers. The share certificates shall be effective after being affixed or affixed by way of printing with the seal of the Company. The share certificates shall only be affixed or printed with the company seal under the authorization of the Board. The signatures of the chairman of the Board, general manager or other relevant senior management officers on the share certificates may also be in printed form.

Should the Company's shares be issued and traded in scripless form, separate stipulations by the securities regulatory authority and the stock exchange at the place where such shares are listed shall apply.

Rule 1(1) of Appendix 3 to the Former Main Board Listing Rules

Article 33 of the Mandatory Provisions

Article 1 of the Supplemental Letter of Opinion

Rule 2(1) of Appendix 3 to the Former Main Board Listing Rules

**Article 44** The Company shall keep a register of shareholders containing the following particulars:

- (1) the name, address (place of domicile), occupation or nature of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the amount paid-up or payable in respect of the shares held by each shareholder;
- (4) the serial numbers of the shares held by each shareholder;
- (5) the date on which each shareholder was registered as a shareholder;
- (6) the date on which any shareholder ceased to be a shareholder.

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

**Article 45** Subject to compliance with the Articles of Association and other applicable requirements and upon transfer of the Company's shares, the transferees of the shares will become the holders of such shares with their names being entered in the register of shareholders.

All the acts or transfers of overseas-listed foreign shares will be recorded in the register of shareholders of overseas-listed foreign shares, which is kept in the place where such shares are listed pursuant to Article 46 of the Articles of Association.

Where two or more persons are registered as the joint shareholders of any share, they shall be deemed to be the joint owners of such shares, subject to the following terms:

- (1) where authority is granted to limit the number of shareholders in a joint account, the Company does not need to register more than four persons as the joint holders for any shares;
- (2) all the joint holders of any share shall jointly or severally assume the liability to pay all the payables for relevant shares;
- (3) given the decease of one of the joint shareholders, the

Article 34 of the  
Mandatory  
Provisions

Article 31 of  
the Guidelines

Rule 1(1) of  
Appendix 3 to  
the Former  
Main Board  
Listing Rules

Rule 1(3) of  
Appendix 3 to  
the Former  
Main Board  
Listing Rules

Company shall deem only the surviving joint shareholder(s) as the owner(s) of relevant shares. Nevertheless, the Board has the right to demand a death certificate of such shareholders where it deems appropriate, regarding the amendments to the register of shareholders; and

- (4) in respect of joint holders of any shares, any of the joint holders is entitled to attend the Company's general meetings or exercise the voting rights in respect of such shares (whether in person or by proxy). If more than one joint holder attends the general meeting in person or by proxy, only the joint holder whose name appears first in the register of shareholders is entitled to vote in respect of such shares.

**Article 46** The Company may keep its original register of shareholders of overseas-listed foreign shares outside the PRC and appoint overseas agent institution(s) to manage the register, in accordance with the mutual understandings and agreements between the competent securities regulatory authorities of the State Council and overseas securities regulatory authorities. The original register of shareholders of foreign shares listed in Hong Kong shall be maintained in Hong Kong. The Company shall maintain a copy of the register of shareholders at its place of domicile. The appointed overseas agent(s) shall ensure the consistency between the original and the copy of the register at all times.

If there is any inconsistency between the original and the copy of the overseas-listed foreign register, the original shall prevail.

Article 35 of the  
Mandatory  
Provisions

Article 2 of the  
Supplemental  
Letter of  
Opinion

Rule 1(b) of  
Appendix 13D to  
the Former Main  
Board Listing  
Rules

**Article 47** The Company shall maintain a complete register of shareholders. Such a register shall include the following parts:

- (1) the register of shareholders which is maintained at the Company's place of domicile (other than the registers of shareholders described in paragraphs (2) and (3) of this Article);
- (2) the register of shareholders in respect of overseas-listed foreign shares of the Company, which is maintained at the place where the overseas stock exchange (on which the shares are listed) is located;
- (3) the register of shareholders which is maintained in such other place as the Board may consider necessary for the purpose of the listing of the Company's shares.

**Article 48** There shall be no overlap between different parts of the register of shareholders. No transfer of the shares registered in one part of the register shall, during the existence of share registration, be registered in other parts of the register.

Alteration or rectification of each part of the register of shareholders shall take place in accordance with the laws of the place where that part of the register is maintained.

Article 36 of the  
Mandatory  
Provisions

Article 37 of the  
Mandatory  
Provisions



**Article 49** All the transfers of overseas-listed foreign shares shall be executed with a written transfer instrument in a common format or any other format acceptable to the Board. The instrument may be signed by handwriting, without seal. If the transferor or transferee of the shares of the Company is a recognized clearing house (“Recognized Clearing House”) or its nominee as defined in the laws of Hong Kong, a written transfer instrument may be signed in a machine-printed form.

The paid-up overseas-listed foreign shares listed in Hong Kong are freely transferable pursuant to this Article. The Board may refuse to recognize any instrument of transfer without explanation, unless such transfer meets the following conditions:

- (1) the instrument of transfer and other documents relating to or which may affect the transfer of ownership of such shares shall be registered, with a fee that shall not exceed the cap as prescribed from time to time by the Hong Kong Stock Exchange in the Listing Rules;
- (2) the instrument of transfer solely involves the foreign shares listed in Hong Kong;
- (3) the stamp duties payable on the instruments of transfer have been paid;
- (4) the relevant share certificates shall be provided, together with such evidence as reasonably required by the Board to prove that the transferor has the right to transfer such shares;
- (5) if the shares are intended to be transferred to joint shareholders, the number of such joint shareholders shall not exceed 4;
- (6) the Company has not created any lien over relevant shares; and
- (7) no shares shall be transferred to minors or mentally incompetent or other legally incapable persons.

If the Company refuses to register any transfer of shares, the Company shall provide the transferor and transferee with a notice of refusal to register such transfer, within two months from the formal application for such transfer.

Article 12 of the Supplemental Letter of Opinion

Rule 1(1)(2)(3) of Appendix 3 to the Former Main Board Listing Rules

Article 142 of the Company Law

**Article 50** Shares of the Company held by the promoters may not be transferred within one year after the Company's establishment. Shares in issue of the Company before public offering may not be transferred within one year from the date on which the shares of the Company were listed and trading on Stock Exchange.

The directors, supervisors and senior management officers of the Company shall report to the Company their number of shares held in the Company and the subsequent changes in their shareholdings. The number of shares that such persons may transfer every year during their terms of office shall not exceed 25% of the total number of the Company's shares in his/her possession, except if the number of shares held is lower than 1000. Shares of the Company held may not be transferred within one year from the date on which the shares of the Company were listed and trading. Such personnel shall not transfer the Company's shares in their possession within half a year after they terminate their employment with the Company.

Where any director, supervisor, senior management of the Company and shareholders holding 5% or above of the Company's shares sell his/her shares or other securities of an equity nature within six months after their purchase, or repurchase shares in the Company within six months after their disposal, the gains so earned shall belong to the Company. The Board shall demand such gains for the benefit of the Company, except where a securities company holding 5% or more of the Company's shares as a result of its underwriting of the untaken shares in an offer, as well as and in other circumstances as prescribed by the securities regulatory authority of the State Council.

The shares or other securities of an equity nature held by directors, supervisors, senior management or natural shareholders referred to in the preceding paragraph include shares or other securities of an equity nature held by their spouses, parents or children and those held using the accounts of others.

In the event that the Board of the Company fails to enforce the requirement in accordance with the preceding paragraph, the shareholders are entitled to demand enforcement by the Board within 30 days. In the event that the Board of the Company fails to enforce the requirement within the said period, the shareholders are entitled to initiate litigation before the People's Court for the interests of the Company's in its own name.

Article 142 of the Company Law

Article 29 of the Guidelines

Article 5 of Rules Governing the Holding of Shares in the Company by Directors, Supervisors and Senior Management of Listed Companies and Changes Thereof

Article 44 of the Securities Law (2019 Revision)

Article 30 of the Guidelines

In the event that the Board of the Company fails to enforce the requirements in accordance with the Clause 3 of the Articles of Association, responsible directors shall be jointly and severally liable in accordance with the law.

**Article 51** Upon the approval from the securities regulatory authorities of the State Council, the shareholders of the Company's domestic shares can transfer their shares to overseas investors, and have the shares listed and traded overseas. The transferred shares that are listed and traded on an overseas stock exchange are also subject to the regulatory procedures, regulations and requirements of the overseas securities market. The Company does not need to convene a class meeting to vote on the listing and trading of the transferred shares on overseas stock exchanges.

**Article 52** No changes in the register of shareholders due to the transfer of shares may be registered within 30 days before the date of a general meeting or within 5 days before the record date of the Company's decision on distribution of dividends. Where otherwise provided in laws, administrative regulations, departmental rules, regulatory documents and requirements of relevant stock exchanges or regulatory authorities at the place where the shares of the Company are listed, such provisions shall prevail.

**Article 53** When the Company convenes a general meeting, distributes dividends, enters into liquidation and engages in other activities that involve determination of shareholders, the Board or convener of the general meetings shall designate a date to be the record date. Shareholders whose names appear in the register of members at the closing of the market on the record date shall be the shareholders of the Company who are entitled to such rights.

**Article 54** Any person who objects to the register of shareholders and requests to have his/her name (title) entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.

Article 38 of the  
Mandatory  
Provisions

Article 39 of the  
Mandatory  
Provisions

Article 32 of the  
Guidelines

Article 40 of the  
Mandatory  
Provisions

**Article 55** Any shareholder who is registered in or any person requests to have his/her name (title) entered in the register of shareholders may apply to the Company for replacement share certificates in respect of such shares (the “Relevant Shares”) whose share certificates (the “Original Certificates”) are lost.

If a holder of domestic shares loses his/her share certificate and applies for a replacement share certificate, it shall be dealt with in accordance with relevant provisions under the Company Law.

If a holder of overseas-listed foreign shares loses his/her share certificate and applies for a replacement share certificate, the application may be processed in accordance with the laws, the rules of the stock exchange and other relevant regulations of the place where the original register of holders of overseas-listed foreign shares is maintained.

If a holder of H shares loses his/her share certificate and applies for a replacement share certificate, the application shall be in compliance with the following requirements:

- (1) the applicant shall submit an application to the Company in the standard form prescribed by the Company, accompanied by a notarial certificate or statutory declaration specifying the grounds for the application, the circumstances and evidence of the loss of the share certificate, and a declaration that no other person is entitled to register as the shareholder in respect of the Relevant Shares.
- (2) before deciding to issue a replacement share certificate, the Company has not received a declaration from any person (other than the applicant) requesting to register as a shareholder in respect of such shares.
- (3) if it decides to issue a replacement share certificate to the applicant, the Company shall publish an announcement of its intention to issue the replacement share certificate in such newspapers as designated by the Board; the announcement shall be published at least once every 30 days for a period of 90 days. The Board shall designate at least one Chinese and English newspaper recognized by the Hong Kong Stock Exchange, for such publication.
- (4) prior to the publication of its intention to issue a replacement share certificate, the Company shall submit to the Hong Kong Stock Exchange a copy of the announcement to be published. The Company may publish the announcement upon receiving the confirmation from the Hong Kong Stock Exchange that the announcement has been displayed at the premises of the Stock Exchange. The announcement shall be displayed at the

Article 41 of the  
Mandatory  
Provisions

aforementioned premises for a period of 90 days. Should an application to issue a replacement share certificate be made without the consent of the registered holder of the Relevant Shares, the Company shall dispatch a copy of the announcement to be published to such registered shareholders by post.

- (5) the Company may issue a replacement share certificate to the applicant, if no objection is received from any person in relation to the issuance of replacement share certificates upon the expiry of the 90-day period of announcement and display referred to in paragraphs (3) and (4) of the Articles of Association.
- (6) when issuing a replacement share certificate in accordance with the Articles of Association, the Company shall forthwith cancel the Original Certificate and record the cancellation and replacement matters in the register of shareholders.

The applicant shall bear all the expenses relating to the Company's cancellation of an Original Certificate and issuance of a replacement share certificate. The Company may refuse to take any

**Article 56** After the Company issues a replacement share certificate pursuant to the Articles of Association, the name (title) of a bona fide purchaser who obtains the aforementioned new share certificate or a shareholder who subsequently registers as the owner of such shares (if he/she is a bona fide purchaser) shall not be removed from the register of shareholders.

**Article 57** The Company has no obligation to compensate any person for any damages arising from the cancellation of the Original Certificate or the issuance of a replacement share certificate, unless the person concerned can prove that the Company has committed a fraudulent act.

Article 42 of the  
Mandatory  
Provisions

Article 43 of the  
Mandatory  
Provisions

## Chapter 7 Shareholders' Rights and Obligations

**Article 58** A shareholder of the Company is a person who lawfully holds the shares of the Company and has his/her name (title) recorded in the register of shareholders.

A shareholder shall enjoy rights and assume obligations according to the class and number of shares he/she holds. Those who hold the same class of shares shall enjoy equal rights and assume the same type of obligations.

All classes of shareholders of the Company shall have equal rights in any profit distribution in the form of a dividend or any other forms.

Where legal persons serve as the shareholders of the Company, their legal representatives or the nominees of their legal representatives shall exercise relevant rights on their behalf.

The Company shall not exercise its rights to freeze or otherwise prejudice the rights attached to the shares, merely on the ground that the shareholders with direct or indirect interests have not disclosed such interests to the Company.

Article 44 of the  
Mandatory  
Provisions

Rule 9 of  
Appendix 3 to  
the Former  
Main Board  
Listing Rules

Rule 12 of  
Appendix 3 to  
the Former Main  
Board Listing  
Rules

Article 31 of the  
Guidelines

**Article 59** The shareholders of the Company are entitled to the following rights:

- (1) the right to receive dividends and other distributions in proportion to the number of shares held;
- (2) the right to request, convene, chair, attend and vote in person or appoint a proxy to attend, speak at general meetings, and vote on their behalf at general meetings in proportion to the number of shares held according to law;
- (3) the right of supervision and management over the Company's business operations, and the rights to raise proposals or make enquiries;
- (4) the right to transfer, donate or pledge the shares he/she holds in accordance with laws, administrative regulations and the provisions of the Articles of Association;
- (5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, such information including:
  1. the right to obtain a copy of the Articles of Association at a reasonable cost;
  2. the right to inspection and photocopying at a reasonable cost:
    - (1) a copy of the register of shareholders of all classes;
    - (2) the personal particulars of the Company's directors, supervisors, the general manager and other senior management officers, including:
      - a. present and previous names and alias;
      - b. principal address (place of domicile);
      - c. nationality;
      - d. primary and all part-time occupations and duties; and
      - e. identification documents and their numbers.
    - (3) a report of the Company's issued share capital;
    - (4) the latest audited financial statements and the reports of directors, auditors and supervisors of the Company;
    - (5) special resolutions of the Company;
    - (6) reports indicating the aggregate par value, quantity, maximum and minimum prices of each class of shares repurchased by the Company since the end

Article 45 of the Mandatory Provisions

Article 33 of the Guidelines

Article 97 of the Company Law

Rule 19A.50 of the Former Main Board Listing Rules

Clause 2 of Article 102 of the Company Law

of the last financial year and the aggregate amount paid by the Company for this purpose (with a breakdown between domestic shares and foreign shares);

- (7) minutes of shareholders' general meetings, resolutions of Board meetings, and resolutions of Board of Supervisors meetings;
- (8) corporate bond counterfoils;
- (9) the latest audited financial statements and the reports of directors, auditors and supervisors of the Company;
- (10) a copy of the latest annual report that has been filed with the State Administration for Industry & Commerce of the People's Republic of China or other competent authorities.

The Company shall make the abovementioned documents available at its place of domicile and its place of business in Hong Kong, for free inspection by the public and overseas-listed foreign shareholders.

- (6) the right to participate in the distribution of remaining assets of the Company in accordance with the number of shares held, when the Company is terminated or liquidated;
- (7) the right to request the Company to acquire the shares held by the shareholders who hold a different view from the resolution of the general meeting on the merger or division of the Company;
- (8) the right to propose a provisional motion and submit it to the Board in writing 10 days before the date of the shareholders' general meeting, should such shareholders individually or jointly hold more than 3% of the Company's shares;
- (9) other rights conferred by laws, administrative regulations, departmental rules or the Articles of Association.

If any shareholder requests to access or obtain the related information mentioned above in the Articles of Association, he/she should provide to the Company a written document evidencing the type and number of shares of the Company, and the Company shall provide the related information at his/her request after verifying his identity.

Article 34 of the  
Guidelines



**Article 60** If a resolution passed at the Company's general meeting or board meeting violates the laws or administrative regulations, the shareholders shall have the right to plead to the People's Court to render the same invalid.

If the procedures for convening, or the method of voting at, a shareholders' general meeting or board meeting violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders shall have the right to plead to the People's Court to rescind such resolutions within 60 days from the date on which such resolution is adopted.

**Article 61** Where the Company incurs losses as a result of Directors' and senior management's violation of the laws, administrative regulations or the Articles of Association in the course of performing their duties with the Company, shareholders individually or jointly holding 1% or more of the Company's shares for more than 180 consecutive days shall be entitled to demand in writing the Supervisory Committee to initiate litigation before the People's Court. Where the Company incurs losses as a result of the Supervisory Committee' violation of any provision of laws, administrative regulations or the Articles of Association in the course of performing its duties with the Company, the shareholders shall be entitled to demand in writing to the Board to initiate litigation before the People's Court.

In the event that the supervisory committee or the Board refuses to initiate litigation after receiving a written demand from the shareholders as specified in the preceding paragraph, or fails to initiate litigation within 30 days of the receipt of the demand, or if failure to initiate litigation immediately may cause irreparable damage to the interest of the Company under emergent circumstances, the shareholders as mentioned in the preceding paragraph shall have the right to directly initiate litigation before the People's Court in their names for the interest of the Company.

In the event that infringement of the Company's legal rights and interests by a third party results in losses to the Company, the shareholders stated in the Clause 1 of the Article may initiate litigation before the People's Court in accordance with the provisions stipulated in the preceding two paragraphs.

Article 22 of the  
Company Law

Article 35 of the  
Guidelines

Article 149 and  
Article 151 of the  
Company Law

Article 36 of the  
Guidelines

**Article 62** In the event that directors or senior management violate laws, administrative regulations or the Articles of Association to the detriment of the interests of the shareholders, the shareholders may initiate litigation before the People's Court.

Article 152 of the Company Law

Article 37 of the Guidelines

**Article 63** The shareholders of the Company shall assume the following obligations:

- (1) to abide by laws, administrative regulations and the Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) not to demand the return of capital, except under the circumstances as stipulated in laws and regulations;
- (4) to refrain from causing damages to the interest of the Company or other shareholders by abusing the rights of shareholders and from causing damages to the interest of the creditors of the Company by abusing the legal person status and the limited liability of the shareholders;

Shareholders of the Company who abuse their rights and cause damages to the interest of the Company or other shareholders shall be liable for compensation in accordance with laws.

Article 46 of the Mandatory Provisions

Article 38 of the Guidelines

Shareholders of the Company who abuse the legal person status and the limited liability of shareholders to evade from debts and cause material damages to the interest of the creditors of the Company shall assume joint and several liability to the debts of the Company.

Article 83 of the Company Law

- (5) be liable to the Company to the extent of the shares held by the shareholders ;
- (6) not to withdraw their capital contribution after approval and registration by the Company, except under the circumstances as stipulated in laws and regulations ;
- (7) comply with national laws and regulations on confidentiality and perform the confidentiality obligation on the State secrets and business secrets of the Company that has learnt of;
- (8) other obligations imposed by laws, administrative regulations and the Articles of Association.

Unless otherwise specified, shareholders are not liable to make any further contribution to the share capital, except on the conditions agreed by the share subscriber on his/her subscription.

**Article 64** Where any shareholder holding more than 5% of the shares with voting rights pledge his shares, he shall immediately notify the Company in writing on the date of such pledge.

Article 39 of the Guidelines

**Article 65** The controlling shareholder and the *de facto* controller of the Company shall not take advantage of their connected relationship to harm the interest of the Company. Any violation of such provision which results in losses to the Company shall be liable for compensation. The controlling shareholder and the *de facto* controller of the Company shall bear the fiduciary responsibility to the Company and public shareholders of the Company. The controlling shareholders shall exercise rights of the contributor, may not by ways of profit distribution, asset reorganization, external investment, use of capital and loan guarantee to infringe the legal rights of the Company and public shareholders, and may not take advantage of his/her/its controlling position to harm the interest of the Company and the public shareholders.

Article 40 of the Guidelines

In addition to the obligations imposed by laws, administrative regulations or the listing rules of the stock exchange on which the shares of the Company are listed, a controlling shareholder shall not exercise his/her voting rights in respect of the following matters in a manner prejudicial to the interests of all or some of the shareholders:

- (1) to relieve a director or supervisor of his/her duty to act in good faith and in the best interests of the Company;
- (2) to approve the expropriation by a director or supervisor (for his/her own benefit or for the benefit of another person), in any guise, of the Company's assets, including (without limitation to) opportunities beneficial to the Company;
- (3) to approve the expropriation by a director or supervisor (for his/her own benefit or for the benefit of another person) of the individual rights and interests of other shareholders, including (without limitation to) any allocation rights and voting rights, save the corporate restructuring proposed to the general meeting for approval pursuant to the Articles of Association.

Article 47 of the Mandatory Provisions

**Article 66** “Controlling shareholder” referred to in the Articles of Association represents a shareholder who satisfies any of the following conditions:

- (1) he alone, or acting in concert with others, has the power to elect more than half of the Board;
- (2) he alone, or acting in concert with others, has the power to exercise or to control the exercise of more than 30% of the voting rights in the Company;
- (3) he alone, or acting in concert with others, holds more than 30% of the issued and outstanding shares of the Company;
- (4) he alone, or acting in concert with others, has de facto control over the Company in any other manner.

The phrase “acting in concert” referred to in the Article represents two or more persons reaching a consensus by way of agreement (whether oral or written), and acquiring the voting rights of the Company through one person, with an aim to obtain or consolidate the control of the Company.

Article 48 of the  
Mandatory  
Provisions

## Chapter 8 Shareholders’ General Meeting

### Section 1 General Rules for Shareholders' General Meeting

**Article 67** The shareholders’ general meeting is the organ of authority of the Company and exercises its functions and powers according to laws.

Article 49 of the  
Mandatory  
Provisions

Article 41 of the  
Guidelines

**Article 68** The shareholders' general meeting exercises the following functions and powers:

- (1) to decide on the Company's operational policies and investment plans;
- (2) to elect and replace the directors and supervisors that are not staff representatives, and to decide on the matters relating to the remuneration of directors and supervisors;
- (3) to consider and approve the reports of the Board;
- (4) to consider and approve the reports of the Board of supervisors;
- (5) to consider and approve the Company's annual financial budgets and final account plans;
- (6) to consider and approve the Company's profit distribution plans and deficit-reduction plans;
- (7) to resolve on the increase or reduction of the Company's registered capital;
- (8) to resolve on the issuance of bonds, any kind of stocks, warrants or other similar securities by the Company;
- (9) to resolve on matters such as the merger, division, dissolution, liquidation or change of the corporate form of the Company;
- (10) to amend the Articles of Association;
- (11) to resolve on the appointment and dismissal of the accounting firm by the Company and determine its remuneration or the manner in which its remuneration is to be decided;
- (12) to consider the guarantees specified in Article 69 in the Articles of Association;
- (13) to consider the motions raised by shareholders who represent more than 3% of the total number of voting shares of the Company;
- (14) to consider the acquisition and disposal of significant assets within one year which account for more than 30% of the latest audited total assets of the Company;

Article 50 of the  
Mandatory  
Provisions

Article 41 of the  
Guidelines

Article 99,  
Article 121 of  
the Company  
Law

- (15) to consider and approve the change of use of proceeds;
- (16) to consider the share incentive scheme and the employee stock ownership scheme;
- (17) to amend the cash dividend policy of the Company;
- (18) to consider other business to be resolved by the shareholders' general meetings according to laws, administrative regulations and the Articles of Association;
- (19) to consider other business as required by the Listing Rules of the Stock Exchange on which the Company's shares are listed;

Subject to compliance with laws, regulations, listing rules of the listing place, the Articles of Association and other requirements, the shareholders' general meeting may authorise or delegate the Board or other entities (including the Company's directors and senior management, persons in charge of internal management bodies) to deal with matters as authorised or instructed by the

**Article 69** In general, the Company does not provide any external guarantees to parties other than its wholly-owned subsidiaries and controlling subsidiaries.

The following external guarantees of the Company shall be considered and approved by the general meeting:

- (1) any guarantee provided to the shareholder, de facto controller and its related party;
- (2) the guarantee provided to the guaranteed target with a gearing ratio of more than 70%;
- (3) any single guarantee whose amount exceeds 10% of the audited net assets for the latest period;
- (4) any guarantee provided beyond the total amount of the external guarantees provided by the Company and its wholly-owned subsidiaries and controlling subsidiaries that exceeds 50% of the Company's audited net assets for the latest period;
- (5) any guarantee provided beyond the total amount of the external guarantees provided by the Company and its wholly-owned subsidiaries and controlling subsidiaries that exceeds 30% of the Company's audited total assets for the latest period;

Article 16 of the  
Company Law

Article 42 of the  
Guidelines

- (6) guarantee amount for the 12 consecutive months exceeding 30% of the audited net assets for the latest period of the Company ;
- (7) other guarantees which are subject to consideration at the shareholders' general meeting as required by the securities regulatory authorities or the stock exchanges on which the shares of the Company are listed.

Except for the aforementioned situations, guarantees in other circumstances shall be approved by the Board.

At the shareholders' general meeting considering the resolution regarding the guarantee as stated in item 5 and 6 of section 2 in this article, the resolution shall be passed by shareholders holding more than two-thirds of the voting rights present at the shareholders' general meeting; when the shareholders' general meeting is considering a proposal to provide guarantee(s) for any shareholder, the said shareholder or the shareholders controlled by the said de facto controller shall abstain from voting on the proposal, and the proposal is subject to approval by more than half of the voting rights of the other shareholders attending the general meeting.

The abovementioned "external guarantee" refers to the guarantee provided by the Company for other parties, including the guarantee provided by the Company to its wholly-owned subsidiaries and controlling subsidiaries. The "total amount of the external guarantees provided by the Company and its wholly-owned subsidiaries and controlling subsidiaries" refers to the sum of the total amount of the external guarantees provided by the Company to its wholly-owned subsidiaries and controlling subsidiaries and the total amount of the external guarantees provided by wholly-owned subsidiaries and controlling subsidiaries of the Company.

**Article 70** Save for circumstances where the Company is in crisis or other special circumstances, without the prior approval of shareholders at a general meeting, the Company shall not enter into any contract with any person other than a director, a supervisor, the general manager and other senior management officers whereby the management of the whole or any substantial part of the business of the Company is to be handed over to the person.

Rule 6.1.10 of the Listing Rules

Article 51 of the Mandatory Provisions

Article 81 of the Guidelines

## Section 2 Summoning of Shareholders' General Meetings

**Article 71** General meetings comprise annual general meetings and extraordinary general meetings. An annual general meeting shall be held once a year and within six months after the end of the prior accounting year.

Extraordinary general meetings shall be convened as and when necessary. Under any of the following circumstances, the Board shall convene an extraordinary general meeting within 2 months from the occurrence thereof:

- (1) when the number of directors is less than the quorum required by the Company Law or two thirds of the number of directors specified in this Article;
- (2) when the un-recovered losses of the Company amount to one third of the total paid-in share capital;
- (3) when the shareholder(s) individually or jointly holding more than 10% of the Company's shares demand(s) in writing the convening of an extraordinary general meeting;

Article 52 of the  
Mandatory  
Provisions

Articles 43, 44 of  
the Guidelines

Article 6 of the  
Opinions on  
Standardizing  
Operations and  
Reform

Article 100 of the  
Company Law



- (4) when the Board considers necessary or as proposed by the board of supervisors;
- (5) when more than 2 independent directors so propose; and
- (6) in other situations stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange on which the shares of the Company are listed or this Article.

In any of the circumstances referred to in Items (3) and (4) above, the matter for consideration proposed by the party requesting the holding of an extraordinary general meeting shall be included in the agenda of the meeting.

**Article 72** The place for holding the General Meeting of the Company shall be the domicile of the Company or other specific place informed by the convener of the General Meeting.

A venue shall be prepared for the General Meeting, which shall be held on-site. The Company may also provide online voting to facilitate the participation of shareholders in the General Meeting. Shareholders who participate in a General Meeting in the aforesaid manners shall be deemed to have been present at the meeting.

Article 45 of the  
Guidelines

**Article 73** In convening a General Meeting, the Company shall engage a lawyer to provide legal opinions and announce the same on the following issues:

- (1) whether the convening and convening procedures of the General Meeting comply with the laws, administrative regulations and this Article;
- (2) whether the attendants and convener of the General Meeting are legal and eligible;
- (3) whether the voting procedures and voting results of the General Meeting are legal and valid;
- (4) legal opinions on other issues upon request by the Company.

Article 46 of the Guidelines

**Article 74** Independent directors shall have the right to make a proposal to the Board for convening an Extraordinary General Meeting. As for proposals of convening the Extraordinary General Meeting made by independent directors, the Board shall, in accordance with laws, administrative regulations and this Article, give a written feedback opinion on whether it agrees to convene the Extraordinary General Meeting within 10 days upon receipt of such proposal. If the Board agrees to convene the Extraordinary General Meeting, a notice of convening the General Meeting of Shareholders shall be issued within 5 days after a resolution is made by the Board. If Board disagrees to convene the Extraordinary General Meeting, reasons shall be stated and an announcement shall be made.

Article 47 of the Guidelines

**Article 75** The Board of Supervisors shall have the right to make a written proposal to the Board for convening an Extraordinary General Meeting. The Board shall, in accordance with laws, administrative regulations and this Article, give a written feedback opinion on whether it agrees convene the Extraordinary General Meeting within 10 days upon receipt of such proposal.

Article 48 of the Guidelines

If the Board agrees to convene the Extraordinary General Meeting, a notice of convening the General Meeting shall be issued within 5 days after a resolution is made by the Board. As for changes contained in the notice made in response to the original proposal, consent shall be obtained from the Board of Supervisors. If the Board disagrees to convene the Extraordinary General Meeting or fails to give a written feedback within 10 days upon receipt of the proposal, the Board shall be deemed to have failed or refused to perform the duty of convening the

General Meeting, and the Board of Supervisors may convene and preside over the General Meeting.

**Article 76** Shareholders who hold, individually or collectively, 10% or more of the shares in the Company are entitled to make a written proposal to the Board to hold an extraordinary general meeting. The Board shall, in accordance with relevant laws, administrative regulations and the Articles of Association, give a written response on whether it agrees to convene such a meeting within 10 days upon receiving the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall send a notice of general meeting within 5 days after making the Board resolution thereupon, and the changes to the original proposal as included in the notice are subject to consent of related shareholders.

If the Board disagrees to convene the extraordinary general meeting or fails to give a response within 10 days after receiving the proposal, shareholders who hold, individually or collectively, 10% or more of the shares in the Company are entitled to propose to the Board of Supervisors in writing to convene an extraordinary general meeting.

If the Board of Supervisors agrees to convene such a meeting, it shall send a notice of general meeting within 5 days after receiving the shareholders' proposal, and the changes to the original proposal as included in the notice are subject to consent of related shareholders.

If the Board of Supervisors fails to send the notice of general meeting within the specified time limit, it will be deemed as failing to convene and chair the general meeting, in which case the shareholders that hold, individually or collectively, 10% or more of the shares in the Company for more than 90 consecutive days may convene and chair such meetings.

**Article 77** Shareholders who request the convening of a class meeting shall undergo the following procedures:

- (1) Two or more shareholders holding an aggregate of more than 10% of the shares carrying the right to vote at the meeting sought to be held may sign one or more written requests of identical format and substance, to request the Board to convene a class meeting and state the subject of the meeting. The Board shall, in accordance with relevant

Article 72 of the  
Mandatory  
Provisions

Article 49 of the  
Guidelines

laws, administrative regulations and the Articles of Association, give a written response on whether it agrees to convene such a class meeting within 10 days after receiving the request.

- (2) The Board shall convene a class meeting as soon as possible after receiving the above-mentioned written request. The abovementioned shareholding shall be calculated as of the day on which the written request is made.
- (3) If the Board fails to issue a notice of convening such a meeting within 30 days after receiving the above-mentioned written request, the shareholders who make the request may themselves convene the meeting within four months after the Board receives their request. The procedures of convening such a meeting shall, to the greatest extent possible, be identical to the procedures of the general meetings convened by the Board.

Where shareholders convene and hold a meeting because the Board failed to do so pursuant to the aforementioned request, the Company shall bear the reasonable expenses incurred by such meetings and shall deduct the amount from the sums owed by the Company to the delinquent directors.

**Article 78** The Board of Supervisors or the shareholders that decide to convene a general meeting by itself or themselves shall notify the Board thereof in writing, and file it with the delegated authority of the CSRC and the stock exchange where the Company is located.

The shareholders that convene the general meeting shall hold at least 10% of the shares in the Company prior to the announcement of the resolutions of such meetings.

Upon issuing the notice of general meeting and the resolutions of the meeting, the convening shareholder shall provide relevant supporting documents to the delegated authority of the CSRC and the stock exchange where the Company is located.

Article 72 of the  
Mandatory  
Provisions

Article 49 of the  
Guidelines

Article 50 of the  
Guidelines

**Article 79** If the Board of Supervisors or the shareholders itself/themselves convene a general meeting, the Board and the secretary to the Board shall cooperate. The Board shall provide the register of shareholders as of the date of record.

Article 51 of the Guidelines

**Article 80** The necessary expenses of the general meeting convened by the Board of Supervisors or the shareholders itself/themselves shall be borne by the Company.

Article 52 of the Guidelines

### Section 3 Proposals and Notices of Shareholders' General Meetings

**Article 81** The substance of the motion proposed shall fall within the functions and powers of the general meeting. It shall have a clear subject of discussion and a specific resolution, and shall be in compliance with relevant laws, administrative regulations and the relevant requirements set forth in the Articles of Association.

Article 53 of the Guidelines

**Article 82** When the Company convenes a general meeting, the Board of Directors, the Board of Supervisors and the shareholder(s) independently or collectively holding more than 3% of the Company's shares have the right to present proposals to the Company; shareholder(s) independently or collectively holding more than 3% of the Company's shares may submit provisional proposals to the convener in writing 10 days prior to the meeting. The general meeting convener shall send a supplementary notice of the general meeting to announce such provisional proposals within 2 days after receipt thereof.

Article 102 of the Companies Law

Article 54 of the Mandatory Provisions

Except as provided by the preceding paragraph, the convener of a general meeting shall not amend the proposed resolutions set out in the notice of general meeting or add any new proposals subsequent to the issue of the notice of the general meeting.

Article 54 of the Guidelines

Any proposal that is not stated on the notice of general meeting or that is incompliant with Article 81 of the Articles of Association shall not be considered or approved by the general meeting.

**Article 83** To convene an annual general meeting, the Company shall give a written notice 20 clear business days before the date of the meeting. When the Company is to hold an extraordinary general meeting, it shall issue a written notice 15 days or 10 clear business days prior to the day on which the meeting is to be held (whichever is earlier). Such written notice shall notify all the registered shareholders of the matters proposed for consideration at the meeting and the date and place of the meeting. For the purposes of this article, “business day” shall refer to the date on which the Hong Kong Stock Exchange opens for securities trading.

The shareholders’ general meeting notice shall be issued to shareholders (whether or not entitled to vote at the meeting) in accordance with the requirements of laws, administrative regulations, listing rules of the stock exchange where the Company’s shares are listed, and the Articles of Association. If the notice of general meeting are to be served by special personnel or prepaid mail, it shall be sent to the recipients’ addresses as recorded in the register of shareholders. For the holders of domestic shares, the notice of general meeting may also be issued in the form of public announcement.

The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the competent securities regulatory authority of the State Council prior to the date of the meeting. Upon the publication of the announcement, all the holders of domestic shares shall be deemed to have received the notice of the relevant general meeting. The Chinese and English versions of such public announcements shall be published in a Chinese newspaper and an English one recognized by the Hong Kong Stock Exchange on the same date.

The notice of general meeting served to the shareholders of overseas-listed foreign shares shall be published on the website of or in one or more newspapers designated by the Hong Kong Stock Exchange. Upon the publication of the announcement, all the shareholders of overseas-listed foreign shares shall be deemed to have received the notice of the relevant general meeting.

Article 57 of the  
Mandatory  
Provisions

The Official  
Reply of the State  
Council on the  
Adjustment of the  
Notice Period for  
the General  
Meeting and  
Other Matters  
Applicable to the  
Overseas Listed  
Companies

Rule E.1.3 of  
Appendix 14 to  
the Former Main  
Board Listing  
Rules

Rule 7(3) of  
Appendix 3 to  
the Former Main  
Board Listing  
Rules

Rule 7(1) of  
Appendix 3 to  
the Former Main  
Board Listing  
Rules

Article 102(1) of  
the Company  
Law

**Article 84** The general meeting shall not decide on the matters not stated in the notice.

**Article 85** A notice of general meeting shall:

- (1) be made in writing;
- (2) specify the time, place and date of the meeting;
- (3) state the matters and proposals for consideration at the meeting;
- (4) provide necessary information and explanation for the shareholders to exercise an informed decision on the proposals for discussion. This principle includes, but is not limited to, the requirement that when a proposal is raised on merger, share repurchase, share capital restructuring or other restructuring, the conditions of the proposed transaction shall be provided in detail together with copies of the proposed agreement (if any), and the reasons for and consequences of such proposals shall be explained;
- (5) disclose the nature and extent of any material conflict of interests of any director, supervisor, the general manager, or other senior management officers in the matters to be considered and specify the distinction of any matters to be considered which have a different effect on the director, supervisor, the general manager and other senior management officers (as shareholders) than on other shareholders of the same class;
- (6) contain the text of any special resolution proposed to be passed at the meeting;
- (7) provide a clear statement that a shareholder with the right to attend and vote is entitled to appoint one or more proxies to attend and vote on his/her behalf and that such proxies need not to be shareholders of the Company;
- (8) specify the time and place for lodging proxy forms for the relevant meeting.
- (9) specify the record date of the shareholders with the right to attend the general meeting; and
- (10) contain the name and telephone number of the permanent contact person for the meeting.

The Official Reply of the State Council on the Adjustment of the Notice Period for the General Meeting and Other Matters Applicable to the Overseas Listed Companies

Article 102(3) of the Company Law

Article 56 of the Mandatory Provisions

Article 56 of the Guidelines

The notice and the supplementary notice of the general meeting shall disclose, fully and completely, the contents of all the motions. Where the opinion of any independent Director is required in relation to any matter to be considered at the meeting, the opinion and the reason of the independent Director shall also be disclosed in the notice and the supplementary notice of the general meeting;

If a general meeting is held online or otherwise, the designated time and procedure for voting online or through other means shall be expressly stated in the notice of such meetings. The starting time for voting online or by other means shall not be earlier than 3:00 pm on the day immediately preceding the date on which the general meeting is to be held or later than 9:30 am on the day the general meeting is held and shall not conclude earlier than 3:00 pm on the day the general meeting held is adjourned.



**Article 86** Where the general meeting proposes to consider the election of a Director or Supervisor, the notice of the meeting shall fully disclose the details of Director or Supervisor nominees, which shall at minimum include the following:

- (1) personal information, such as education background, working experiences and concurrent positions;
- (2) whether they have a connected relationship with the Company or its controlling shareholder(s) and de facto controller(s);
- (3) the number of shares in the Company; and
- (4) whether they have been punished by the CSRC or other related authorities or reprimanded by any stock exchange.

Except the election of Directors and Supervisors by means of cumulative voting, the election of each Director and Supervisor candidate shall be conducted by a separate proposal.

**Article 87** The accidental omission to give the notice of general meeting to, or the non-receipt of the notice of general meeting by, any persons entitled to receive such notices shall not invalidate the meeting or the resolutions passed at that meeting

**Article 88** Once the notice of the general meeting is issued, such meetings shall not be postponed or cancelled, nor any proposal stated on the notice be canceled without a legitimate reason. In case of a postponement or cancellation, the convener shall publish the announcement to explain the reason at least 2 workings days prior to the originally scheduled date for the meeting.

Where there is any other requirement in respect of the matters stipulated above under the listing rules of the place(s) where the Company's shares are listed, such requirements shall prevail.

Article 57 of the Guidelines

Articles 58 of the Mandatory Provisions  
Article 170 of the Guidelines

Article 58 of the Guidelines

Rule 8.2.3 of Listing Rules

## Section 4 Convening of Shareholders' General Meetings

**Article 89** The Board and other conveners shall take necessary measures to ensure the normal order of the general meeting. Measures would be taken to halt acts that disrupt the general meeting, seek to cause trouble or infringe upon the lawful rights and interests of shareholders, and would promptly report such acts to relevant authorities for investigation.

Article 59 of the Guidelines

**Article 90** All shareholders of ordinary shares (including preferred shareholders with restored voting rights) or its agent whose name appears on the register of members on the record date have the right to attend the general meeting and exercise their rights to vote pursuant to relevant laws, regulations and the Articles of Association.

Article 60 of the Guidelines

Shareholders may attend and vote at the general meeting in person or by proxy.

**Article 91** An individual shareholder who attends the meeting in person shall produce his or her own ID card or other valid documents or proof evidencing his or her identity or stock account card. If a proxy is appointed to attend the meeting on his or her behalf, such proxies shall produce their own valid proof of identity and the instrument of appointment from the shareholder.

Article 61 of the Guidelines

Shareholders who are legal persons shall be represented at a meeting by their legal representative or a proxy appointed by the legal representative. If the legal representative attends the meeting, he or she shall produce his or her own ID card and a valid proof of his or her legal representative status. If a proxy has been appointed to attend the meeting, such proxies shall present their own ID cards and the powers of attorney issued by the legal

**Article 92** The shareholder with the right to attend and vote at the general meeting is entitled to appoint one or more persons (who need not to be shareholders) as his or her proxy to attend and vote at the meeting on his or her behalf. Such proxies may exercise the following rights in accordance with their appointment by the shareholder:

Article 59 of the Mandatory Provisions

- (1) speak at the meeting on behalf of the shareholder;
- (2) demand or join in the demand for a poll; and
- (3) vote by poll.

**Article 93** Shareholders shall appoint a proxy in writing, 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 or duly authorized agent.

The instrument of appointment by which a shareholder appoints another person to attend the general meeting on his or her behalf shall include:

- (1) the name of the proxy;
- (2) whether the proxy has voting rights;
- (3) separate instructions as to whether to vote for or against or abstain from voting on each item stated on the agenda of the general meeting as an item for consideration thereat;
- (4) the date of issuance and terms of validity of the instrument of appointment; and
- (5) the signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the company shall be affixed.

**Article 94** The proxy form for voting shall be placed at the domicile of the Company or such other place as specified in the notice of the meeting at least 24 hours prior to the meeting at which the proxy is entrusted to vote. Where such a proxy form for voting is signed by a person authorized by the principal, the power of attorney with authorized signature or other authorization documents shall be notarized. The power of attorney or other authorization documents upon notarization shall, together with the proxy form for voting, be placed at the Company's domicile or such other location as specified in the notice of the meeting.

Where the principal is a legal person, its legal representative or a person authorized by the Board or other decision-making bodies shall attend the general meeting of the Company as the proxy.

The shareholder that is a recognized clearing House or its agent may authorize one or more persons that it deems suitable to attend on its behalf any general meeting or any class meeting of shareholders. However, if more than one person is authorized, the power of attorney shall specify the number and class of shares involved in the appointment of each such person. The person so appointed may exercise the rights of the recognized clearing house (or its agent) as if he or she was or they were individual shareholder(s) of the Company.

Article 60 of the  
Mandatory  
Provisions

Article 62 of the  
Guidelines

Article 61 of the  
Mandatory  
Provisions

Article 64 of the  
Guidelines

Opinions of  
HKSCC

**Article 95** The power of attorney that the Board of the Company issues to shareholders shall allow them to freely direct their proxies to vote for or against, and to give separate instruction with respect to the voting for each item on the agenda. The power of attorney shall specify that the proxy may vote at his or her own discretion where no direction from the shareholder is available.

Save as provided above, the aforesaid proxy form shall also contain the following items: the number of shares represented by and name of the proxy; whether voting power is granted to the proxy; whether the proxy is entitled to vote on the interim proposals that may be included in the agenda of the general meeting; the instruction specifying how to vote if voting power is granted; the date of appointing a proxy and the effective period for such appointment. A shareholder who appoints more than one proxy shall specify the number of shares represented by each proxy in the proxy form.

A proxy who attends the general meeting on the shareholder's behalf shall produce his/her identification proof and a letter of authorization signed by the appointer or its legal representative which indicates the date of appointment. Where a corporate shareholder appoints its legal representative to attend the meeting, the legal representative shall produce the identification proof and a copy of the notarized resolution of the Board appointing the said legal representative or other authorities or other verified copy permitted by the Company.

**Article 96** A vote by a proxy in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no written notice of such death, loss of capacity, revocation or transfer as aforesaid has been received by the Company before the commencement of the meeting at which the proxy is used.

**Article 97** The attendance register of persons attending the meeting shall be prepared by the Company. The register shall specify the attendants' names (or the name of their entities), ID numbers, home addresses, number of voting shares held or represented, and the names of the proxies' principals (or the names of the principals' entities).

Article 62 of the  
Mandatory  
Provisions

Article 63 of the  
Guidelines

Article 63 of the  
Mandatory  
Provisions

Article 65 of the  
Guidelines

**Article 98** The convener and the attorney appointed by the Company shall verify the legitimacy of shareholders' qualification according to the register of shareholders provided by the securities registration and clearing organizations, and register the names of such shareholders and the numbers of voting shares. The registration process shall end before the chairman of the meeting announces on site the number of shareholders and proxies that attend the meeting, and the number of their voting shares.

Article 66 of the Guidelines

**Article 99** All Directors, Supervisors and secretary to the Board shall attend the general meetings of the Company, and the general manager and other senior management shall attend such meetings as non-voting participants.

Article 67 of the Guidelines

**Article 100** A general meeting is convened and presided over by the Board. If the chairman of the Board is unable to or fails to perform his/her duties, the Board may designate a Director to convene and preside over the general meeting on behalf of the chairman of the Board. If no chairman is designated for a meeting, the shareholders present at the meeting may elect one person to chair the meeting. If no chairman of the meeting is elected by the shareholders for any reason, the shareholder (including his/her proxy) that is present at the meeting and holds the largest number of voting shares shall be the chairman of the meeting.

Article 73 of the Mandatory Provisions

A general meeting convened by the Board of Supervisors shall be presided over by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is unable to or fails to perform his/her duties, a Supervisor elected by more than half of the Supervisors shall preside over the meeting.

Article 68 of the Guidelines

A general meeting convened by the shareholders themselves shall be presided over by a representative nominated by the convener.

Article 101 of the Company Law

When a general meeting is held and the chairman of the meeting violates the rules of procedure in such a way that the general meeting cannot proceed, a person may be elected to chair and carry on with the meeting, subject to the approval of more than half of the shareholders present who have voting rights.

If no chairman of the meeting is elected by the shareholders for any reason, the shareholder (including his/her proxy) that is present at the meeting and holds the largest number of voting shares shall be the chairman of the meeting.

**Article 101** The Company shall formulate the rules of procedure for the general meeting, detailing its convening and voting procedures including notification, registration, consideration of proposals, voting, vote counting, announcement of the voting results, formation of resolutions, minutes, signing and announcement, as well as the principles for the authorization of the Board by the general meeting (where the contents of authorization shall be explicit and specific). The rules of procedure for the general meeting, as an annex to the Articles of Association, shall be drafted by the Board and approved by the general meeting.

Article 69 of the Guidelines

**Article 102** At the annual general meeting, the Board and the Supervisory Committee shall report on their work over the previous year. Each independent Director shall also report on the performance of his or her duties.

Article 70 of the Guidelines

**Article 103** The Directors, Supervisors and senior management officers of the Company shall answer and explain the inquiries and proposals from shareholders at the general meeting.

Article 71 of the Guidelines

**Article 104** The chairman of the meeting shall, before voting begins, announce the number of attending shareholders and proxies and the total number of their voting shares according to the register of the meeting.

Article 72 of the Guidelines

**Article 105** Minutes shall be recorded for the general meeting, and the secretary to the Board shall be in charge of recording the minutes. The minutes shall contain the following information:

- (1) Time, place, agenda for the meeting and the name of the convener;
- (2) Names of the chairman of the meeting, and of Directors, Supervisors, the general manager and other senior management officers in attendance or present in non-voting capacity;
- (3) Number of attending shareholders (holders of domestic shares and holders of overseas listed foreign shares) and proxies, and the total number of their voting shares and respective percentages to the total shares of the Company;

Article 73 of the Guidelines

- (4) Process of consideration, key points of the speech and voting results for each proposal;
- (5) Queries or suggestions from shareholders, and the corresponding replies or explanations;
- (6) Names of the lawyer, the vote counters and the scrutineer; and
- (7) Other information to be entered into the minutes pursuant to the Articles of Association.

In recording voting results, it is also required to record the voting results of holders of domestic shares and holders of overseas listed foreign shares for each matter to be resolved.

**Article 106** The convener shall ensure that the meeting minutes are true, accurate and complete. The minutes shall be signed by the attending Directors, Supervisors, the secretary to the Board, the convener or his or her representative, and the chairman of the meeting. The minutes shall be kept together with the book of signatures of the attending shareholders, the powers of attorney for shareholders who attend the meeting by proxy, and the valid information concerning voting online or by other means, and the meeting records shall be kept permanently.

Article 74 of the Guidelines

**Article 107** The convener shall ensure that the general meeting continues until a final resolution is reached. Where the general meeting is interrupted or fails to reach a resolution due to force majeure or any other exceptional cause, necessary measures should be taken to resume or terminate the meeting as soon as possible and make an announcement in a timely manner. Meanwhile, the convener shall report it to the local office of the CSRC where the Company operates and the stock exchange.

Article 75 of the Guidelines

## Section 5 Voting and Resolutions at Shareholders' General Meetings

**Article 108** Resolutions of general meetings comprise ordinary resolutions and special resolutions.

To pass an ordinary resolution, more than half of the voting rights represented by the shareholders (including their proxies) present at the meeting shall be exercised in favor of the resolution.

To pass a special resolution, more than two thirds of the voting rights represented by the shareholders (including their proxies) present at the general meeting shall be exercised in favor of the resolution.

Article 64 of the  
Mandatory  
Provisions

A shareholder (including his/her proxy) present at a general meeting shall indicate his/her intention to vote for or against the matters that are put to the vote. No blank votes and abstention votes shall be counted as valid votes for the purpose of votes counting.

Article 76 of the  
Guidelines

**Article 109** Shareholders (including their proxies), when voting at a general meeting, may exercise their voting rights in accordance with the number of shares carrying voting rights and each share shall have one vote. However, the shares held by the Company carry no voting right and shall not be counted into the total number of shares carrying voting rights held by the shareholders attending the general meeting.

Article 65 of the  
Mandatory  
Provisions

Article 79 of the  
Guidelines

When the general meeting considers matters that materially affect the interest of medium and small investors, the votes of medium and small investors shall be counted separately, and the results of such separate vote counting shall be disclosed promptly.

Article 103(1) of  
the Company  
Law

The Board of the Company, independent Directors, and shareholders who meet the relevant requirements may collect voting rights from other shareholders publicly. Information including specific voting intention shall be fully disclosed to the shareholders from whom voting rights are collected. Consideration or de facto consideration for collecting shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limitation for collecting voting rights.

Under applicable laws and regulations and the Listing Rules of the Hong Kong Stock Exchange, if any shareholder is required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, the votes cast by or on behalf of such shareholders in contravention of such requirements or restrictions shall not be counted.

Rule 14 of  
Appendix 3 to  
the Main Board  
Listing Rules



**Article 110** At the general meeting, voting is conducted by open ballot or other ways required by the listing rules of the place where the Company's shares are listed.

Article 66 of the  
Mandatory  
Provisions

Article 86 of the  
Guidelines

**Article 111** A poll demanded on the election of the chairman, or on the adjournment of the meeting, shall be taken forthwith. A poll demanded on any other matter shall be taken at such time as the chairman directs, and the meeting may proceed to discuss other matters, while the result of the poll shall still be deemed to be a resolution of that meeting.

Article 67 of the  
Mandatory  
Provisions

**Article 112** On a poll taken at a general meeting, a shareholder (including his/her proxy) entitled to two or more votes needs not to cast all his/her votes in the same way.

Article 68 of the  
Mandatory  
Provisions

**Article 113** Given the same number of votes in favor of and against a matter/resolution, the chairman of the meeting is entitled to an additional vote.

Article 69 of the  
Mandatory  
Provisions

**Article 114** The following matters shall be resolved by way of ordinary resolutions at a general meeting:

- (1) to decide on the business policies and investment plans of the Company;
- (2) the work report of the Board or the Supervisory Committee;
- (3) the profit distribution plan and plans for making up losses drafted by the Board;
- (4) the election and removal of the members of the Board and the Board of Supervisors (except for staff representative Supervisors), their remuneration and methods of payment thereof;
- (5) the annual budget and final account report, balance sheet, income statement and other financial statements of the Company;
- (6) to pass resolutions on the engagement and dismissal of any accounting firm by the Company and determination of its remuneration or the manner in which its remuneration is to be decided; and
- (7) matters other than those to be passed by a special resolution under relevant laws, administrative regulations and the Articles of Association.

Article 70 of the  
Mandatory  
Provisions

Article 77 of the  
Guidelines

**Article 115** The following matters shall be passed by a special resolution of the general meeting:

- (1) increase or reduction of share capital, issue of any class of shares, warrants and other similar securities of the Company;
- (2) issue of corporate bonds of the Company;
- (3) division, merger, dissolution and liquidation of the Company;
- (4) change of the form of the Company;
- (5) purchase or disposal of material assets or provision of guarantees by the Company within one year, of a value exceeding 30% of the Company's latest audited total assets;
- (6) amendments to the Articles of Association;
- (7) considering and implementing motions on equity incentive schemes;
- (8) amendments to the Company's cash dividend policy;
- (9) other matters resolved by way of an ordinary resolution at a general meeting which are considered to have a material impact on the Company and should be adopted by a special resolution; and
- (10) other matters to be adopted by way of special resolutions, as required by the Listing Rules of the Hong Kong Stock Exchange.

**Article 116** All Directors, Supervisors, the general manager and other senior management officers shall attend a general meeting, if their presence is required. The Directors, Supervisors, the general manager and other senior management officers who attend the meeting or attend the meeting as non-voting participants shall reply or explain to the inquiries of shareholders at the general meeting, unless such inquiries relate to the business secrets of the Company which shall not be disclosed.

**Article 117** The chairman of the general meeting shall decide whether to pass a resolution based on the voting results. His/her decision shall be final and conclusive and shall be announced at the meeting and recorded in its minutes.

Article 71 of the Mandatory Provisions

Article 78 of the Guidelines

Articles 103(2) and 121 of the Company Law

Guideline No.3 on the Supervision and Administration of Listed Companies – Article 7 of Distribution of Cash Dividends of Listed Companies

Article 150 of the Company Law

Article 74 of the Mandatory Provisions

**Article 118** When a connected transaction is considered at a general meeting, connected shareholders shall not vote, and the voting shares held by them shall not be included into the total number of valid shares with voting rights. The announcement of the resolutions of the general meeting shall fully disclose the voting of non-connected shareholders.

Article 80 of the Guidelines

**Article 119** Subject to ensuring the legitimacy and effectiveness of the general meeting, the Company shall offer convenience to the shareholders for attending the general meeting through various methods and ways, preferably those with modern information technology such as an online voting platform.

Article 45 of the Guidelines

**Article 120** The list of candidates for Directors and Supervisors shall be submitted to the general meeting for voting by way of proposal.

As for resolutions in respect of the election of Directors and Supervisors, cumulative voting system should be adopted at the general meeting pursuant to the Articles of Association or the resolution of the general meeting.

Article 82 of the Guidelines

The “cumulative voting system” as referred to in the preceding paragraph means that when a general meeting elects Directors or Supervisors, each share carries a number of voting rights equivalent to the number of Directors or Supervisors to be elected, and a shareholder may cluster his or her voting rights. The Board shall provide shareholders with the bibliographical details and basic information of the candidates for Directors and Supervisors.

Article 17 of the Code of Corporate Governance for Listed Companies

**Article 121** At a general meeting, the approaches and procedures for nominating the candidates for Directors and Supervisors are as follows:

- (1) the shareholder(s) individually or jointly holding more than 3% of the total issued and outstanding voting shares of the Company may present a written proposal to the general meeting about the candidates for Directors and Supervisors that are not

assumed by staff representatives. However, the number of such candidates nominated shall comply with the provisions of the Articles of Association, and shall not exceed the number to be elected. The aforesaid shareholders' proposal to the Company shall be served to the Company at least 14 days before the convening of the general meeting.

- (2) within the number of head counts specified in the Articles of Association and based on the proposed number of candidates to be elected, the Board and the board of Supervisors may propose a list of recommended candidates for Directors and Supervisors, which shall be submitted to the Board and the board of Supervisors for review. After the Board and the board of Supervisors review and pass the resolution on the candidates for Directors and Supervisors, their decision shall be proposed at a general meeting by way of a written proposal.
- (3) the written notices regarding the intention to nominate a candidate for election as a Director or a Supervisor, the written notices indicating the nominees' willingness to accept the nomination and the written materials about them shall be delivered to the Company no less than seven days prior to the date of holding the general meeting (the seven-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which the election shall take place and no later than seven days prior to the holding of the shareholders' general meeting). The Board and the board of Supervisors shall provide shareholders with the bibliographical details and basic information of the candidates for Directors and supervisors.
- (4) the period of submitting to the Company the aforesaid notices for nominating the candidates for election as Directors or Supervisors and such materials from the nominees shall be no less than seven days (such a period shall commence from the day after the notice of general meeting is dispatched).
- (5) at the general meeting, voting shall take place for each candidate nominated for election as a Director and Supervisor on a one-by-one basis, except for candidates applying cumulative voting system.
- (6) in the event of an ad hoc addition to or change of any Director or Supervisor, the Board or the board of supervisors shall propose such additions and changes to the general meeting, for selection or replacement.

Article 4 of  
Supplemental  
Letter of  
Opinion

Rule 4(4) of  
Appendix 3 to the  
Former Main  
Board Listing  
Rules

Rule 4(5) of  
Appendix 3 to  
the Former Main  
Board Listing  
Rules

**Article 122** In addition to the cumulative voting system, the general meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be put aside nor denied at the general meeting.

Article 83 of the Guidelines

**Article 123** When considering a proposal, the general meeting shall not revise it; otherwise such amendments shall be deemed as a new proposal and may not be voted on during the current meeting.

Article 84 of the Guidelines

**Article 124** The same vote may only be cast once at the location of a general meeting, or by online voting or other means. Where the same vote is cast for two or more times, the first cast shall hold.

Article 85 of the Guidelines

**Article 125** Before the general meeting votes on a proposal, two shareholders' representatives shall be elected to participate in the vote counting and vote scrutiny. When a shareholder has a material interest in a matter being considered, he or she and his or her proxies may not participate in the vote counting or vote scrutiny.

When votes are cast on proposals at the general meeting, attorneys, representatives of the shareholders and the representative of Supervisors shall be jointly responsible for scrutinizing and counting votes and shall announce the voting results at the meeting. The voting result shall be recorded in the meeting minutes.

Article 87 of the Guidelines

Shareholders of the companies or their proxies, who have cast their votes by online voting or by other means, shall have the right to check the voting results in the way in which they have cast their votes.

**Article 126** The ending time of a general meeting shall not be earlier than that of online or other access to the meeting. The chairman of the meeting shall announce the outcome and results of the vote on each proposed resolution, and whether or not such proposed resolution has been passed according to such voting results.

Article 88 of the Guidelines

Prior to the formal announcement of voting results, the relevant parties from the companies, the persons responsible for counting votes and scrutinizing the conduct of the relevant poll, the major shareholders, the person in charge of the relevant internet service provider involved in relation to voting at the general meeting, online or by other means, shall be obliged to keep the status of voting confidential.

**Article 127** A shareholder attending a general meeting shall express one of the following opinions on any proposal to be voted on: for, against or abstention. Save for the circumstance under which the securities registration and settlement institution acting as the nominal holder of shares under the mutual stock market access between the Mainland and Hong Kong makes reporting in accordance with the instruction of the de facto holders of relevant shares.

Article 89 of the Guidelines

If a poll is blank, marked erroneously, illegible or has not been cast, the voter shall be deemed to have waived his or her right to vote and the voting results for the number of shares that he or she holds shall be recorded as “abstained”.

**Article 128** In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, he or she may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, the chairman of the meeting shall have the votes counted immediately.

Article 75 of the Mandatory Provisions

Article 90 of the Guidelines

**Article 129** In the event that the votes are counted at the general meeting, the counting results shall be recorded in the minutes of the meeting.

Article 76 of the Mandatory Provisions

The minutes of the meeting together with the attendance book for shareholders’ signing and the proxy forms for proxies attending the meeting shall be kept at the domicile of the Company.

**Article 130** The resolution of the general meeting shall be promptly announced. The announcement shall state the number of attending shareholders and proxies, their number of voting shares and their percentages to the total number of the voting shares in the Company, the voting method or methods, the voting result for each proposal, and the details of each resolution passed in the meeting.

Article 91 of the Guidelines

**Article 131** Where a proposal has not been passed or the resolutions of the preceding general meeting have been changed at the current general meeting, special mention shall be made in the announcement of the resolutions of the general meeting.

Article 92 of the Guidelines

**Article 132** Where a resolution on the election of Directors or Supervisors is passed at the general meeting, the term of office of the newly-elected Director or Supervisor shall commence from the time when the relevant election proposal is passed at the general meeting.

Article 93 of the Guidelines

**Article 133** Where a proposed resolution in relation to the payment of cash dividends, the issue of bonus shares or the capitalization of capital reserves has been passed at a general meeting, the Company shall implement the specific plans within two months after the conclusion of the general meeting.

Article 94 of the Guidelines

**Article 134** Shareholders may examine the photocopies of the minutes of meetings during the Company's office hours free of charge. If any shareholder demands from the Company photocopies of relevant minutes of meetings, the Company shall send such photocopies within seven days after verifying his/her capacity as a shareholder and receiving payment of reasonable charges.

Article 77 of the Mandatory Provisions

## Chapter 9 Special Voting Procedures for Class Shareholders

**Article 135** Shareholders who hold different classes of shares are class shareholders.

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

Save for the holders of other classes of shares, the holders of domestic shares and the holders of overseas-listed foreign shares are deemed to be different classes of shareholders. Where the share capital of the Company includes shares which do not carry voting rights, the word “non-voting” must appear on the designation of such shares.

Where the share capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words “restricted voting” or “limited voting”.

**Article 136** Rights conferred on any class shareholders in the capacity of shareholders may not be varied or abrogated, unless such a proposal is approved by way of a special resolution at a general meeting and approved by the affected class shareholders at a separate general meeting, in accordance with the provisions of Articles 138 to 142 of the Articles of Association.

No approval by a general meeting or a class meeting is required for the variation or abrogation of the rights of class shareholders that results from any change in domestic and overseas laws, administrative regulations and the listing rules of the place where the Company’s shares are listed, and from the decisions made by domestic and overseas regulators.

The holders of domestic shares of the Company referred to in Article 19 of the Articles of Association may transfer their shares to overseas investors and list the said shares overseas, which shall not be deemed to be a proposed variation or abrogation of the rights conferred on any class shareholders.

Article 78 of the Mandatory Provisions, the Rules 10(1) and (2) of Appendix 3 to the Former Main Board Listing Rules

Article 79 of the Mandatory Provisions



**Article 137** The following circumstances shall be deemed to be a variation or abrogation of the rights of a particular class shareholder:

- (1) to increase or decrease the number of shares of such class, or the number of shares of a class having voting or distribution rights or other privileges equal or superior to the shares of such class;
- (2) to effect an exchange of all or part of the shares of such class into those of another class or to effect an exchange or create a right of exchange of all or part of the shares of another class into the shares of such class;
- (3) to remove or reduce the rights to the accrued dividends or cumulative dividends attached to the shares of such class;
- (4) to reduce or remove the preferential rights attached to the shares of such class for receiving dividends or for the distribution of assets in the event that the Company is liquidated;
- (5) to add, remove or reduce the rights attached to the shares of such class, including the rights of conversion, options, voting and transfer, pre-emptive rights, and the rights to acquire the securities of the Company;
- (6) to remove or reduce the rights of such class of shares to receive the payables from the Company in a particular currency;
- (7) to create a new class of shares having voting or distribution rights or privileges equal or superior to the shares of such class;
- (8) to restrict the transfer or ownership of the shares of such class or to increase any such restrictions;
- (9) to issue the rights to subscribe for, or convert into, shares in the Company of such class or another class;
- (10) to increase the rights or privileges of the shares of another class;
- (11) to restructure the Company where the proposed restructuring might result in different classes of shareholders bearing disproportionate burdens of obligations; and
- (12) to vary or abrogate the provisions of this Chapter.

Article 80 of the  
Mandatory  
Provisions

**Article 138** The affected shareholders, regardless of whether they had the right to vote at general meetings, shall have the right to vote at class meetings in respect of the matters concerning paragraphs (2) to (8), (11) and (12) of Article 137 in the Articles of Association, while interested shareholder(s) are not entitled to vote at class meetings.

An “interested shareholder” as referred to above has the following meanings:

- (1) in the case of a repurchase of shares by pro rata offers to all shareholders or by public trading on the Hong Kong Stock Exchange in accordance with the provisions of Article 31 of the Articles of Association, an “interested shareholder” is a controlling shareholder within the meaning of Article 66 in the Articles of Association;
- (2) in the case of a repurchase of shares by an off-market contract under Article 31 of the Articles of Association, an interested shareholder is a shareholder to whom the proposed contract is related;
- (3) in the case of corporate restructuring, an interested shareholder is a shareholder of a class who bears less than the proportionate obligations imposed on other shareholders of that class or who has an interest different from the interest of the other shareholders of that class.

**Article 139** Resolutions of a class meeting shall require the approval of shareholders present, who represent more than two thirds of the voting rights of that class meeting and vote in favor of such resolutions in accordance with Article 138 of the Articles of Association.

Article 81 of the  
Mandatory  
Provisions

Article 82 of the  
Mandatory  
Provisions

**Article 140** A written notice of a class meeting shall be given by the Company with reference to the relevant requirements for convening a general meeting specified in Article 83 of the Articles of Association. The written notice shall notify all the registered shareholders, who hold the shares of that class, of the matters to be considered at the meeting and the date and place of the meeting.

Where there is any special requirement under the listing rules of the place(s) where the Company's shares are listed, such requirements shall prevail.

The quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the number of holders of at least one third of the issued shares of that class.

**Article 141** Notices of class meetings need only be served to shareholders entitled to vote thereat.

Class meetings shall be held in procedures most similar to those for shareholders' general meetings. The provisions of the Articles of Association relating to the procedures of such general meetings are applicable to class meetings.

**Article 142** In addition to the holders of other class shares, the holders of domestic shares and those of overseas-listed foreign shares are deemed to be shareholders of different classes. Special voting procedures for holders of different classes of shares are not applicable to the following situations:

- (1) where, upon the approval by its shareholders through a special resolution at a general meeting, the Company issues, either separately or concurrently, no more than 20% of each of its existing issued domestic shares and overseas-listed foreign shares once every twelve months;
- (2) where the Company completes its plan (made at the time of its establishment) to issue domestic shares and overseas-listed foreign shares within 15 months from the date on which the plan is approved by the securities regulatory authorities of the State Council; and
- (3) where the shares of the Company that are held by its holders of Domestic Shares of the Company are transferred to overseas investors and listed and traded overseas, as approved by the securities regulatory authorities of State Council.

The Official Reply of the State Council on the Adjustment of the Notice Period for the General Meeting and Other Matters  
Applicable to the Overseas Listed Companies

Rule 6(2) of Appendix 3 to the Former Main Board Listing Rules

Article 84 of the Mandatory Provisions

Article 85 of the Mandatory Provisions

Rule 9 of Appendix 3 to the Former Main Board Listing Rules

Rule 1(f)(i)(ii) of Appendix 13D to the Former Main Board Listing Rules

## Chapter 10 Party Committee and its Working Bodies

**Article 143** According to “*The Constitution of the Communist Party of China*” and the Regulations on the Work of Basic Organizations of the State-owned Enterprises of the Communist Party of China (Trial) and with approval of higher-level Party organization, the Company has established the Committee of the Communist Party of China of China Aluminum International Engineering Corporation Limited (the “Party Committee”). At the same time, according to relevant requirements, the Company has established the Committee of the Communist Party of China for Discipline Inspection of China Aluminum International Engineering Corporation Limited (the “Discipline Committee”). The Party Committee and Discipline Committee of the Company shall be elected from the Party member congress or the Party representative congress. The leadership team of the Party Committee of the Company generally consists of 7 to 9 members.

Guiding Opinions on Deepening the Reform of State-owned Enterprises (Zhong Fa (2015) No.22), Opinions on Adhering to the Party’s Leadership and Strengthening the Construction of the Party in Deepening the Reform of State-owned Enterprises (Zhong Fa (2015) No.44)

**Article 144** The Party Committee shall play a leading role, set the right direction, keep in mind the big picture, ensure the implementation of Party policies and principles, discuss and decide on major issues of the Company in accordance with the regulations. The main duties are:

- (1) To enhance the political construction of the Party in the Company, adhere to and implement the fundamental system, basic system and important system of socialism with Chinese characteristics as well as educate and guide all Party members to maintain a high degree of consistency with the Party Central Committee with Comrade Xi Jinping as the core in the political stance, political direction, political principles and political path;
- (2) Thoroughly study and implement Xi Jinping Thought on Socialism with Chinese Characteristics in the New Era, study and promote theories of the Party, implement the Party's route, guidelines and policies, supervise and ensure the implementation of major decisions and arrangements of the Central Committee of the CPC and resolutions of higher Party organizations in the Company;
- (3) The Party Committee studies and discusses the Company's major operational and management matters, and supports general meetings, the Board, the board of supervisors and senior management officers to exercise their powers according to law;
- (4) to strengthen the leadership and gatekeeping role in the process of selection and appointment of personnel of the Company, and the building of the leading team, cadre and talents team of the Company;
- (5) to undertake the main responsibility of the Company in improving Party conduct and upholding integrity, lead and support the Discipline Committee to fulfil their supervisory and disciplining responsibilities as well as exercise strict administrative disciplines and political rules and promote Party self-governance in every aspect and with rigor into the primary-level;

Guiding Opinions on Deepening the Reform of State-owned Enterprises (Zhong Fa (2015) No.22), Opinions on Adhering to the Party's Leadership and Strengthening the Construction of the Party in Deepening the Reform of State-owned Enterprises (Zhong Fa (2015) No.44)

- (6) to strengthen the building of primary-level organizations and their Party members, unite and lead officials and employees to devote themselves into the reform and development of the Company;
- (7) to lead the Company's ideological and political work, the spirit and civilization progress and the united front work, and lead mass organization such as the labor union, Communist Youth League and Women's Organization of the Company.

**Article 145** Material matters relating to operation management shall be first deliberated and discussed by the Party Committee before they are submitted to the senior management, the Board or general meetings for determination.

**Article 146** The Discipline Committee performs the following duties:

The Discipline Committee supervises the execution of disciplines, performs the accountability function, supervises and inspects the deployment and implementation of the important decisions, resolutions and work of the Company's Party Committee and its superior committee, and strengthens the supervision over party members and cadres in performing duties, exercising powers and working in an honest manner. The Discipline Committee also supervises the Party Committee to fulfill its principal responsibilities, assists the Party Committee to promote rigorous party governance and enhance the building of a clean party, organizes and coordinates anti-corruption work and deploys the work on discipline inspection.

Guiding Opinions on Deepening the Reform of State-owned Enterprises (Zhong Fa (2015) No.22), Opinions on Adhering to the Party's Leadership and Strengthening the Construction of the Party in Deepening the Reform of State-owned Enterprises (Zhong Fa (2015) No.44)

**Article 147** The Company maintains and improves a mechanism of “dual entry and cross appointment” of leaders. Under the mechanism, qualified leaders of the Party Committee can undergo legal procedures to join the Board, the board of supervisors and serve as senior management members, while qualified party members from the Board, the board of supervisors and serve as senior management members can also join the Party Committee according to relevant regulations and procedures. The mechanism is designed to ensure the effective role of the Party Committee at the levels of decision-making, supervision and implementation.

The Party secretary and Chairman of the Board shall be the same person in general, the Chairman of the Board and the general manager are appointed separately, and the general manager of the Party member shall be the deputy secretary of the Party Committee and undergo legal procedures to join the Board. A deputy secretary shall be designated to be responsible for the Party building works for the Party Committee. The designated deputy secretary shall undergo legal procedures to join the Board.

**Article 148** The Company has special working bodies for its Party Committee and Discipline Committee, with mass organizations established, such as the trade union and the Youth League Committee. The Party Committee and its staff are included into the Company’s management organization and staffing, with the Party Committee’s work funding also included into the Company’s budget and charged to the Company’s management

Guiding  
Opinions on  
Deepening the  
Reform of  
State-owned  
Enterprises  
(Zhong Fa  
(2015) No.22),  
Opinions on  
Adhering to the  
Party’s  
Leadership and  
Strengthening  
the Construction  
of the Party in  
Deepening the  
Reform of  
State-owned  
Enterprises  
(Zhong Fa  
(2015) No.44)

Guiding  
Opinions on  
Deepening the  
Reform of  
State-owned  
Enterprises  
(Zhong Fa

costs. The personnel on party affairs enjoy the same treatment as the operation and management personnel of the same level.

(2015) No.22),  
Opinions on  
Adhering to the  
Party's  
Leadership and  
Strengthening  
the Construction  
of the Party in  
Deepening the  
Reform of  
State-owned  
Enterprises  
(Zhong Fa  
(2015) No.44)

**Article 149** The Company improves the democratic management system in the form of staff representatives' meeting, promotes publicity of the Company's affairs, publicity of the business, protects staff members to exercise their rights to know, to participate, to express and to supervise, so as to protect the legal rights of staff members.. The Company should listen to the views of its staff in major decision-making; the major issues involving the staff and workers' vital interests shall be considered by the staff representatives' meeting or meeting of staff.

Guiding  
Opinions on  
Deepening the  
Reform of  
State-owned  
Enterprises  
(Zhong Fa  
(2015) No.22),  
Opinions on  
Adhering to the  
Party's  
Leadership and  
Strengthening  
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of the Party in  
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State-owned  
Enterprises  
(Zhong Fa  
(2015) No.44)



## Chapter 11 Board of Directors

### Section 1 Directors

**Article 150** Directors shall be elected and replaced by the general meeting, and can be removed from their office prior to the conclusion of the term thereof by the general meeting. The term of office of a Director shall be 3 years. A director may serve consecutive terms if re-elected upon the expiration of his/her term.

Subject to relevant laws and administrative regulations, directors can be removed before the expiration of his/her term of office (but without prejudice to any claim for damages under any contracts) by way of an ordinary resolution passed at a general meeting.

The term of office of a Director shall commence from the date of taking the position until the expiry of the term of office of the current session of the Board. Where a re-election fails to be carried out in a timely manner upon the expiry of the term of office of a Director, such Director shall continue to perform his or her duties as a Director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association until the newly elected Director assumes the office.

**Article 151** Directors may resign before the expiry of their terms of office. The directors who resign shall submit to the Board a written report in relation to their resignation. The relevant information shall be disclosed by the Board within two days.

In the event that the resignation of any director during his/her term of office results in the number of members of the Board falling below the statutory minimum number, the existing directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules and the Articles of Association until newly elected directors assume their office.

Save for the circumstances referred to in the preceding paragraph, the resignation of a director becomes effective upon the submission of his/her resignation report to the Board

Article 96 of the Guidelines  
Article 87 of the Mandatory Provisions

Article 4 of the Supplemental Letter of Opinion

Rules 4(3) of Appendix 3 to the Main Board Listing Rules

Rules 4(4) and (5) of Appendix 3 to the Former Main Board Listing Rules

Article 100 of the Guidelines

Articles 45(2) and 108(3) of the Company Law, Rule 4(2) of Appendix 3 to the Main Board Listing Rules, Rule B.2.2 of Appendix 14 to the Main Board Listing Rules

Under the prerequisite that the relevant laws and regulations and regulatory rules of the place of listing of the shares of the Company are contravened, any person appointed by the Board to fill a casual vacancy on or as an addition to the Board shall hold office only until the next general meeting of the Company, and shall then be eligible for re-election.

**Article 152** The directors shall have the following rights during their tenure in the Company:

- (1) to obtain information of the Company which is necessary to perform Directors' duties;
- (2) Attend the meeting of the Board of Directors, fully express opinions, and vote on matters to be resolved at such meetings;
- (3) Attend the meetings of special committees the directors hold the post and express their opinions;
- (4) to submit proposals to convene an extraordinary meeting of the Board of Directors, to postpone an meeting of the Board of Directors, and to suspend voting on the matters under consideration in accordance with the requirements under this Articles of Association, and to put forward supplementary recommendations or rectification requirements for the resolutions considered by the Board of Directors and their designated Special Committees;
- (5) Review the implementation of the resolutions of the Board of Directors as entrusted by the Board or the chairman of the Board;
- (6) Conduct research and learn more information from relevant personnel of the Company according to the need to perform their duties;
- (7) Receive remuneration and work allowances in accordance with relevant regulations;
- (8) Enjoy the necessary working conditions and protections when performing their duties as directors in accordance with the relevant provisions;
- (9) Reflect and consult the relevant information and opinions to the general meetings and the Supervisory Board in writing or orally if necessary;

- (10) Other rights stipulated by laws, administrative regulations and this Articles of Association.

**Article 153** The directors are required to comply with the laws, administrative regulations and these Articles of Association, and to carry out their following duties in good faith and diligence:

- (1) faithfully safeguard the interests of shareholders and the Company and the legitimate rights and interests of employees, ruled by work ethics and principles, make prudent decisions, and shoulder for responsibilities;
- (2) to keep the State secrets, work secrets and business secrets of the Company that he/she has learnt of;
- (3) abide by the regulations on integrity and not to violate the relevant regulations and requirements regarding the directors' diligent performance of duties with integrity, not to exploit his/her position to accept bribes or to obtain other illegal income, not to expropriate the Company's properties and not to provide a guarantee for others with the property of the Company;
- (4) observe the principles of honesty and integrity, not to take advantage of their position to seek benefits for themselves or others and not to accept any advantages, work allowances, remuneration packages and gifts in violation of law;
- (5) provide relevant circumstances and information to the general meeting of shareholders truthfully and ensure the objectivity, authenticity and integrity of the information provided;
- (6) other fiduciary duties as stipulated by laws, administrative regulations and the Articles of Association.

**Article 154** The directors shall abide by laws, administrative regulations and the Articles of Association, and bear the following diligent obligations:

- (1) attend the meetings of the Board of Directors and its special committees of the Company, and participate in other activities of the Board of Directors;
- (2) put enough time and energy to perform their duties, and length of service and the attendance of board meetings each year meets such regulations and requirements;
- (3) express clear opinions independently, objectively, seriously and cautiously on the issues deliberated at the meetings of the Board of Directors and the meeting of the special committee on the basis of understanding and fully mastering the information;

- (4) familiarize themselves with and continue to pay attention to the production, operation, reform and development of the Company, read the financial reports and other documents of the Company, and promptly report to the Board the issues that the Board should pay attention to, especially those resulting in significant loss and material operational crisis;
- (5) learn relevant knowledge on their own initiative and actively participate in relevant trainings, so as to continuously improve the ability to perform duties;
- (6) other diligent duties specified in the laws, administrative regulations and the Articles of Association.

**Article 155** No director shall act on behalf of the Company or the Board in his/her personal capacity without the requirement of the Articles of Association or the lawful authorization by the Board. In the event that a director acts in his/her personal capacity and is reasonably deemed by a third party to act on the behalf of the Company or the Board, the director shall clarify his/her stance and identity in advance.

Article 102  
of the Guidelines

**Article 156** A director shall clear all transitional procedures with the Board when his/her resignation becomes effective or his/her term expires. Such a director shall fulfill his/her fiduciary obligations to the Company and shareholders. Such obligations shall not be dismissed after the expiry of term and remains effective within the reasonable period specified by the Articles of Association. The duty of keeping the Company's business secrets confidential shall remain binding on the director after the expiry of his/her term until the secrets become public knowledge.

Article 101 of the  
Guidelines

**Article 157** Any director who, for two consecutive times, fails to attend a board meeting in person or to appoint other directors to attend the meeting on his/her behalf shall be deemed as not performing his/her duties. In such a case, the Board shall recommend his/her removal and replacement to the general meeting.

Article 99 of the  
Guidelines

**Article 158** In addition to enjoying the same rights and undertaking the same obligations as other directors, directors serving as employee representatives shall also perform the obligations of paying attention to and reflecting the legitimate demands of employees, and representing and safeguarding the legitimate rights of employees.

**Article 159** The Company has appointed independent directors. Unless otherwise required in this section, the provisions relating to the qualifications and obligations of directors set out in Chapter 15 of the Articles of Association and relevant provisions of laws, administrative regulations, requirements of the CSRC, and the listing rules of the stock exchange where the Company's shares are listed are applicable to independent directors. Amongst independent directors, at least one shall be an accounting professional. Independent directors shall perform their duties faithfully and play a role in decision-making, overseeing and checking the operation of the Board, and providing professional advice to the Board, so as to safeguard the overall interests of the listed company and protect the legitimate rights and interests of minority shareholders. Independent directors shall ensure the interests of all shareholders to be fully represented. At least one independent director of the Company should usually be resided in Hong Kong.

**Article 160** An independent director of the Company refers to the director holds no position in the company other than director, does not have any direct or indirect conflicts of interest with the Company, its major shareholders, or actual controller, has no other relationship that may affect his/her independent and objective judgment, and is in compliance with the Stock Exchange Rules where the Company's shares are listed in relation to the independence requirements.

Independent directors should fulfil their responsibilities independently, and should not be influenced by the listed company, its major shareholders, actual controller and other entities or individuals.

Article 104 of the Guidelines

Article 3 of the Rules for Independent Directors

Rule 6 of Opinion on Standardizing Operations and Reform, Rule 19A.18 of Listing Rules on Main Board

Article 2 of the Rules for Independent Directors

Article 34 of the Code of Corporate Governance for Listed Companies

**Article 161** The Board of the Company shall include at least one-third of the independent directors, at least one of which should be a professional accountant. When an independent director fails to meet the conditions of independence or other unsuitable performing conditions, resulting in the number of independent directors below to the number required by the Article of Association, the Company shall supplement the number as required.

Article 14 of the Rules for Independent Directors

**Article 162** Independent directors are appointed for the same term as that of the other directors of the Company and may offer themselves for re-election, while their term of office shall not exceed six years in aggregate.

Article 13 of the Rules for Independent Directors

**Article 163** The Company shall establish a working system for independent directors, which specifically stipulates the qualifications, independence, nomination, election and replacement, duties, powers and other aspects of independent directors, and such system shall come into effect after being approved by the shareholders' general meeting.

**Article 164** Any director who causes the Company to sustain a loss due to his/her unauthorized absence from office prior to the end of his/her term or in violation of laws, administrative regulations, rules or the Articles of Association during the performance of his/her Company duties, shall be liable for damages.

Article 103 of the Guidelines

## Section 2 Board of Directors

**Article 165** The Company shall establish a Board which is accountable to the general meetings.

Article 105 of the Guidelines

**Article 166** The Board of Directors shall implement a decision-making system of collective consideration, independent voting and individual accountability.

**Article 167** The Board shall comprise five to nine directors, external directors (directors who do not hold position in the company, the same applies to all such terms below) shall constitute at least one-half of the board of directors, among which three or more independent directors (directors who are independent of the shareholders of the company and who do not hold office within the company and who meet the qualifications for independent directorship as stipulated in the laws and regulations of the place of listing, listing rules and articles of association, etc.) shall be present. Independent directors may report directly to the general meeting, the securities regulatory authorities of the State Council and other relevant regulatory departments.

Articles 86 and 87 of the Mandatory Provisions

Articles 96, 106, and 111 of the Guidelines

The Guiding Opinion regarding the Further Improvement in Corporate Governance Structure of State-Owned Enterprises promulgated by the General Office of the State Council

The general manager or other senior management officers may concurrently serve as a director, provided that no more than half of the directors of the Company concurrently serve as the general manager or other senior management officers. At any time, there shall be no less than three independent directors.

Articles 1 and 6 of the Opinions on Standardizing Operations and Reform

The Board shall appoint one chairman. The chairman of the Board shall be elected or removed by more than half of all the Directors. The term of office of the chairman shall be three years and is renewable upon re-election.

Articles 45 and 108 of the Company Law

No more than two senior management officers of the controlling shareholder shall concurrently assume the chairman or executive director of the Company.

Rule B.2.2 of Appendix 14 to the Main Board Listing Rules

A director is not required to hold any shares in the Company.

**Article 168** An external director shall not have any relationship with the Company that may affect his/her impartiality in discharging his/her duty as an external director.

**Article 169** An external director shall not serve for more than six consecutive years

**Article 170** The Board shall be responsible for the general meeting to perform the duties of formulating strategies, making decisions and preventing risks, and exercises the following functions and powers:

- (1) to convene general meetings, to propose at a general meeting to pass relevant matters and to report on its work to the general meeting;
- (2) to implement the resolutions of the general meetings;
- (3) deciding on the operations plans, and investment plans of the Company;
- (4) to formulate the annual financial budgets and final accounts of the Company;
- (5) to formulate the profit distribution plan and plan for recovery of losses of the Company;
- (6) to formulate proposals for increases or reductions of the registered share capital of the Company and proposals for the issue and listing of corporate debentures or other securities;
- (7) to draw up plans for the asset acquisition or disposal, repurchase of shares of the Company, or merger, segregation, dissolution and alteration of corporate form of the Company pursuant to the regulations of the listing rules of the stock exchange where the Company's shares are listed;
- (8) to decide on matters of external investment, acquisition and disposal of assets, asset charge, external guarantee, entrusted wealth management, connected transactions and external donation of the Company in line with these Articles, or within the authority granted by the general meeting;

Article 88 of the Mandatory Provisions

Article 107 of the Guidelines

Article 6 of the Opinions on Standardizing Operations and Reform

Guiding Opinions on Deepening the Reform of State-owned Enterprises (Zhong Fa (2015) No.22), Opinions on Adhering to the Party's Leadership and Strengthening the Construction of the Party in Deepening the Reform of State-owned Enterprises (Zhong Fa (2015) No.44)



- (9) to decide on the establishment of the Company's branches, internal management structure;
- (10) to appoint or remove the Company's general manager and secretary of the Board, to appoint or remove other senior management officers such as deputy general manager, Chief Financial Officer and chief legal adviser based on the nomination from the general manager, and to determine the matters relating to the remuneration, incentives and punishments of the abovementioned senior management officers;
- (11) to draw up the basic management system of the Company;
- (12) to draw up proposals for any modifications to the Articles of Association;
- (13) to decide on the matters such as establishment, merger, segregation, reorganization or dissolution of the Company's important subsidiaries pursuant to the regulations of the listing rules of the stock exchange where the Company's shares are listed;
- (14) to decide on the establishment of special committees under the Board and to appoint or remove its person-in-charge;
- (15) to propose at general meetings a resolution in respect of candidates for independent directors and replacement of independent directors;
- (16) to propose at general meetings for the appointment, renewal or removal of the accountants' firm conducting auditing for the Company;
- (17) to listen to the work report and inspect the work of the general manager;
- (18) to manage the information disclosure of the Company;
- (19) to decide on significant accounting policies or changes in accounting estimates of the Company, unless otherwise provided by laws and regulations and the listing rules of the place where the Company's shares are listed;
- (20) to formulate the share incentive scheme and the employee stock ownership scheme;
- (21) to decide on matters in relation repurchases of shares by the Company under the circumstances as stated in Article 30(3), (5) and (6) of the Articles of Association.
- (22) to decide on other major affairs of the Company, save for the matters to be resolved at general meetings as required by the Company Law and the Articles of Association;
- (23) to formulate and review the corporate governance policy and practices of the Company;

- (24) to review and supervise the training and continuing professional development of directors and senior management;
- (25) to review and supervise the policies and practices of the Company in compliance with legal and regulatory requirements;
- (26) to formulate, review and supervise the code of conduct and compliance manual (if any) applicable to employees and directors;
- (27) to review the Company's compliance with the Code on Corporate Governance Practices and the disclosure in the Corporate Governance Report;
- (28) to establish the Company's Environmental, Social, and Governance (ESG) development strategy, and to approve or authorize to approve significant ESG-related matters;
- (29) other powers conferred by the Articles of Association or the general meetings; and
- (30) other matters as required by the laws, administrative regulations, listing rules of the stock exchange where the Company's shares are listed, etc .

Save for the resolutions of the Board in respect of the matters specified in paragraphs (6), (7), (12) and (21) above, which shall be passed by two thirds or more of the directors, the resolutions of the Board in respect of all other matters may be passed by more than half of the directors.

Resolutions in respect of the connected transactions made by the Board shall not come into force unless such resolutions are signed by independent directors.

The Board shall, in accordance with the provisions of the Articles of Association, resolve on matters within its authority in relation to guarantees, which shall require the consent of at least two-thirds of the Directors present at the meeting, in addition to the consent of a majority of all Directors of the Company.

Subject to this articles of association and relevant requirements, and after considering the actual situation of the Company, the Board may delegate certain powers to the Chairman's special meetings and the General Manager's office under certain conditions and scope, except for matters that are required by law or administrative regulations to be decided by the Board.

In deciding major corporate issues, the Board shall consult the Party Committee of the Company in advance.

**Article 171** If the motion is considered to warrant further study or material changes based on the review opinions of the board, the motion shall be amended and improved for review according to the time and method determined by the meeting of the board.

**Article 172** The secretary of the Company's Party Committee can attend meetings of the Board and special committees under the Board.

The Board may require the attending persons in charge of relevant business departments and experts to explain the resolutions, provide consultation, express opinions and accept inquiries if it is considered necessary.

If the matters to be considered at the Board involve legal issues, the chief legal adviser or the management staff performing the duties of the chief legal adviser shall attend the meeting and provide legal opinions.

Non-director individuals attending meeting of the Board have no voting right.

**Article 173** The Board shall formulate the rules of procedures of the Board meetings to ensure the Board have put into action the resolutions passed at the general meeting, so as to improve work efficiency, and make scientific decisions. The rules of procedures of the Board shall stipulate holding and voting procedures of the Board meetings. The rules of procedures of the Board shall be attached to this Articles of Association, shall be drawn up by the Board and approved by the general meeting.

Article 109 of the  
Guidelines

**Article 174** The Board shall not, without the approval of shareholders in general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate of the value of the consideration for the proposed disposition and where any fixed assets of the Company have been disposed of in the period of four months immediately preceding the proposed disposition exceeds 33% of the value of the Company's fixed assets as shown in the last balance sheet put forward to the shareholders in a general meeting.

For the purposes of this Article, disposition of fixed assets includes an act involving a transfer of an interest in certain assets, but excluding the act in which guarantee is provided through fixed assets.

The validity of a transaction for the disposition of fixed assets by the Company shall not be subject to the breach of the first paragraph of this Article.

Prior to making the decision in respect of any market development, merger and acquisition or investment in new sectors, for projects with investment amount or assets amount of the merger and acquisition of more than 10 percent of the total asset value of the Company, the Board may engage a social consultative body in giving professional advice as the key basis for its decision.

**Article 175** The Board shall explain to the general meeting with respect to any non-standard audit opinions issued by the certified public accountant on the financial report of the Company.

**Article 176** When the Company enters into transactions such as purchase or sale of assets, external investment (including entrusted financial management, investment in subsidiaries, etc.), leasing in or leasing out of assets, entrusting or being entrusted with the management of assets and business, gifting or being gifted with assets, restructuring of debts or liabilities, signing of licensing agreements, transferring or being transferred of R&D projects, renunciation of rights (including renunciation of the right of pre-emptive purchase, right of priority to subscribe for capital contributions, etc.) and connected transactions, such transactions shall be submitted to the Board of the Company for consideration if they meet the disclosure standards stipulated by the regulatory rules of the place of listing. If the relevant laws and regulations or the regulatory rules of the listing place stipulate otherwise on the circumstances that should be submitted to the Board for consideration, the provisions shall apply. Relevant experts and professionals shall be arranged to assess on material investment projects.

The aforesaid matters, if subject to consideration at the general meeting under relevant laws and regulations or the regulations of the jurisdiction where the shares are listed, shall be approved by the Board before submitting to the general meeting for approval.

Article 89 of the  
Mandatory  
Provisions

Article 4 of the  
Opinions on  
Standardizing  
Operations and  
Reform

Article 108 of the  
Guidelines

Article 110 of the  
Guidelines

**Article 177** The chairman of the Board shall exercise the following functions and powers:

- (1) to chair general meetings, and to convene and chair Board meetings;
- (2) to supervise and check on the implementation of resolutions passed in Board meetings;
- (3) to sign the share certificates, corporate bonds and other marketable securities issued by the Company;
- (4) to sign important documents of the Board and other documents that shall be signed by the legal representative of the Company, as well as to exercise the functions and powers of legal representatives;
- (5) to exercise special disposal powers which are in compliance with legal requirements and are in the interests of the Company on matters of the Company in the event of force majeure or an emergency in which it is impossible to convene a Board meeting in a timely manner, and to report to the Board during and after such events;
- (6) to organize development of the systems necessary for the operation of the Board, and to coordinate its operations;
- (7) to hear regular and non-regular performance reports from the senior management officers of the Company, and to provide the Board with steering comments on the implementation of Board resolutions;
- (8) to nominate a candidate for the secretary of the Board of the Company;
- (9) to supervise and check on the work of special committees under the Board; and
- (10) to exercise other functions and powers as authorized by the laws, regulations or the Articles of Association and the Board.

Where the chairman is unable to perform his/her duties, half or more of the directors may jointly elect a director to perform his/her duties.

Article 90 of the  
Mandatory  
Provisions

Article 112 of the  
Guidelines

**Article 178** The Board shall meet regularly and Board meetings shall be held at least four times a year at approximately quarterly intervals and convened by the chairman of the Board. A 14 days' prior written notice for convening the meeting shall be given to all directors and supervisors.

Under the following circumstances, an extraordinary Board meeting may be held within 10 days by the chairman of the Board upon the receipt of the proposal:

- (1) when proposed by shareholders representing more than one tenth of the voting rights;
- (2) when jointly proposed by more than one third of directors.
- (3) when the chairman of the Board considers necessary;
- (4) when proposed by more than two independent directors;
- (5) when proposed by the board of supervisors; and
- (6) when proposed by the general manager to hold an interim board meeting.

**Article 179** The notice to convene a regular board meeting shall be given 14 days prior to the meeting, and 5 days prior to an interim board meeting. The Board office shall give notice in writing to each director, supervisor, senior management and other attendees of the Board of the Company.

Where an interim board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.

Article 91 of the  
Mandatory  
Provisions

Articles 114 and  
115 of the  
Guidelines

Article 110 of the  
Company Law

Rules C.5.1 and  
C.5.3 of Appendix  
14 to the Main  
Board Listing  
Rules

Article 92 of the  
Mandatory  
Provisions

Article 116 of the  
Guidelines

**Article 180** A written notice of board meeting shall at least include the following:

- (1) the time and venue of the meeting;
- (2) the time limit of the meeting;
- (3) the reasons and subject matters;
- (4) meeting materials necessary for voting by directors;
- (5) the requirement for directors to attend the meeting in person or by entrusting other directors as proxy;
- (6) date on which the notice is issued, contact person and means of contact.

An oral notice of meeting shall at least include (1) and (2) above and an explanation for the urgent convention of the extraordinary board meeting due to emergency.

**Article 181** After the written notice of the regular meeting is issued, if the meeting time and venue or any other item needs to be changed, or the meeting proposal needs be supplemented, modified or cancelled, a change of notice in writing shall be given three days prior to the originally scheduled meeting date to specify the circumstances, contents and materials in relation to the new proposals. If the change of notice is given within three days prior to the originally scheduled meeting date, the meeting shall be postponed accordingly or convened according to the original schedule upon the approval by all the directors who are attending the meeting.

Article 117 of the  
Guidelines

After the notice of the extraordinary meeting is issued, if the meeting date, venue or any other item needs to be changed, or the meeting proposal needs to be supplemented, modified or cancelled, a prior approval from all directors who are attending the meeting shall be obtained and the corresponding records shall be made.

**Article 182** A notice of meeting shall be deemed to be delivered to such a director if he/she presents at the meeting and does not raise the objection to the non-receipt of such notice prior to, or at the time of, his/her arrival at the meeting.

**Article 183** Except as otherwise provided in these Articles, a Board meeting shall be held only if more than half of the directors as well as more than half of the external directors are present. Where the quorum fails to be met due to refusal or failure to attend the meeting by directors, the chairman and the secretary of the Board shall report it to the regulatory authorities timely.

Each director shall have one vote in the forms such as open ballot and written. Unless otherwise provided by the laws, administrative regulations and the Articles of Association, resolutions of the Board shall be passed by more than half of all directors.

Unless otherwise provided by the laws, administrative regulations, the relevant regulatory ordinances and rules or special mentioned under the Articles of Association as approved by the Hong Kong Stock Exchange, a director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract, transaction or arrangement in which he/she or any of his/her associates as defined in the applicable Hong Kong Stock Exchange Listing Rules in effect from time to time has any material interest or any other relevant proposals.

Article 93 of the  
Mandatory  
Provisions

Article 118 of the  
Guidelines

Article 124 of the  
Company Law

Rule 4(1) of  
Appendix 3 to the  
Former Main  
Board Listing  
Rules



**Article 184** When each proposal is fully discussed, the host shall propose to the participating directors to vote in due course.

Three options in form of the affirmative vote, negative vote and abstention are available for the directors to show their voting intentions. The participating directors shall choose one of them. The host of the meeting shall ask relevant director who fails to choose or chooses two or more options at the same time to make their choices again, and refusal to do so shall be regarded as abstaining from voting. Any director who refuses to choose or fail to return after leaving the meeting without making any choice shall be regarded as abstaining from voting. Where the affirmative votes and negative votes are equal, the chairman shall be entitled to one additional vote.

**Article 185** If any Director has connection with the enterprise involved in resolution made at a meeting of the Board, he/she may not exercise his/her right to vote on such resolution for himself/herself or on behalf of other director. Under the following circumstances, a director shall avoid voting on the relevant proposals:

- (1) When the relevant laws, regulations and the listing rules of the place(s) where the shares are listed stipulated that Directors should avoid voting;
- (2) When the Directors deem necessary to avoid voting;
- (3) When the Articles of Association of the Company specifies that Directors should avoid voting due to their relationship with the enterprise involved by the meeting proposal

Where the Directors are necessary to avoid voting, the relevant Board meeting may be convened if more than half of non-affiliated Directors attend the meeting and the resolution may pass upon the consent of more than half of non-affiliated Directors, and for matters involving special resolutions of the Board of Directors, the approval of at least two-thirds of the unrelated Directors is required. If the number of the non-affiliated Directors attending the meeting is less than three, the relevant proposal shall be submitted to the shareholders' general meeting for consideration other than be put to a vote.

Article 119 of the  
Guidelines

**Article 186** Where one-fourth or more of the attending directors or two or more external directors consider any proposal is not clear or specific, or that judgement cannot be made due to other reasons including insufficient meeting materials, such Directors may jointly propose to postpone the Board meeting or the discussion of certain matters at the meeting, and the Board shall accept such proposal.

Directors who proposed to postpone the voting shall put forward specific requirements for reconsideration of the subject proposal.

**Article 187** A board meeting shall be attended by the directors in person. If a director is unable to attend, he/she may appoint in writing another director to attend on his/her behalf. However, the following matters shall be specified in the authorization letter:

- (1) the names of the appointing Director and the Director being appointed;
- (2) the concise opinion of the appointing Director with regard to each proposal;
- (3) the authorization scope of the consigner, valid term and the instructions to the voting opinions on the proposal;
- (4) the signature of the appointing Director, date, among others.

The appointed director who attends the meeting shall exercise such director's right within the scope of authorization. If a director is unable to attend the Board meeting in person and has not appointed a representative to attend the meeting, he/she shall be deemed to abstain from voting at such meeting.

**Article 188** Any material matters to be decided by the Board shall be proceeded in accordance with the specified procedures, with a notice given to all directors at the time required by the Articles of Association and sufficient information shall be given at the same time. The directors may request additional information.

Resolutions in respect of connected transactions made by the Board shall not come into force unless they are signed by independent directors.

Article 3 of the Opinions on Standardizing Operations and Reform

Article 94 of the Mandatory Provisions

Article 121 of the Guidelines

Article 6 of the Opinions on Standardizing Operations and Reform

**Article 189** The Board may accept the written resolutions in lieu of convening a Board meeting, but the draft of such resolutions shall be delivered to each director through personal delivery, post, telegraph, facsimile or e-mail. Such resolution will be passed as a resolution of the Board, only after it has been delivered to all directors by the Board, signed and approved by the required quorum of the directors for decision-making and the signed document for approving such proposal has been delivered to the secretary to the Board by one of the aforesaid means.

**Article 190** The Board shall prepare the minutes for the decisions made concerning the matters considered at the board meetings, which shall be signed by the attending directors and the recorder. The minutes of Board meetings shall be kept for the Company's record, and such meeting records shall be kept permanently. The directors shall be responsible for the resolutions passed at the Board meetings. Any director who votes for a board resolution which violates the laws, administrative regulations or the Articles of Association and the Company suffering from material losses as a result thereof, shall be responsible for the liabilities of compensation. However, a director who votes against such resolution, and has been proved as having expressed dissenting opinions on such resolution and such opinions are recorded in the minutes of the meeting can be exempted from such liability.

**Article 191** The Secretary of the Board shall be responsible for taking minutes of the Board meeting. The minutes of the Board meeting shall include the following items:

- (1) the date and venue of the meeting, and the name of the convener;
- (2) the names of the Directors present and those appointed by others to be present (proxies);
- (3) the agenda of the meeting;
- (4) the gist of Directors' speeches;
- (5) the method and result of the vote in relation to each proposed resolution (the result of the vote shall state the numbers of votes for or against the proposed resolution or that of the abstaining votes).

Article 95 of the  
Mandatory  
Provisions

Article 122 of  
the Guidelines

Article 123 of  
Guidelines

### Section 3 Special Committees under the Board

**Article 192** The Board shall establish five special committees, namely strategy committee, risk management committee, audit committee, remuneration committee and nomination committee, the personnel composition and rules of procedure of which shall be resolved separately by the Board. All the special committees, which comprised of all directors, shall be accountable to the Board. The independent directors of the Audit Committee and the Remuneration Committee and the Nomination Committee shall be the majority and shall be chaired by an independent director, and the chairman of the Audit Committee shall be professional accounting personnel and the members of the Audit Committee shall be directors who do not hold senior management positions in the Company; the Strategy Committee shall comprise a majority of external directors and shall be chaired by the Chairman of the Board; the Risk Management Committee shall comprise of external directors and shall be chaired by an external director. Where necessary, the Board may set up other special committees. These special committees are ad hoc committees under the Board, which provide advices or advisory opinions to the Board on important decisions. The special committees shall not make any decision in the name of the Board. However, the Board may exercise decision-making power in respect of the authorized matters in accordance with a special power given by the Board. The Board shall establish separate rules of procedure for each specialized committee of the Board, outlining their responsibilities, meeting procedures, and other relevant matters.

Article 52 of the Code of Corporate Governance for Listed Companies

Articles 53, 54, 55 and 56 of the Code of Corporate Governance for Listed Companies

D.3, E.1 and B.3 of Item 2 of Article 107 of Guidelines

## Chapter 12 Secretary of the Board of the Company

**Article 193** The Company shall have a secretary of the Board, who shall be a senior management officer of the Company.

Article 96 of the  
Mandatory  
Provisions

**Article 194** The secretary of the Board shall be a natural person who has the requisite professional knowledge and experience, and shall be nominated by the chairman, appointed or removed by the Board. His/her primary responsibilities include:

- (1) to ensure that the Company has complete organizational documents and records; to keep and manage shareholder's information; to assist the Directors to deal with the routine tasks of the Board, to keep the Directors informed and alerted about any regulation, policy and other requirements in relation to the Company's operations of domestic and foreign regulators, and to assist ensure that the Directors and the general manager to observe Article 97 of the Mandatory Provisions Guidelines for Board Secretary Article 123 of the Company Law 58 domestic and foreign laws and regulations as well as the Articles of Association and other related regulations when performing their duties and responsibilities;
- (2) to organize and arrange for the Board meetings of the Board and general meetings, prepare meeting materials for the meetings, handle relevant meeting affairs, be responsible for keeping minutes of the meetings and ensure their accuracy, retain keep meeting documents and minutes and take the initiative to control keep abreast of the implementation of relevant resolutions. Any important issues occurring during the implementation shall be reported and relevant proposals shall be put forward to the Board;
- (3) to ensure the material matters decided by the Board of the Company to be carried out in accordance with the procedures as stipulated. At request of the Board, to participate in the organization of consultation on and analysis of the matters to be decided by the Board, and offer relevant opinions and suggestions; to undertake the day-to-day affairs of the Board and its committees as entrusted;

Article 97 of the  
Mandatory  
Provisions

Article 123 of the  
Company Law

- (4) as the contact person of the Company with the securities regulatory authorities, to be responsible for organizing the preparation and submission of the documents required by the regulatory authorities in a timely manner, and for accepting and organizing the implementation of any assignment from the regulatory authorities;
- (5) to be responsible for coordinating and organizing the Company's disclosure of information, to establish a complete disclosure system of information, to participate in all of the Company's meetings involving the disclosure of information, and to be aware of the Company's material decisions on operations and related information in a timely manner;
- (6) to be responsible for keeping the Company's price-sensitive information confidential and working out effective and practical confidentiality systems and measures. Where there is a leak about the Company's price-sensitive information due to any reason, necessary remedial measures shall be taken, timely explanation and clarification shall be made, and relevant reports shall be submitted to the stock exchange of the place where the shares of the Company are listed and the CSRC;

- (7) to be responsible for coordinating reception of visitors, liaising with news media, coordinating and answering the enquiries from the public, handling the relationships with intermediaries, regulatory authorities, media and submitting reports on the related matters to the CSRC;
- (8) to ensure the proper maintenance of the Company's register of members, so as to ensure the persons who are entitled to obtain the relevant records and documents of the Company are able to obtain the same on a timely basis;
- (9) to assist directors and the general manager in practicably implementing the domestic and foreign laws, regulations, the Articles of Association and other provisions in the course of discharging their duties. Upon becoming aware of the fact that the Company has passed or may pass resolutions which may breach the relevant regulations, he/she has a duty to immediately remind the Board, and is entitled to report such facts to the CSRC and other regulatory authorities;
- (10) to co-ordinate with the Company's board of supervisors and other auditing authorities to provide necessary information when discharging their duties; and to assist in carrying out investigation on the performance of fiduciary duties by the directors, the general manager and chief financial officer of the Company;
- (11) to exercise other functions and powers as conferred by the Board, as well as other functions and powers as required by the stock exchanges on which the Company's shares are listed.

**Article 195** Directors or other senior management officers of the Company may act as the secretary of the Board. An accountant of the accounting firm engaged by the Company and management officers of the controlling shareholders shall not concurrently act as the secretary of the Board.

In the event that a director concurrently acts as the secretary of the Board and a certain act has to be performed separately by a director and the secretary of the Board, such person who is both a director and the secretary of the Board shall not perform such act in dual capacity.

Article 98 of the  
Mandatory  
Provisions

Article 1 of the  
Opinions on  
Standardizing  
Operations and  
Reform

### Chapter 13 The General Manager and Other Senior Management Officers

**Article 196** The Company shall have one general manager, who shall be engaged or dismissed by the Board. The Company shall have 3-5 vice general managers, who shall be nominated by the general manager and engaged or dismissed by the Board. A director may serve concurrently as the general manager or other senior management officers.

Article 99 of the  
Mandatory  
Provisions

Articles 124 and  
132 of the  
Guidelines

The general manager, the vice general manager, the chief financial officer, chief legal adviser and the secretary to the Board of the Company are senior management officers of the Company.

The senior management of the Company shall be responsible for business operation, decision implementation and management improvement.

**Article 197** The term of office of the general manager shall be three years, and may serve consecutive terms.

Article 127 of the  
Guidelines

**Article 198** A person holding administrative position in the controlling shareholders of the Company other than as a director or supervisor shall not act as a senior management personnel of the Company.

Article 126 of the  
Guidelines

The salaries of the Company's senior management officers are to be paid by the Company, and will not be paid by the controlling shareholder on our behalf.



**Article 199** The general manager shall be accountable to the Board and shall exercise the following functions and powers:

- (1) to be in charge of the production, operations and management of the Company, and to report to the Board;
- (2) to organize the implementation of the resolutions of the Board, the annual business plans and investment plans of the Company;
- (3) to draft the proposal of the annual financial budget and the final accounts of the Company, and give advice to the Board;
- (4) to draft the fundamental management system of the Company and the proposal for the establishment of the Company's internal management organization;
- (5) to formulate the specific rules and regulations of the Company;

Article 100 of the  
Mandatory  
Provisions

Article 128 of  
the Guidelines

- (6) to request the Board to engage or dismiss the vice general manager, chief financial officer and other senior management officers.
- (7) to decide on the engagement or dismissal of a management personnel other than those to be engaged or dismissed by the Board;
- (8) to propose to convene extraordinary Board meetings;
- (9) to decide on other matters of the Company to the extent as granted by the Board;
- (10) other functions and powers as granted under the Articles of Association and the Board.

The vice general manager shall assist the general manager in his/her works and may exercise part of functions and powers as entrusted by the general manager.

**Article 200** The general manager shall attend the Board meetings. The general manager who is not a director has no voting right at the Board meeting.

Article 128 of  
the Guidelines

Article 101 of  
the Mandatory  
Provisions

**Article 201** The general manager shall formulate detailed working rules of the general manager. Such working rules shall be implemented upon approval by the Board.

Article 129 of  
the Guidelines

**Article 202** The working rules of the general manager shall include the following:

Article 130 of  
the Guidelines

- (1) duties and authorities of the general manager;
- (2) conditions for convening of and the procedure for the general manager's meetings, the personnel to attend the meeting;
- (3) other matters as the Board considers necessary.

**Article 203** The general manager can tender his or her resignation prior to the expiry of his or her term of office. The specific procedures for such resignation shall be governed by the labour contract between the general manager and the Company.

Article 131 of  
the Guidelines

**Article 204** The Company shall have a secretary to the Board, who shall be responsible for the organization of the general meetings and meetings of the Board, document keeping and management of information regarding the shareholders of the Company, and deal with information disclosure and other matters.

Article 133 of  
the Guidelines

The secretary to the Board shall comply with the relevant provisions of the laws, administrative regulations, departmental rules and in the Articles of Association.

**Article 205** In exercising his/her functions and powers, the general manager shall perform his/her fiduciary and diligent duties in accordance with laws, administrative regulations and the Articles of Association.

Article 102 of the  
Mandatory  
Provisions

**Article 206** The Company shall have one chief financial officer, who shall be engaged or dismissed by the Board. The chief financial officer shall be accountable to the Board and the general manager.

**Article 207** The Company implements the chief legal adviser system, which shall have one chief legal adviser, and the chief legal adviser shall play the role of a gate-keeper in legal review of operational and management matters to promote lawful operation and compliance management in the Company. The chief legal adviser, being a senior managerial personnel of the Company, shall be appointed and dismissed by the board of directors. Qualified professionals with legal education background or legal professional qualifications shall be facilitated to join the leadership team.

**Article 208** If a management officer breaches the laws, administrative regulations, departmental rules or the Articles of Association when performing his/her duties and causes loss to the Company, he/she shall be held responsible for damages.

Article 134 of  
the Guidelines

## Chapter 14 Board of Supervisors

**Article 209** The Company shall have a board of supervisors. The board of supervisors shall exercise supervision function in accordance with laws, administrative regulations and the Articles of Association.

Article 103 of the Mandatory Provisions

Article 144 of the Guidelines

**Article 210** The board of supervisors shall be composed of three members, one of whom shall be the chairman of the board of supervisors. The terms of office of supervisors shall be three years, renewable upon re-election and re-appointment. The appointment or removal of the chairman of the board of supervisors shall be subject to the approval of more than two thirds of its members by voting.

Article 104 of the Mandatory Provisions

Articles 138 and 144 of the Guidelines

Article 5 of the Supplemental Letter of Opinion

Rule 1(d)(i) of Appendix 13D to the Former Main Board Listing Rules

**Article 211** Where a re-election fails to be carried out in a timely manner upon the expiry of the term of office of a supervisor or the resignation of any supervisor during his/her term of office results in the number of members of the Board falling below the quorum, the said supervisor shall continue performing his/her duties as pursuant to laws, administrative regulations and the Articles of Association until the re-elected supervisor assumes office.

Article 139 of the Guidelines

**Article 212** Supervisors shall ensure that the information disclosed by the Company is true, accurate, and complete.

Article 140 of the Guidelines

**Article 213** Supervisors may present at the Board meetings and make enquiries or suggestions in respect of matters to be resolved.

Article 141 of the Guidelines

**Article 214** Supervisors shall not use their related party relationships to harm the interests of the Company, and shall be liable for indemnification to any loss so caused to the Company.

Article 142 of the Guidelines

**Article 215** A supervisor who violates any laws, administrative regulations, departmental rules or the Articles of Association during the course of performing his/her duties shall be liable for indemnification to any loss so caused to the Company.

Article 143 of the Guidelines

**Article 216** The members of the board of supervisors shall comprise two representatives of shareholders and one representative of staff and workers. The election and removal of the representatives of shareholders shall be decided by shareholders in shareholders' general meeting, while the representative of staff and workers shall be elected and removed by staff and workers of the Company in the employee representatives' meeting, meeting of staff and workers or other democratic ways.

Article 105 of the Mandatory Provisions

Article 7 of Opinions on Standardizing Operations and Reform

The board of supervisors should have more than half of the external supervisors (supervisors, including representatives of shareholders, not holding any positions in the Company, same hereinafter), and external supervisors shall have authority to report separately to the shareholders' general meeting on the honesty, diligence and conscientiousness of the members of senior management officers of our Company.

Clause 2 of Article 118 of the Company Law

**Article 217** The directors and the senior management officers of the Company shall not act concurrently as supervisors.

Article 106 of the Mandatory Provisions

Article 136 of the Guidelines

Clause 4 of Article 118 of the Company Law

**Article 218** The board of supervisors shall be accountable to the shareholders' general meeting and exercise the following functions and powers:

- (1) to review and provide written review opinion on the regular reports of the Company prepared by the Board;
- (2) to supervise the directors, the general manager and senior management officers in their performance of duties and to propose the removal of any directors and senior management officers who violate any law, administrative regulations, these Articles of Association or resolutions of shareholders' general meeting;
- (3) to demand any directors and senior management officers of the Company who act in a manner which is harmful to the Company's interests to rectify such behavior;
- (4) to examine the Company's financial affairs;

Article 108 of the  
Mandatory  
Provisions

Article 145 of the  
Guidelines

Article 7 of the  
Opinions on  
Standardizing  
Operations and  
Reform

Article 53 of the  
Company Law

- (5) to propose to convene a shareholders' extraordinary general meeting; and to convene and chair a general meeting in case the Board fails to perform the duties under the Company Law to convene and preside over the general meeting;
- (6) to propose resolutions at a shareholders' general meeting;
- (7) to propose to convene an extraordinary meeting of the Board;
- (8) to bring an action against the directors or senior management officers of the Company according to Article 151 of the Company Law;
- (9) to conduct investigation if any unusual operation of the Company is found; and may engage professional institutions such as accounting firms and law firms to assist in its work when necessary at the expense of the Company; and
- (10) other functions and powers conferred by laws and administrative regulations and the Articles of Association.

**Article 219** Meetings of the board of supervisors shall be held at least once every six months and the chairman of the board of supervisors is responsible for convening those meetings. Where the chairman of the board of supervisors is incapable of performing or fails to perform his/her duties, a supervisor elected by not less than half of the supervisors shall convene and preside over the board of supervisors meetings.

A supervisor can propose to convene an extraordinary meeting of the board of supervisors.

In convening the regular or extraordinary meetings of the board of supervisors, the administrative body of the board of supervisors shall give the written notice of the meeting bearing the chop of the board of supervisors 10 days or 5 days before the meeting date respectively. The notice of meeting shall be given to all supervisors by hand delivery, facsimile transmission, electronic mail or other means. If a notice is not given by hand

Articles 144 and  
146 of the  
Guidelines

Article 107 of the  
Mandatory  
Provisions

delivery, a subsequent telephone call shall be made for confirmation and corresponding records shall be made.

In case of urgency and an extraordinary meeting of the board of supervisors is required to be convened as soon as possible, the notice of such meeting may be given by telephone or other verbal means at any time provided that the convener of the meeting shall make relevant explanation at the meeting.

**Article 220** A notice of the meeting of the board of supervisors shall include the following:

- (1) the time, venue, and duration of the meeting;
- (2) the reasons and subject matters; and
- (3) the date on which the notice is issued.

**Article 221** The board of supervisors shall formulate the rules of procedures of the meeting of the board of supervisors that stipulate the procedures for discussion of matters and voting of the board of supervisors, so as to improve work efficiency and make scientific decisions.

**Article 222** A meeting of the board of supervisors shall be held only if more than half of the supervisors are present. Where the requirement of the minimum number of participants fails to be met due to some relevant supervisor's refusal or failure to attend the meeting, other supervisors shall timely report it to the general meeting or the state's relevant regulatory authorities.

The secretary of the Board shall present at meetings of the board of supervisors.

**Article 223** The matters shall be considered by the board of supervisors in the following manners: resolutions of the board of supervisors shall be made by way of voting with one vote for each supervisor, and conducted by way of open and written ballot.

The voting procedure includes: a supervisor may cast a vote as affirm, object or abstain. Each attending supervisor shall indicate his/her voting intention by choosing one of the above. The chairman of the meeting shall request each supervisor who fails to choose any of the above or have chosen two or more of the above to vote again, and refusal to do so shall be regarded as abstaining from voting. Any supervisor who leaves the meeting

Article 119 of the  
Company Law

Article 149 of the  
Guidelines

Article 147 of the  
Guidelines

Article 109 of the  
Mandatory  
Provisions

Article 6 of  
Supplemental  
Letter of Opinion

Rule 1(d)(ii) of  
Appendix 13D to  
the Former Main  
Board Listing  
Rules



and does not return and has not voted by choosing any of the above shall be regarded as abstaining from voting.

Resolutions of the board of supervisors shall be passed by the affirmative votes of more than two thirds of the members of board of supervisors.

The board of supervisors shall keep minutes of resolutions on matters discussed at the meeting, and the attending supervisors shall sign on the minutes of the meeting. A supervisor is entitled to request for some descriptive record to be made with regard to his/her speech at the meeting. Where a supervisor holds different opinions on the minutes, written explanation may be made upon signing. If necessary, it shall be timely reported to regulatory authorities or announced through public statements.

If a supervisor neither signs as required by the preceding paragraph, provides a written statement in respect of his/her dissenting opinions, reports to the regulatory authorities, nor gives public statements, the said supervisor shall be considered as completely agreeing with the contents of the meeting minutes.

The minutes of the meeting of the board of supervisors shall be kept in the domicile of the Company and permanently kept as a company file.

When voting by way of telecommunications, supervisors shall, after confirming their votes by signing a written opinion on the matter considered and his/her voting intention, fax the same to the office of the board of supervisors. Supervisors shall not only indicate the voting intention without stating the written opinion or reason for such voting intention. Supervisors who cast votes by way of telecommunications shall submit the signed original copy of the voting paper to the board of supervisors within the period stipulated in the meeting notice.

**Article 224** The board of supervisors may conduct investigation if they find any unusual operation of the Company; and may engage professionals such as lawyers and accountant firms to assist in its work when necessary. All reasonable fees so incurred shall be borne by the Company.

Article 148 of the  
Guidelines

Article 110 of the  
Mandatory  
Provisions

**Article 225** All supervisors shall perform their supervisory responsibility honestly and faithfully in accordance with law, administrative regulations and the Articles of Association. All supervisors shall bear duty of loyalty and duty of care to the Company in accordance with laws, administrative regulations and the Articles of Association. Supervisors shall not use his/her position to accept bribes or other illegal income and shall not appropriate the Company's properties.

Article 111 of the  
Mandatory  
Provisions

Article 137 of the  
Guidelines

### **Chapter 15 Qualifications and Obligations of Directors, Supervisors and Senior Management Officers of the Company**

**Article 226** Any of the following circumstances occurs, a person may not serve as a director, supervisor, the general manager, or other senior management officer of the Company:

Article 112 of the  
Mandatory  
Provisions

- (1) an individual who has no civil capacity or has restricted civil capacity;
- (2) persons who have committed the offences of corruption, bribery, trespass of property, misappropriation of property or damaging the socialist economic order, and have been penalized due to the above offences, where less than five years have elapsed since the date of the completion of implementation of the penalty or persons who have committed crimes and have been deprived of their political rights due to such crimes, where less than five years have elapsed since the date of the completion of the implementation of such deprivation;
- (3) persons who were former directors, factory chiefs or managers of a company or enterprise which has become insolvent and has been liquidated and were personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;
- (4) persons who were former legal representatives of a company or enterprise which had its business license revoked due to a violation of the law and were ordered to close down and who were personally liable to such company or enterprise, where less than three years have elapsed since the date of such company or enterprise's business license was revoked;
- (5) persons with a comparatively large amount of personal debts due and unsettled;

Articles 95, 125,  
and 136 of the  
Guidelines

- (6) persons who are currently under investigation by the judicial authorities for violation of criminal laws, and the legal procedures are pending;
- (7) persons who are currently being prohibited from participating in the securities market by the CSRC, the period of which has not yet expired;
- (8) persons who were not allowed to be heads of enterprises as stipulated by laws, administrative regulations;
- (9) persons who are not natural persons;
- (10) persons who have been convicted of offences of violating provisions of the relevant securities regulations or offences of fraud or acting in bad faith by the relevant competent authorities, where less than five years have lapsed since the date of conviction;
- (11) Other circumstances specified by the laws, administrative regulations, departmental rules, or required by the securities regulatory authorities and stock exchange(s) where the shares of the Company are listed.

Any election, designation or appointment of directors, supervisors, the general manager, or other senior management officers in violation of this Article shall be invalid. The Company may remove the post of the existing director who involved in the said circumstances during his/her term of office.

**Article 227** The validity of the conduct of directors of the Company, the general manager, and other senior management officers who have acted on behalf of the Company with respect to third parties who have acted in good faith shall not be affected due to any irregularity in the employment, election or qualification of such directors, the president, or other senior management officers.

**Article 228** In addition to obligations imposed by relevant laws, administrative regulations or the listing rules of the securities exchange on which the Company's shares are listed, directors, supervisors, the general manager, and other senior management officers of the Company in the exercise of their powers authorized by the Company shall owe the following obligations to the shareholders:

- (1) not to cause the Company to go beyond the business scope specified by its business license;

Article 113 of the  
Mandatory  
Provisions

- (2) to act honestly in what they consider to be the best interest of the Company;
- (3) not to deprive in any way the Company of its assets, including opportunities beneficial to the Company; and
- (4) not to deprive shareholders of their personal rights and interests, including rights to distributions and to vote, except in a Company reorganization submitted in accordance with the provisions of the Articles of Association and adopted at a shareholders' general meetings.

Article 114 of the  
Mandatory  
Provisions

**Article 229** Each of the directors, supervisors, the general manager, and other senior management officers of the Company owes a duty, in the exercise of his/her powers or discharge of his/her duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise under similar circumstances and shall be subject to the following diligent duties for the Company:

- (1) to prudently, carefully and diligently exercise the rights granted by the Company, so as to ensure that the commercial operations of the Company comply with the laws, administrative regulations of the state and the requirements of the various economic policies of the state, and that the commercial activities of the Company shall not exceed the scope of business specified on the business license;
- (2) to treat all shareholders impartially;
- (3) to keep abreast of the business operation and management of the Company;
- (4) to sign the written opinions for confirmation in respect of the regular reports of the Company and to assure that the information disclosed by the Company is true, accurate, and complete;
- (5) to provide the board of supervisors with relevant circumstances and information, and not to prevent the board of supervisors or supervisors from exercising their authorities; and
- (6) other diligent duties stipulated in the laws, administrative regulations, departmental rules, and the Articles of Association.

Article 115 of the  
Mandatory  
Provisions

Article 98 of the  
Guidelines

**Article 230** Each director, supervisor, the general manager, and other senior management officer of the Company should abide by his/her fiduciary principles in the discharge of his/her duties, and not to place himself/herself in a position where his/her own interests and his/her duty may conflict. Such principles include (but are not limited to) the performance of the following obligations:

- (1) to act honestly in the best interest of the Company;
- (2) to exercise his/her powers within the scope specified and not to act ultra vires;
- (3) to exercise the discretion vested in him/her personally and not allow himself/herself to act under the control of any other party; unless and to the extent permitted by law, administrative regulations or by the shareholders, having been informed of the relevant facts, at a general meeting, not to delegate the exercise of his/her discretion;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) not to enter into any contract, transaction or arrangement with the Company, except in accordance with the Articles of Association or with informed consent of shareholders in general meeting;
- (6) not to use the Company's property for his/her personal benefit in any manner without the approval of the shareholders who have been informed of the relevant facts, at a general meeting;
- (7) not to use his/her position to accept bribes or other illegal income and not to expropriate the Company's property in any manner, including (without limitation) opportunities beneficial to the Company;
- (8) not to accept commissions in connection with the Company's transactions without the informed consent of shareholders in general meeting;
- (9) to abide by the Articles of Association, faithfully perform his/her duties and protect the interests of the Company, and not to use his/her position and powers in the Company to seek personal gain;

Article 116 of the  
Mandatory  
Provisions

Article 97 of the  
Guidelines

- (10) without the informed consent of shareholders in the general meeting, not to use his/her position to seek for himself/herself or others any business opportunities that would otherwise belong to the Company, or operate on his/her own or for others any businesses similar to that of the Company, and not to compete with the Company in any way;
- (11) not to misappropriate the Company's funds, not to open any bank account in his/her own name or others' name for the deposit of the Company's assets or funds;
- (12) not to violate the provision of the Articles of Association to lend the Company's funds to others or provide security of the Company's assets for debts of shareholders of the Company or other individuals without the approval of shareholders' general meeting or the Board;
- (13) not to use his/her related party relationships to harm the interests of the Company;
- (14) without the informed consent of shareholders in general meeting, not to disclose any confidential information of the Company acquired during his/her term of office and not to use such information other than in furtherance of the interests of the Company, save and except that disclosure of information to a court or a relevant governmental authority is permitted where:
  1. the disclosure is made under compulsion of law;
  2. there is a duty to disclose for public interest; and
  3. the personal interests of directors, supervisors, the general manager and other senior management officers require disclosure.

Incomes derived from the violation by above-mentioned persons who violate the provision of this Article shall belong to the Company; anyone who has caused any loss to the Company shall be liable for compensation.

**Article 231** A director, supervisor, the general manager, or other senior management officer of the Company shall not direct the following persons or agencies ("Related Parties") to do what the director, supervisor, the general manager, or other senior management:

- (1) the spouse or underage child(ren) of such a director, supervisor, the general manager and other senior management officer of the Company;
- (2) a trustee for such a director, supervisor, the general manager and other senior management officer of the Company or any person referred to in (1) above;
- (3) a partner of such a director, supervisor, the general manager and other senior management officer of the Company or of any person referred to in (1) and (2) above;
- (4) a company in which that a director, supervisor, the general manager and other senior management officer of the Company, alone or jointly with person(s) referred to in (1), (2) and (3) above or with any of other directors, supervisors, the general manager and other senior management officers of the Company, have de facto control; and
- (5) a director, supervisor, the general manager and other senior management officer of a company under control referred to in (4) above.

Article 117 of the  
Mandatory  
Provisions

**Article 232** The fiduciary duties of a director, supervisor, the general manager, and other senior officer of the Company do not necessarily cease upon the termination of his/her tenure. The duty of confidentiality in relation to trade secrets of the Company survives the termination of his/her term of office. Other duties may continue for such a period as the principle of fairness may require depending on the length of time between the termination of his/her term of office and the occurrence of the matter in question and the circumstances and the terms under which the relationships between him/her and the Company are terminated.

Article 118 of the  
Mandatory  
Provisions

**Article 233** Except in circumstances referred to in Article 65 of the Articles of Association, liabilities of a director, supervisor, the general manager and other senior management officer of the Company arising from the violation of a specified duty may be released by informed shareholders in general meeting.

Article 119 of the  
Mandatory  
Provisions

**Article 234** Where a director, supervisor, the general manager and other senior management officer of the Company is, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, he shall declare the nature and extent of his/her interest to the Board at the earliest opportunity, whether

or not the related matters is otherwise subject to the approval of the Board under normal circumstances.

A director shall not be entitled to vote on any resolution of the Board in respect of any contract, transaction or arrangement in which he or any of his/her associates (as defined in the applicable listing rules of the Stock Exchange in effect from time to time) has any material interest or any other relevant proposals. When determining the quorum attending the meeting, the said director shall not be counted in the quorum. Unless the interested director, supervisor, the general manager or other senior management officer of the Company has disclosed his/her interest to the Board in accordance with the first paragraph of this Article and the contract, transaction or arrangement has been approved by the Board at a meeting in which the interested director is not counted in the quorum and has abstained from voting, the contract, transaction or arrangement in which a director, supervisor, the president or other senior management officer is materially interested is voidable at the instance of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the director, supervisor, the general manager or other senior management officer concerned.

A director, supervisor, the general manager and other senior management officer of the Company is deemed to be interested in a contract, transaction or arrangement in which the Related Parties have interest.

Article 120 of the  
Mandatory  
Provisions

Rule 4(1) of  
Appendix 3 to the  
Former Main  
Board Listing  
Rules



**Article 235** Where a director, supervisor, the general manager, or other senior management officer of the Company gives the Board a general notice in writing stating that, by reason of the facts stated in the notice, he/she is interested in contracts, transactions or arrangements of any description which may subsequently be entered into by the Company, then he shall be deemed to have made a disclosure for the purposes of the preceding Articles of this Chapter, so far as the content stated in such notice is concerned, if such notice shall have been given to the Board before the date on which the relevant contract, transaction or arrangement is first taken into consideration by the Company.

Article 121 of the  
Mandatory  
Provisions

**Article 236** The Company shall not, in any manner, pay tax for or on behalf of its director, supervisor, general manager or other senior management officers.

Article 122 of the  
Mandatory  
Provisions

**Article 237** The Company is prohibited from directly or indirectly making any loan or providing any guarantee to directors, supervisors, the President, or other senior management officers of the Company or the directors, supervisors, the president, or other senior management officers of its parent company. The Company is also prohibited from providing any loan or providing any guarantee to the Related Parties of the aforesaid.

The following transactions are not subject to the foregoing prohibition:

- (1) the provision of a loan or a guarantee for a loan by the Company to its subsidiary;
- (2) the provision of a loan or a guarantee for a loan or any other funds by the Company to any of its directors, supervisors, the general manager and other senior management officers to meet the expenditure incurred by him/her for the purposes of the Company or for the purpose of enabling him/her to perform properly, in accordance with the terms of an employment contract approved by the shareholders' general meeting; and
- (3) the Company may make a loan to or provide a guarantee in connection with a loan by another person to any of its directors, supervisors, the general manager and other senior management officers or the Related Parties where the ordinary course of its business includes the making of loans or the giving of guarantees and provided that the provision of such loans or guarantees is on normal commercial terms.

Article 123 of the  
Mandatory  
Provisions

**Article 238** A loan made by the Company in breach of the prohibition described in the preceding Article shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.

Article 124 of the  
Mandatory  
Provisions

**Article 239** A guarantee for a loan provided by the Company in breach of the prohibition referred to in Clause 1 of Article 237 shall not be enforceable against the Company unless:

Article 125 of the  
Mandatory  
Provisions

- (1) the guarantee was provided in connection with a loan to the Related Parties of a director, supervisor, the general manager and other senior management officer of the Company or its parent company and at the time the loan was advanced the lender was not aware of the relevant circumstances; and
- (2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide

**Article 240** Guarantee referred to in the preceding provisions of this Chapter includes an act of undertaking or property provided by the guarantor to secure the performance of obligations by the obligor.

Article 126 of the  
Mandatory  
Provisions

**Article 241** In addition to any rights and remedies provided for in relevant laws and administrative regulations, the Company is entitled to adopt the following measures where a director, supervisor, the general manager and other senior management officer of the Company is in breach of his/her duties owed to the Company:

- (1) to claim against such a director, supervisor, the general manager and other senior management officer for losses incurred by the Company as a result of his/her breach;
- (2) to rescind any contract or transaction entered into between the Company and the director, supervisor, the general manager and other senior management officer and a third party (where such third party has known or should have known that such a director, supervisor, the general manager and other senior management officer that represents the Company has breached his/her duties owed to the Company);
- (3) to demand the director, supervisor, the general manager and other senior management officer to surrender the profits obtained as a result of his/her breach;
- (4) to recover any monies received by the director, supervisor, the general manager and other senior management officer which should have been received by the Company, including, without limitation, commissions;

Article 127 of the  
Mandatory  
Provisions

- (5) to demand the return of the interest earned or which may have been earned on any monies by the director, supervisor, the general manager and other senior management officer which should have been received by the Company; and
- (6) to request for judgment through legal proceedings that the interest of a director, supervisor, the general manager and other senior management officer earned through his/her breach of duty should belong to the Company.

**Article 242** The Company shall, with the prior approval of the shareholders in general meeting, enter into a contract in writing with a director, supervisor and senior management officers of the Company in respect of their remuneration. The written contract shall include at least the following provisions:

- (1) The undertaking by a director, supervisor and senior management officer to the Company that he/she shall comply with, the requirements stipulated under the Company Law, the Special Regulations, the Articles of Association, the Code on Takeovers and Mergers, the Code on Share Repurchases and other rules stipulated by Hong Kong Stock Exchange, and agree that the Company entitles the remedial measures under the Articles of Association, where the contract and his/her position is not capable of assignment;
- (2) The undertaking by a director, supervisor and senior management officers to the Company that he/she shall comply with and perform his/her obligations to shareholders set out in the Articles of Association; and
- (3) The arbitration clause provided in Article 296 of the Articles of Association.

The remuneration referred to above shall include:

- (1) the remuneration in respect of his/her service as a director, supervisor or other senior management officer of the Company;
- (2) the remuneration in respect of his/her service as a director; supervisor or other senior management officer of a subsidiary of the Company;

Article 128 of the  
Mandatory  
Provisions

Article 117 of the  
Company Law

Rules 19A.54 and  
55 to the Former  
Main Board  
Listing Rules

- (3) the remuneration for provision of other services in connection with the management of the affairs of the Company and its subsidiaries; and
- (4) payment by way of compensation for loss of office of the director or the supervisor or as consideration for or in connection with his/her retirement.

Save the compliance with the aforesaid contract, no legal proceedings may be brought by a director or supervisor against the Company in respect of the benefits ought to be received by him/her by reasons of the matters stipulated above.

The Company shall regularly disclose the remuneration received by a director, supervisor or senior management officer from the Company to the shareholders.

**Article 243** In the contract for emoluments entered into by the Company with a director or supervisor of the Company: when the Company is being acquired, provisions shall be made for the right of the director or supervisor of the Company to receive, after obtaining the prior consent of shareholders in the general meeting, compensation or other payment with respect to his/her loss of office or for retirement. An acquisition of the Company referred to one of the following situations:

- (1) an offer made by anyone to all the shareholders; and
- (2) an offer is made by anyone such that the offeror will become a controlling shareholder (as defined in the Articles of Association).

If the relevant director or supervisor does not comply with the provisions of this Article, any sum received by the director or supervisor on account of the payment shall belong to those persons who have sold their shares as a result of the acceptance of such an offer, and the expenses incurred by the director or supervisor in distributing that sum on a pro rata basis among those persons shall be borne by him/her and not deducted from the distributed sum.

Article 129 of the  
Mandatory  
Provisions

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

**Article 244** Employees of the Company shall organize a trade union in accordance with the Trade Union Law of the People's Republic of China, carry out trade union activities, and safeguard the legitimate rights and interests of employees. The Company should provide the necessary conditions for the activities of the trade union.

**Article 245** The Company shall comply with national laws and administrative regulations regarding labor protection and production safety and implement relevant policies promulgated by the State to protect the legitimate rights and interests of the employees. The Company shall develop labor, personnel and salary system in accordance with the laws, administrative regulations and policies of the State regarding labor and personnel and in accordance with the needs of production and operation. The Company shall establish a selection and employment mechanism that meets market requirements after taking into consideration the actual situation of the Company, such as open recruitment of employees, election and competition of management personnel, adjustment and dismissal of the incompetent. The Company shall establish a market-competitive salary allocation system for key core employees and actively and orderly carry out medium- and long-term incentive plans.

## Chapter 17 Financial and Accounting System

**Article 246** The Company shall establish its financial and accounting systems in accordance with the laws, administrative regulations and rules formulated by relevant state authorities.

Article 130 of the  
Mandatory  
Provisions

Article 150 of the  
Guidelines

**Article 247** The accounting year of the Company shall adopt the calendar year, that is, starting from 1 January year to 31 December of every calendar year.

At the end of each accounting year, the Company shall prepare a financial report which shall be examined and verified in a manner prescribed by laws.

The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or accounting standards of the place where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with both accounting standards, such difference shall be stated and explained in the notes to the financial statements.

For the purposes of distribution of the Company's after-tax profits in an accounting year, the lower of the after-tax profits as shown in both sets of financial statements shall be adopted.

**Article 248** The Company shall submit its annual financial and accounting reports to the CSRC and the stock exchange within four months from the ending date of each financial year, its half year financial and accounting reports to the local branches of the CSRC and the stock exchange within two months from the ending date of the first six months of each financial year, and its quarterly financial and accounting reports to the local branches of the CSRC and the stock exchange within one month from the ending date of the first three months and the first nine months of each financial year, respectively.

The interim results or financial information of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or accounting standards of the place where the Company's shares are listed.

Articles 131 and 134 of the Mandatory Provisions

Clause 1 of Article 164 of the Company Law

Article 151 of the Guidelines

Articles 135 and 136 of the Mandatory Provisions

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

**Article 249** The Board of the Company shall make available before the shareholders at every annual general meeting such financial reports prepared by the Company in accordance with the relevant laws, administrative regulations and rules as well as directives promulgated by local governments and competent authorities.

Article 132 of the  
Mandatory  
Provisions

**Article 250** The Company shall not keep any other books of accounts other than those provided by law. The Company's assets shall not be deposited in accounts in the name of any individual.

Article 137 of the  
Mandatory  
Provisions

Article 152 of the  
Guidelines

**Article 251** The financial reports of the Company shall be made available at the Company for inspection by shareholders 20 days before the annual general meeting. Each shareholder of the Company is entitled to receive a copy of the financial reports as mentioned in this Chapter.

Article 133 of the  
Mandatory  
Provisions

A copy of the above report and directors' report shall, at least 21 days before the date of the annual general meeting, be delivered or sent by pre-paid post to each shareholder of overseas-listed foreign shares, and the address on the register of shareholders shall be the address of the recipient. The Company can proceed by way of announcements, including announcement via the Company's website, on condition that such announcements are in compliance with the laws, administrative regulations, departmental rules and the relevant requirements of the securities regulatory authorities of the place where the Company's shares are listed.

Article 7 of  
Supplemental  
Letter of Opinion

Rule 5 of  
Appendix 3 to the  
Former Main  
Board Listing  
Rules

## Chapter 18 Distribution of Profits

**Article 252** When distributing the after-tax profits of the current year, the Company shall allocate 10% of its profits into its statutory common reserve fund. When the cumulated amount of

Article 166 of the  
Company Law



the statutory common reserve fund of the Company has reached more than 50% of its registered capital, no further allocations is required.

Article  
153 of the  
Guidelines

Where the statutory common reserve fund of the Company is insufficient to make up for the losses of the Company incurred during the previous years, before making allocation to the statutory common reserve fund in accordance with the preceding paragraph, the profits generated during the current year shall be used to make up for such losses.

After making allocation to the statutory common reserve fund of the Company from its after-tax profits, the Company may, subject to resolutions adopted at a general meeting, also allocate funds from the after-tax profits to the discretionary common reserve fund.

After making up for the losses and making contributions to the common reserve fund, any remaining profits shall be distributed by the Company to the shareholders in proportion to their respective shareholdings according to the resolutions adopted at a general meeting.

If the shareholders' general meeting has, in violation of the provisions of the preceding paragraphs, distributed profits to the shareholders before the Company has made up for its losses and made allocations to the statutory common reserve fund, the shareholders shall return the profits distributed in violation of the provision to the Company.

No profits shall be distributed in respect of the Company's shares held by the Company.

**Article 253** The capital reserve shall include the following items:

- (1) the premium gained from shares issuance in excess of the par value; and
- (2) other incomes that shall be included into the capital reserve as required by the competent financial authority of the State Council.

Article 138 of the  
Mandatory  
Provisions

**Article 254** The reserve of the Company shall be applied for making up for losses of the Company, and expansion of the Company's production and operation or conversion to capital increment of the Company, but the capital reserve shall not be applied for making up for losses of the Company.

Article 168 of the  
Company Law

Where the statutory reserve is converted into capital, the balance of such reserve shall not fall below 25% of the Company's registered capital prior to such conversions.

Article 154 of the Guidelines

**Article 255** After the profit distribution plan was resolved at the shareholders' general meeting of the Company, the Board shall complete the dividends (or share) payment within two months after the shareholders' general meeting.

Article 155 of the Guidelines

**Article 256** The Company may distribute dividends in cash, in shares, or in a combination of both cash and shares, while it gives priority to profit distribution in cash.

Article 139 of the Mandatory Provisions

Subject to the conditions of dividend distribution, the Company shall distribute profits at least once a year, while interim profit distribution may also be made provided that the Company is guaranteed for normal operation and development.

Articles 153 and 156 of the Guidelines

The Board of the Company shall put forward differentiated cash dividend distribution policies in accordance with the procedures stipulated in the Articles of Association, after considering a combination of factors, including characteristics of the industry where it operates, development stage, business model and profitability of its own, as well as whether there is any substantial capital expenditure arrangement(s):

No. 3 Guideline for Supervision of Listed Companies - Article 3 of the Cash Dividend Distribution of Listed Companies

- (1) where the Company is at the developed stage with no substantial capital expenditure arrangement, cash dividend shall be not less than 80% of the profit distribution at the time of profit distribution;
- (2) where the Company is at the developed stage with substantial capital expenditure arrangement, cash dividend shall be not less than 40% of the profit distribution at the time of profit distribution;
- (3) where the Company is at the development stage with substantial capital expenditure arrangement, cash dividend shall be not less than 20% of the profit distribution at the time of profit distribution; and
- (4) where the Company has difficulty in identifying the development stage but there is substantial capital expenditure arrangement, dividend distribution may be made in accordance with the preceding provision.

No. 3 Guideline for Supervision of Listed Companies - Articles 3, 5, 6, and 12 of the Cash Dividends Distribution of Listed Companies

“Substantial capital expenditure arrangement” means the proposed external investment, asset acquisition or purchase of assets by the Company in the next twelve months in an aggregate expenditure amounting to or exceeding 10% of the latest audited net assets of the Company.

Except for special circumstances, the Company shall give priority to dividend payment in cash out of its post-tax profits for the year after the accumulated loss (if any) are made up and legal and discretionary reserves are allocated. The cash distribution shall be no less than 20% of the distributable profits for the year. Actual and reasonable factors such as corporate growth and dilution of net asset value per share should be taken into account when profit is distributed in dividends on shares.

The Company may not distribute the cash dividends in the following special circumstances:

- (1) The auditors issue the non-standard qualified opinion in relation to the annual financial report of the Company.
- (2) The net operating cash flows for the year are negative.
- (3) The Company has major investment plan or significant cash expenditure (except for fund raising projects).

The Board shall, during the formulation of the specific cash dividend distribution plan by the Company, study and analyse the matters such as timing, conditions, minimum ratio, adjustment conditions and decision-making procedures regarding the cash dividend distribution, and independent directors shall express their opinions explicitly.

Independent directors may solicit opinions from small and medium shareholders and put forward a dividend distribution proposal which shall be submitted directly to the Board for its consideration.

Prior to the consideration of a specific cash dividend distribution proposal at the shareholders' general meeting, the listed company shall proactively communicate and exchange views with shareholders, especially small and medium shareholders, through various channels in order to understand the views and demands of small and medium shareholders. The concerns of small and medium shareholders shall also be addressed promptly.

The Board of the Company shall disclose the reasons of not distributing dividends and the usage of such funds that are remained unused for dividend distribution retained in the Company, if no cash profit distribution is proposed, and independent directors shall express their independent opinions in this regard.

**Article 257** 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.

Rule 3(1) of Appendix 3 to the Former Main Board Listing Rules

**Article 258** The Company shall appoint receiving agents on behalf of shareholders holding overseas-listed foreign shares. The receiving agents shall on behalf of such shareholders receive dividends distributed by the Company in respect of the overseas-listed foreign shares and other amounts payable, and such payment shall be kept by the receiving agents on such shareholders' behalf for any payment to them.

Articles 140 of the Mandatory Provisions

Article 8 of Letter of the Supplemental Comments

The receiving agents appointed by the Company shall comply with the relevant requirements of the law of the place and relevant regulations of the stock exchange where the Company's shares are listed.

Rules 13(1) and (2) and Rule 3(2) of Appendix 3 to the Former Main Board Listing Rules

The receiving agents appointed on behalf of holders of overseas-listed foreign shares listed in the Hong Kong Stock Exchange shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Rules 1(c) of Appendix 13D to the Former Main Board Listing Rules

Subject to compliance with the relevant laws and regulations of the PRC, the Company may exercise its right to confiscate the dividends which are not claimed by anyone but such right can only be exercised in or after the sixth year after the date of declaring dividends.

The Company may exercise power to cease sending dividend warrants by post to a holder of overseas-listed foreign shares if such warrants have been left uncashed. The Company shall only exercise such power when such warrants have not been cashed twice in a row. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.

In relation to the exercise of right to issue warrants to bearer, no warrant thereof shall be issued to replace one that has been lost unless the Company is satisfied beyond reasonable doubt that the original warrant thereof has been destroyed. The Company shall have the right to sell, in such manner as the Board considers fit, any shares of a Shareholder of overseas-listed foreign shares who is untraceable, but is subject to the following conditions:

- (1) the Company has distributed dividends for at least 3 times in respect of such shares within 12 years, but none of such dividends was claimed; and
- (2) the Company, after the expiration of a period of 12 years, made an announcement on one or more newspapers of the place where the Company is listed, stating its intention to sell such shares, and notified the Hong Kong Stock Exchange.

**Article 259** Cash dividends and other payments payable by the Company to holders of domestic shares shall be declared and paid in Renminbi. Cash dividends and other payments payable by the Company to holders of overseas-listed foreign shares shall be denominated and declared in Renminbi and paid in Hong Kong dollars. The Company shall arrange the foreign currency for payment of cash dividends and other payments payable to holders of overseas-listed foreign shares in accordance with the provisions of the PRC in relation to foreign exchange administration.

**Article 260** Unless provided otherwise in relevant laws or administrative regulations, the Company shall adopt the average middle exchange rate of the relevant currency quoted by the People's Bank of China for the calendar week immediately before the date of declaration of the dividends and other payments as the exchange rate for payment of the cash dividends and other payments payable in HK dollars.

## Chapter 19 Internal Audit

**Article 261** The Company shall implement the internal audit system and is equipped with full-time auditing staff to conduct internal audit and supervision regarding the Company's financial income and expenses, and economic activities.

Rules 2(2) of  
Appendix 3 to the  
Former Main  
Board Listing  
Rules

Article 157 of the  
Guidelines

**Article 262** The internal audit system of the Company and the duties of the auditing staff shall be implemented upon the approval of the Board. The officer in charge of internal audit shall be accountable to the Board and report his or her work to the same.

Article 158 of the Guidelines

## Chapter 20 Appointment of Accountant Firm

**Article 263** The Company shall appoint such accounting firm which has obtained the “Qualifications for Engaging in Businesses Related to Securities” (“從事證券相關業務資格”) for carrying out the audit for the accounting statements, net asset verification and other relevant consultancy services. The term of appointment is one year and subject to reappointment.

Articles 141 of the Mandatory Provisions

Article 159 of the Guidelines

**Article 264** The appointment of accounting firm by the Company shall be subject to the approval at the shareholders’ general meeting. The Board may not appoint any accounting firm before the approval at the shareholders’ general meeting.

Article 160 of the Guidelines

**Article 265** The term of appointment of the accounting firm shall commence from the conclusion of the then annual general meeting and end at the conclusion of the next annual general meeting of the Company.

Article 142 of the Mandatory Provisions

**Article 266** The accounting firm appointed by the Company shall have the following rights:

- (1) To review the Company's books of accounts, records or vouchers at all times, and has the right to require the directors, the general manager or other senior management officers of the Company to provide related information and descriptions;
- (2) To require the Company to adopt all reasonable measures to obtain any information and descriptions from its subsidiaries that are required by the accounting firm to perform its duties; and
- (3) To attend general meetings, and to have equal access to notification of shareholder's general meetings or any information related to the meetings as available to all other shareholders, and speak at any general meeting on matters involving its appointment as the Company's accounting firm.

The Company shall provide true and complete accounting documents, books of accounts, financial and accounting reports and other accounting information to the appointed accounting firm, the Company shall not refuse to provide such information, conceal and misrepresent any facts.

The management of the Company shall ensure the presence of the external accountant at the annual general meeting to answer questions about auditing, the preparation and content of the accountant's report, the accounting policy and the independence

**Article 267** Should there be a vacancy for the post of accounting firm, the Board may appoint an accounting firm to fill the vacancy before the convening of a shareholders' general meeting. Any other accounting firm which is still in service may continue to act as the accounting firm during the period the vacancy remains unfilled.

**Article 268** Notwithstanding any terms stipulated in the appointment contract signed between the accounting firm and the Company, a shareholders' general meeting can, before the expiry of the tenure of the accounting firm, pass an ordinary resolution to dismiss the accounting firm. The accounting firm's right to claim for compensation from the Company for such dismissal, if any, shall remain unaffected.

Article 143 of the  
Mandatory  
Provisions

Article 161 of the  
Guidelines

Article 170 of the  
Company Law

Article 144 of the  
Mandatory  
Provisions

Article 145 of the  
Mandatory  
Provisions

**Article 269** The remuneration of an accounting firm or the manner in which such remuneration is determined shall be determined by a general meeting.

Article 146 of the Mandatory Provisions

Article 162 of the Guidelines

**Article 270** The decision on engaging, dismissing or not renewing the engagement of an accounting firm shall be made by the general meeting of shareholders, and reported to the securities regulatory authority of the State Council for filing.

Article 147 of the Mandatory Provisions

Article 9 of Supplemental Letter of Opinion

If the general meeting of shareholders plans, by passing resolutions, to recruit a non-incumbent accounting firm to fill up any vacancy of the post of accounting firm, or renew the engagement of an accounting firm appointed by the Board to fill up the vacancy, or dismiss an accounting firm before the expiration of its term of office, the following provisions shall be satisfied:

Rule 1(e)(i) of Appendix 13D to the Former Main Board Listing Rules

- (1) The relevant proposal on engagement or dismissal shall be sent to the accounting firm proposed to be engaged or to leave the post or the firm that has left the post in the relevant accounting year before the issuance of the notice of general meeting of shareholders.

Such departure includes departure by dismissal, resignation and retirement.

- (2) If the accounting firm which is about to leave the post makes a written statement, and requires the Company to inform the shareholders of its statement, unless the time of receiving such written statement is too late, the Company shall adopt the following measures:
  1. state in the notice of meeting issued for making resolutions that the accounting firm which is about to leave the post has made a statement; and
  2. send a duplicate copy of such a statement as the annex of the notice to shareholders who are entitled to receive notices of general meetings by the ways stipulated in the Articles of Association.
- (3) If the Company fails to send the statement of the relevant accounting firm according to the above provisions of



item (2), the accounting firm may ask the statement to be read at the general meeting of shareholders and make further appeal.

- (4) An accounting firm about to leave the post shall have the right to attend the following meetings:
1. general meeting of shareholders at which its tenure shall expire;
  2. general meeting of shareholders at which the vacancy due to its dismissal is to be filled up; and
  3. general meeting of shareholders convened due to its resignation from its post.

The accounting firm about to leave the post shall have the right to receive all notices of the aforesaid meetings or other information in relation to the meetings and give speeches at the aforesaid meetings with regard to matters involving its duties as the previous accounting firm approved by the Company.

**Article 271** 20 days prior notice shall be given to the accounting firm if the Company decides to remove the accounting firm or not to renew the appointment thereof. The accounting firm shall have the right to make representations at the general meeting of shareholders. The Company shall send the circular for the proposed removal of the accountant together with any written representation of the accountant to the shareholders at least 10 working days before the general meeting. Where the accounting firm resigns its post, it shall make clear to the shareholders' general meeting whether there is any impropriety on the part of the Company.

- (1) The accounting firm may resign its office by depositing at the Company's legal address a resignation notice which shall become effective on the date of such deposit or on such later date as may be stipulated in the notice. The notice shall include the following:
1. a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the attention of the shareholders or creditors of the Company; or
  2. a statement of any such circumstances that should be explained.

Article 148 of the Mandatory Provisions

Article 163 of the Guidelines

Article 10 of Supplemental Letter of the Opinion

Rules 1(e)(ii), (iii) and (iv) of Appendix 13D to the Former Main Board Listing Rules

- (2) Where a written notice is deposited under Clause (1) of this Article, the Company shall within 14 days send a copy of the notice to the relevant governing authority. If the notice contains a statement under Clause (1)2 of this Article, a copy of such statement shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of such statement by prepaid mail to every holder of overseas-listed foreign shares (i.e. the shareholder who is entitled to receive the financial report of the Company) at the address registered in the register of shareholders.
- (3) If the resignation notice of an accounting firm contains any statement mentioned in Clause (1)2 of this Article, the accounting firm may require the Board to convene an extraordinary general meeting to listen to its explanation on relevant matters about its resignation.

## Chapter 21 Notice

**Article 272** Notices of the Company can be issued via the following methods:

- (1) by personal delivery;
- (2) by mail;
- (3) by facsimile or email;
- (4) by publishing on the websites designated by the Company and the Hong Kong Stock Exchange in accordance with laws, administrative regulations and the listing rules of the stock exchange of the jurisdiction where the Company's shares are listed;
- (5) by an announcement;

Article 164 of the Guidelines

Rules 7(1) and (3) of Appendix 3 to the Former Main Board Listing Rules

Rule 2.07B of the Main Board Listing Rules

Rule 2.07A(3) to the Main Board Listing Rules

- (6) by any other methods as agreed by the Company or the addressor or as accepted by the addressee after the notice is received; and
- (7) any other methods approved by the relevant regulatory bodies of the place where the Company's shares are listed or required by the Articles of Association.

Where a notice of the Company is sent by way of an announcement, the aforesaid notice shall be deemed as received by all relevant persons once it is published.

Unless otherwise stated, the "announcement" referred to in the Articles of Association shall mean, as to the announcements published to the holders of domestic shares or the announcements required to be published in the PRC according to the relevant requirements and the Articles of Association, an announcement published on any newspaper in the PRC as stipulated under the laws and administrative regulations of the PRC or designated by the securities authority of the State Council; notices delivered to the shareholders of overseas-listed foreign shares, if the notices are published as public announcements, shall on the same date submit the electronic version for immediate release on the website of the Hong Kong Stock Exchange to the Hong Kong Stock Exchange through the Hong Kong Stock Exchange's electronic publication system according to the requirements of the local listing rules. Announcements shall also be published on the Company's website at the same time. In addition, unless otherwise required in the Articles of Association, the announcements shall be served by hand or prepaid mail to the registered address as set in the register of holders of overseas-listed foreign shares so that the shareholders are fully informed and have enough time to exercise his/her rights or act as required by the provisions of the notice.

Shareholders of the Company's overseas-listed foreign shares shall select electronic version or mail in writing to receive corporate communication that the Company shall send to shareholders, and shareholders can also select to receive Chinese or English version only, or both. Shareholders can give written notice in advance to the Company within reasonable time to revise the method and language version of receiving foregoing information under appropriate procedures.

Articles 165 and  
171 of the  
Guidelines

Shareholders or directors shall prove that certain notices, documents, information or written statements have been served to the Company shall provide evidential materials showing the same has been served to the correct address by ordinary means or by prepaid mail within the designated periods.

Notwithstanding the aforesaid provision which specifies providing and/or dispatching written corporate communication to shareholders, as for the means by which the Company provides and/or dispatches its corporate communication to shareholders according to the Listing Rules of the Hong Kong Stock Exchange, if the Company has obtained shareholders' prior written consent or deemed consent according to the relevant laws and regulations and the Listing Rules of the Hong Kong Stock Exchange as amended from time to time, the Company may dispatch or provide corporate communication to its shareholders by electronic means or via its website. Corporate communication includes circulars, annual reports, interim reports, quarterly reports, notices of shareholders' general meetings, and other types of corporate communication as specified in the Listing Rules of the Hong Kong Stock Exchange.

**Article 273** Unless otherwise stated in the Articles of Association, the various means of sending notices specified in the preceding clause shall apply to the meeting notices of the general meeting, board meetings and the meetings of the board of supervisors convened by the Company.

Articles 166, 167 and 168 of the Guidelines

**Article 274** If a notice of the Company is delivered by hand, the date when the recipient signed or stamped to acknowledge receipt of the same shall be regarded as the date of service of the notice. For notice sent by mail, it shall be deemed to have been received after 48 hours from the date on which the post office receives the notice. For a notice sent by fax or email or published on websites, the date of sending the notice is the delivery date. For notice notified by announcement, the first publishing date is the delivery date. Relevant announcements shall be published on the newspapers as required by relevant requirements.

Article 169 of the Guidelines

**Article 275** If the listing rules of the stock exchange of the place where the Company's shares are listed stipulate that the

Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, and if the Company has made appropriate arrangement to confirm whether the shareholders intend to receive only the English version or the Chinese version, the Company may (as per the intent stated by the shareholders) send only the English version or the Chinese version to the related shareholders within the range permitted by applicable laws and regulations and pursuant to such laws and regulations.

## Chapter 22 Merger and Division of the Company

**Article 276** For a merger or division of the Company, the Board shall put forward a proposal, and undergo the procedures for official approval according to law after the proposal is passed according to the procedures specified in the Articles of Association of the Company. Shareholders who oppose the Company's merger or division plans shall have the right to ask the Company or the shareholders who approve the merger or division plans to purchase the shares of such opposition shareholders at a fair price. The content of the resolution on the merger or division of the Company shall be made into special document, which shall be available for shareholders to inspect.

With regard to holders of overseas-listed foreign shares, the aforesaid documents shall also be delivered by mail.

**Article 277** The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

In the case of a merger of the Company, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date on which the Company's merger resolution is passed and shall publish a public notice in newspaper within 30 days from the date of the Company's merger resolution. The creditors shall be entitled to require the Company to settle its debts or provide corresponding guarantees within 30 days from the receipt of the written notice, or within 45 days from the date of the public notice for those who have not received the written notice.

After the merger of the Company, the claims and debts of the parties to the merger shall be assumed by the surviving company or the newly established company resulting from the merger.

Article 149 of the  
Mandatory  
Provisions

Article 150 of the  
Mandatory  
Provisions

Articles 172 and  
173 of the  
Guidelines

Article 173 of the  
Company Law

Article 174 of the  
Guidelines

**Article 278** In the case of a division of the Company, its assets shall be divided accordingly.

Article 175 of the Guidelines

In the case of a division of the Company, the parties to the division shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date on which the Company's division resolution is passed and shall publish a public notice in newspaper within 30 days from the date of the Company's merger resolution.

Article 151 of the Mandatory Provisions

Articles 175 and 176 of the Company Law

Debts of the Company prior to the division shall be assumed by the companies which exist after the division, except otherwise agreed in the written agreement in respect of debt service reached between the Company and its creditors prior to the division.

Article 176 of the Guidelines

**Article 279** Where a merger or division of the Company involves changes in registered items, such changes shall be registered according to law with the company registration authority. Where the Company is dissolved, its deregistration shall be carried out according to laws. Where a new company is incorporated, the registration of the incorporation of the company shall be carried out according to law.

Article 152 of the Mandatory Provisions

Article 178 of the Guidelines

## Chapter 23 Dissolution and Liquidation of the Company

**Article 280** The Company shall be dissolved upon the occurrence of the following events:

- (1) expiry of the term of business provided in the Articles of Association or other cause of dissolution as specified therein;
- (2) a special resolution on dissolution is passed by Shareholders at a general meeting;
- (3) dissolution is necessary due to a merger or division of the Company;
- (4) the Company's business license is revoked or it is ordered to close down or it is cancelled according to laws; and
- (5) where the Company gets into serious trouble in operations

Article 153 of the Mandatory Provisions

Article 179 of the Guidelines

Articles 180 and 182 of the Company Law

and management and its continuation may cause substantial loss to the interests of its shareholders, and no solution can be found through any other channel, shareholders representing more than 10% of the total voting rights of the Company may request the People's Court to dissolve the Company.

**Article 281** Where the Company is dissolved by virtue of the reasons set out in Items (1), (2), (4) and (5) of Article 280 of the Articles of Association, the Company shall establish a liquidation group within 15 days commencing from the date on which the events being the grounds for dissolution occurred, in order to start liquidation process. The members of the liquidation group shall be composed of persons selected by directors or decided at shareholders' general meeting. If no liquidation group has been established to conduct liquidation within the time limit, the creditors may request the People's Court to designate relevant persons to form a liquidation group to conduct liquidation.

**Article 282** With regard to the occurrence of the situation described in Item (1) of Article 280 of the Articles of Association, the Company may continue to exist by amending the Articles of Association.

Amendments to the Articles of Association pursuant to the preceding paragraph shall be subject to the approval of shareholders representing two-third or above of the voting rights present at the general meetings of shareholders.

**Article 283** Where the Board decides to liquidate the Company due to causes other than where the Company has declared that it is insolvent, the Board shall include a statement in its notice convening a shareholders' general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company will be able to fully settle its debts within 12 months from the commencement of the liquidation.

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

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

Article 154 of the  
Mandatory  
Provisions

Article 181 of the  
Guidelines

Article 183 of the  
Company Law

Article 180 of the  
Guidelines

Article 155 of the  
Mandatory  
Provisions

**Article 284** During the liquidation period, the liquidation group shall exercise the following functions and powers:

- (1) to liquidate the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify all creditors by notice or public announcements;
- (3) to dispose of any unfinished business of the Company in relation to the liquidation;
- (4) to pay all outstanding taxes and taxes occurred during liquidation process;
- (5) to settle claims and debts;
- (6) to deal with the remaining assets after the full settlement of the Company's debts; and
- (7) to represent the Company in any civil proceedings.

**Article 285** The liquidation group shall send a notice to creditors within 10 days from the group's establishment, and make a public announcement in newspaper within 60 days from the group's establishment. The creditors shall report their claims to the liquidation group within 30 days from the receipt of the notification, or in the event that no such notification is received, within 45 days from the date when the announcement is published.

When the creditors report their claims, they shall explain clearly relevant matters regarding the claims and provide supporting evidence. The liquidation group shall register the claims.

The liquidation group may not reimburse any such creditors during the period of declaration of claims.

Article 157 of the  
Mandatory  
Provisions

Article 182 of the  
Guidelines

Article 184 of the  
Company Law

Article 156 of the  
Mandatory  
Provisions

Article 183 of the  
Guidelines

Article 185 of the  
Company Law



**Article 286** After examining the Company's assets and preparing balance sheets and an inventory of assets, the liquidation group shall formulate a liquidation plan and present it to the general meeting or competent authorities for confirmation.

The assets of the Company shall be submitted for liquidation in the following order: payment of liquidation expenses, wages, social insurance contribution and statutory compensation of the Company's employees; payment of outstanding taxes; and the settlement of the Company's debts.

After the assets are applied by the Company to settling debts in accordance with the above provisions, the remaining assets shall be distributed to the shareholders according to the class of shares held by them and the proportion of their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not engage in any new business activities. The assets of the Company shall not be distributed to the shareholders until the settlement of debts in accordance with the above provisions.

**Article 287** If the liquidation group, having examined the Company's assets and having prepared a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to fully settle its debts, the liquidation group shall immediately apply to the People's Court for a declaration of insolvency.

After the People's Court declares the Company insolvent, the company's liquidation group shall hand over all liquidation matters to the People's Court.

Article 158 of the  
Mandatory  
Provisions

Article 184 of the  
Guidelines

Article 159 of the  
Mandatory  
Provisions

Article 185 of the  
Guidelines

Article 187 of the  
Company Law

**Article 288** Following the completion of liquidation, the liquidation group shall prepare a report on liquidation and a statement of the receipts and payments and financial books during the period of liquidation, which shall be examined and verified by the PRC certified public accountants and submitted to the shareholders' general meeting or the People's Court for confirmation. The liquidation group shall also, within 30 days after such confirmation, submit the preceding documents to the company registration authority and apply for de-registration of the Company, and publish an announcement relating to the termination of the Company.

Article 160 of the  
Mandatory  
Provisions

Article 186 of the  
Guidelines

**Article 289** Members of the liquidation committee shall perform their duties with due diligence and carry out their liquidating obligations in accordance with the laws. Members of the liquidation group shall not use their position to accept bribes or other illegal income and not to expropriate the Company's property. A member of the liquidation group who causes loss to the Company or its creditors due to his or her intentional misconduct or gross negligence shall be liable for damages.

Article 187 of the  
Guidelines

**Article 290** Where the Company is declared bankruptcy in accordance with law, it shall implement bankruptcy liquidation in accordance with the relevant laws relating to bankruptcy of enterprise.

Article 188 of the  
Guidelines

#### **Chapter 24 Amendments to the Articles of Association of the Company**

**Article 291** The Company may amend its Articles of Association in accordance with provisions contained in relevant laws, administrative regulations and the Articles of Association.

The Company shall amend the Articles of Association in any of the following circumstances:

- (1) after the amendments are made to the Company Law or other relevant laws and administrative regulations, any term contained in the Articles of Association contradicts with the said amendments;

Article 161 of the  
Mandatory  
Provisions

Article 189 of the  
Guidelines

- (2) changes in the affairs of the Company are inconsistent with the terms specified in the Articles of Association;
- (3) the general meeting of shareholders has resolved to amend the Articles of Association; and
- (4) other circumstances that the Company shall amend the Articles of Association.

**Article 292** The Articles of Association shall be amended according to the following procedures:

- (1) The Board shall approve a resolution to amend the Articles of Association, and prepare the proposed amendments;
- (2) The Board shall convene a general meeting to vote on the amendments to the Articles of Association at the general meeting;
- (3) The amendments to the Articles of Association shall be passed by way of a special resolution approved by the general meeting; and
- (4) The Company shall submit the revised Articles of Association to the company registration authority for filing.

**Article 293** The Board shall amend the Articles of Association in accordance with the resolution of the general meetings of shareholders on amendments to the Articles of Association and the examination and approval opinions from relevant competent authorities.

**Article 294** Where the amendments to the Articles of Association involve the contents of the Mandatory Provisions, such amendments shall become effective upon their approval by the approval authorities authorized by the State Council and the Securities Regulatory Commission of the State Council. Where there is any change relating to the registered particulars of the Company, application shall be made for registration of such changes in accordance with law.

**Article 295** Where the amendments to the Articles of Association constitute information that shall be disclosed under the requirements of laws and regulations, the Company shall disclose such amendments according to these requirements.

Article 38 of the  
Company Law

Article 191 of the  
Guidelines

Article 162 of the  
Mandatory  
Provisions

Article 190 of the  
Guidelines

Article 192 of the  
Guidelines

## Chapter 25 Dispute Resolution

**Article 296** The Company shall act according to the following principles to settle disputes:

- (1) For any disputes or claims between shareholders of overseas- listed foreign shares and the Company; between shareholders of overseas-listed foreign shares and the directors, supervisors, the general manager or other senior management officers of the Company; or between shareholders of overseas-listed foreign shares and shareholders of domestic shares, that arise in relation to the affairs of the Company based on the rights and obligations stipulated in the Articles of Association, the Company Law and other relevant laws and administrative regulations, any such disputes

Where the aforesaid disputes or claims are referred to arbitration, the entire claim or dispute shall be referred to arbitration and all persons (the Company or its shareholders, directors, supervisors, the general manager or other senior management officers), who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such disputes or claims,

Disputes regarding the definition of shareholders and the register of shareholders may be resolved in approaches other than arbitration.

- (2) The claimant may refer the arbitration to the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules, and may also refer the arbitration to the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once a claimant refers a dispute or claim to arbitration, the other party shall submit to the arbitral body elected by the claimant.

If the claimant refers the arbitration to the Hong Kong International Arbitration Centre, either party may request the arbitration to take place in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.

Article 163 of the  
Mandatory  
Provisions

Article 11 of  
Supplemental  
Letter of Opinion

- (3) Unless otherwise provided in the laws and administrative regulations, any disputes or claims arising out of the above Item (1) shall be resolved by arbitration in accordance with the laws of the People's Republic of China (excluding the Special Administrative Region of Hong Kong, the Special Administrative Region of Macau and Taiwan).
- (4) The decision made by the arbitral body shall be final and conclusive, and shall be binding on all the parties.

### Chapter 26 Supplemental Provisions

**Article 297** The term “accounting firm” referred herein shall have the same meaning as ascribed to the term “auditors”.

“Actual controller” referred to in the Articles of Association represents a person who is not a shareholder of the Company, but may actually control the actions of the Company through investment relationships, agreements or other arrangements.

“More than”, “within” and “less than” as referred to in the Articles of Association are inclusive of the figure concerned, while “exceed” and “other than” referred herein are not inclusive of the figure concerned.

**Article 298** The Articles of Association is prepared in Chinese. The Chinese version shall prevail in case of any discrepancies between the Chinese version and any other language version of the Articles of Association.

**Article 299** The Board has the right to interpret the Articles of Association, and would submit any matters not covered herein to the general meeting for consideration and approval.

Article 165 of the  
Mandatory  
Provisions

Article 216(3) of  
the Company Law