

# **Beijing Airdoc Technology Co., Ltd.**

## **Articles of Association**

*(Deliberated and adopted at the 2023 Second Extraordinary General Meeting on  
December 29, 2023)*

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## 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 (hereafter referred to as the “**Company Law**”), the Securities Law of the People’s Republic of China (the “**Securities Law**”), the Opinions on Further Promoting the Regular Operation of Companies Listed Abroad and Deepening the Reform, the Reply of the State Council on Adjusting the Provisions Applicable to the Notice Period and Other Matters of the General Meeting of Shareholders by Overseas Listed Companies (State Council Letter [2019] No. 97) and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereafter referred to as the “**Hong Kong Listing Rules**”), the Trial Administrative Measures of Overseas Securities Offerings and Listings by Domestic Companies, the Applicable Guidelines under Regulatory Rules — Listed Category No. 1 for Overseas Issuance as well as other relevant laws, administrative regulations and normative documents, and referred to the Guideline on the Articles of Association of Listed Companies (Revised in 2022) for the purposes of safeguarding the legitimate rights and interests of Beijing Airdoc Technology Co., Ltd. (hereafter referred to as the “**Company**”), its shareholders and creditors and regulating the organization and conducts of the Company.

*Article 1 of the  
Guidelines for  
Articles of  
Association of  
Listed Companies*

**Article 2** The Company is a joint-stock limited company incorporated in accordance with the Company Law and other related provisions within the territory of China. The Company was established according to laws by way of the overall change of the former Beijing Tulip Partner Technology Co., Ltd. based on the net book assets audited as of October 30, 2020. The Company was registered with the Beijing Haidian District Administration for Market Regulation on December 28, 2020 and obtained the Business License according to laws (Uniform Social Credit Code: 91110108355313321X). The sponsors of the Company are: Zhang Dalei, Yadong Beichen Venture Capital Co., Ltd., Ping An Healthcare and Technology Company Limited, Beijing Shi Ji Si Su Technology Co., Ltd., Beijing Airdoc Universe Technology Center (Limited Partnership), Suqian Airdoc Technology Center (Limited Partnership), Suzhou Zhilang Guangcheng Venture Capital Center (Limited Partnership), Beijing Jiuhe Yunteng Venture Capital Center (Limited Partnership), Jinan Chanyan Zhongxiang Venture Capital Management Center (Limited Partnership), Shenzhen Kailang Mingzhi Venture Capital Partners Limited (Limited Partnership), Chen Mingqiang, CITIC Securities Investment Co., Ltd., Ruizhixin (Shenzhen) Technology Industry Development Co., Ltd., CITIC (Shenzhen) Venture Capital & Equity Investment Fund Partners (Limited Partnership), Xinyu Hangneng Asset Management Partners (Limited Partnership), Gao Fei, Guoke Kaiyan I (Shenzhen) Intelligent Medical Investment Partners (Limited Partnership), Shanghai Morong Investment Center (Limited Partnership), Suzhou Zhilang Fengcheng Venture Capital Center (Limited Partnership), Tianjin Xishan Partner Technology Partners (Limited Partnership), Shanghai Nengjun Venture Capital Center (Limited Partnership), Everbright Healthcare Co., Ltd., Beijing Fuhui Chuangshi Venture Capital Management Center (Limited Partnership), San Sheng Guojian Pharmaceutical (Shanghai) Co., Ltd., Wenzhou Haiyan Qianshao Venture Capital Partners (Limited Partnership), Ningbo Xingbangyu Enterprise Management Consulting Partners (Limited Partnership).

*Article 1(a) of Appendix 13D to the Hong Kong Listing Rules Article 2 of the Guidelines for Articles of Association of Listed Companies*

**Article 3** The Company won the approval from China Securities Regulatory Commission (hereafter referred to as the “CSRC”) to offer the overseas listed foreign shares of 22,267,200 on August 26, 2021 (hereafter referred to as the “H-shares”), 3,666,918 unlisted foreign shares were converted to overseas listed foreign shares and the H-shares were listed on the Stock Exchange of Hong Kong Limited on November 5, 2021.

*Article 3 of the Guidelines for Articles of Association of Listed Companies*

**Article 4** The registered name of the Company:  
Full Name in Chinese: 北京鷹瞳科技發展股份有限公司  
Full Name in English: Beijing Airdoc Technology Co., Ltd.

*Article 81 of the  
Company Law  
Article 4 of the  
Guidelines for  
Articles of  
Association of  
Listed Companies*

Company Domicile: Room 21, 4F, Building 2, Court 2, West Third  
Ring Road, Haidian District, Beijing  
Postal Code: 100089  
Tel: 010-82362300

*Article 81 of the  
Company Law  
Article 5 of the  
Guidelines for  
Articles of  
Association of  
Listed Companies*

**Article 5** The registered capital of the Company is RMB103,568,013.

*Article 81.4 of the  
Company Law  
Article 6 of the  
Guidelines for  
Articles of  
Association of  
Listed Companies*

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

*Article 7 of the  
Guidelines for  
Articles of  
Association of  
Listed Companies*

**Article 7** The legal representative of the Company is the Chairman of  
the Board of Directors.

*Article 81 of the  
Company Law  
Article 8 of the  
Guidelines for  
Articles of  
Association of  
Listed Companies*

**Article 8** All the properties of the Company are divided into equal shares, a shareholder shall be responsible to the Company to the extent of the shares he contributes, and the Company shall be responsible for its liabilities with all of its properties.

*Article 3 of the  
Company Law  
Article 9 of on the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

**Article 9** These Articles of Association are the code of conduct of the Company and have been adopted by the General Meeting of Shareholders of the Company through an ad hoc resolution. They shall take effect and be implemented as of the date on which these Articles of Association are submitted by the Board of Directors of the Company to the shareholders' general meeting for consideration and approval, and supersede the former Articles of Association registered with the industry and commerce administration authority. As of the date of validity, these Articles of Association shall constitute a document with the legal binding force governing the organization and conducts of the Company as well as the relations of rights and obligations between the Company and the shareholders, and between the shareholders.

*Article 11 of the  
Company Law  
Article 10 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

These Articles of Association are legally binding upon the Company and its shareholders, directors, supervisors and senior executives. The aforesaid persons can claim any right in relation to the affairs of the Company in accordance with these Articles of Association. One shareholder can bring an action against another shareholder, one shareholder can bring a suit against one director, supervisor or other senior executive of the Company, and the Company can take a legal action against one shareholder, director, supervisor or other senior executives of the Company, pursuant to these Articles of Association.

The action or suit in the preceding sentence includes filing an action to the court or submitting an application to the arbitration institution for arbitration.

**Article 10** For the purpose of these Articles of Association, senior executives mean the President, Financial Controller, the Secretary to the Board of Directors and other personnel engaged by the Board of Directors. The "President" as termed under these Articles of Association is the "Manager" as defined in the Company Law.

*Article 216 of the  
Company Law  
Article 11 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

**Article 11** The Company can make an investment in another company to the extent permitted by laws and regulations, and bear the liability to the invested company to the extent of the investment. However, unless otherwise specified by laws, the Company shall not become a capital contributor jointly liable for debts of the invested enterprises. As approved by the approval authority authorized by the State Council, the Company can perform investment operations based on the needs of operation management in accordance with related provisions of the Company Law.

*Article 15 of the  
Company Law*



## Chapter 2 Business Philosophy & Scope

**Article 12** Operating philosophy of the Company: Oriented to the market and centered on the benefit, the Company will deliver high-quality products and services to the Company in order for the Company to realize maximum economic benefits and social benefits and for all shareholders to obtain reasonable returns.

*Article 13 of the Guidelines for the Articles of Association of Listed Companies*

**Article 13** Business scope of the Company is legally registered as follows: Internet information service; production of Class II and Class III medical devices (limited to medical software development); technical development, technical promotion, technical transfer, technical consulting and technical service; health management and health consulting (excluding diagnostic and treatment activities that shall be approved); preventive health service (excluding diagnostic and treatment activities that shall be approved); computer technology training; application software service; basic software service; computer system service; data processing (excluding bank card center in data processing and cloud computing data center with the PUE value above 1.5); design, production, agency and publishing of advertisements; sales of daily necessities, apparels, cultural products, electronic products, home appliances, food additives, sport equipment and chemical products (excluding hazardous chemical and Class I precursor chemicals). (The market entity shall independently select operational projects and carry out business activities in accordance with the law. The Internet information service that requires approval in accordance with the law shall be subject to the business scope approved by the relevant authorities. The market entity shall not carry out business activities prohibited and restricted by the industrial policies of the state and the city.)

*Article 81 of the Company Law  
Article 14 of the Guidelines for the Articles of Association of Listed Companies*

The Company can adjust the business scope based on domestic and overseas market changes, business development and its capacity and shall complete relevant industrial and commercial registration change procedures in accordance with the provisions. The then business scope of the Company is subject to the items approved by the company registration authority.

## Chapter 3 Shares

### Section 1 Issuance of Shares

**Article 14** The Company's stock takes the form of shares.

*Article 125 of the  
Company Law*

**Article 15** The Company sets the common shares at any time, and can, where necessary, set other class of shares upon the approval from the examination & approval authority authorized by the State Council.

*Article 20 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

**Article 16** The Company's share issuance observes the principle of fairness and equality, and each share of the same class shall have the same right.

*Article 126 of the  
Company Law*

The shares of the same class under one issuance shall have the same issuance conditions and price, and any institution or individual shall pay the same price to subscribe the same shares.

**Article 17** All the shares issued by the Company are the shares with a face value denominated in Renminbi and carry a face value of RMB1.00 per each.

*Article 17 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

Renminbi as said in the preceding sentence refers to the legal tender of the People's Republic of China.

**Section 18** The Company can, upon the filing and registration from the securities regulator of the State Council, offer shares to domestic investors and overseas investors.

*Article 3 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

The term "overseas investors" under the preceding sentence refers to those investors in foreign countries, Hong Kong, Macao and Taiwan who buy the shares offered by the Company, and the term "domestic investors" under the preceding sentence means the shareholders residing in the territory of the People's Republic of China, excluding the aforesaid regions, who purchase the shares issued by the Company.

**Article 19** The shares issued by the Company to domestic investors and subscribed in Renminbi are called domestic shares. The shares issued overseas by the Company in accordance with the Trial Administrative Measures of Overseas Securities Offerings and Listings by Domestic Companies and other relevant regulations are called foreign shares. The foreign shares listed at an overseas stock exchange are called overseas listed foreign shares.

*Article 3 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

The term “foreign currencies” as said in the prior sentence means the legal tenders of other countries or territories other than Renminbi that are recognized by the foreign exchange administration of the state and can be used to pay the share price to the Company.

The overseas shares issued by the Company listed on the Stock Exchange of Hong Kong Limited are called H shares in short. H shares mean the shares listed at the Stock Exchange of Hong Kong Limited after approval, denominated in Renminbi, and subscribed and traded in the foreign currency. The domestic shares may be converted into H shares upon the approval from the State Council or the authority authorized by the State Council and the consent from the Stock Exchange of Hong Kong Limited.

Domestic shareholders and foreign shareholders are both common shareholders, enjoy the same rights to the dividend and the distribution in any other form and bear the same obligations.

The shares issued by the Company but not listed at any domestic or overseas stock exchange are called the unlisted shares. Upon the approval from the securities regulator of the State Council, the domestic shareholders of the Company can transfer their shares to overseas investors, and such shares may be listed and traded overseas at the overseas stock exchange to the extent permitted by related laws, administrative regulations and departmental regulations after the overseas shares of the Company are issued and listed. The listing and trading of the aforesaid shares at an overseas stock exchange shall also comply with the regulatory procedures, provisions and requirements of the overseas stock market.

**Article 20** The total number of shares issued by the Company is 15,709,577 shares when the Company was established. All the shares were subscribed by the sponsors when the Company was established and are all common shares. Listed below are the shareholding value and ratio of every sponsor of the Company:

*Article 20 of the Guidelines for the Articles of Association of Listed Companies Article 81.4 and 81.5 of the Company Law*

**Article 21** The Company recorded a total of 81,300,813 shares before offering the H shares and all the shares are the common shares with an equity structure illustrated below:

*Article 20 of the Guidelines for the Articles of Association of Listed Companies Article 81.4 and 81.5 of the Company Law*

**Article 22** The Company has made an initial public offering of 22,267,200 overseas listed foreign shares upon the approval from the securities regulator of the State Council. 3,666,918 unlisted foreign shares of the Company were converted to overseas listed foreign shares. The share capital structure of the Company on the listing date is demonstrated as follows after the aforesaid H shares are issued (provided that the over-allotment options are not exercised): 103,568,013 ordinary shares, including 77,633,895 domestic shares and 25,934,118 H shares. The registered capital of the Company is RMB103,568,013 on the listing date.

*Article 16 of the Guidelines for the Articles of Association of Listed Companies*

**Article 23** The shares in the Company are freely transferable, and not subject to any right of lien, unless otherwise specified by the law, administrative regulations and the Stock Exchange of Hong Kong Limited, unless otherwise specified by laws, administrative regulations, related provisions of the securities regulation authority in the share listing region of the Company and the Stock Exchange of Hong Kong Limited. The shares in the Company are transferable in accordance with the applicable laws, administrative regulations, listing rules or related provisions of the securities regulation authority in the share listing region of the Company.

*Articles 137 and 141 of the Company Law*

## Section 2 Increase and Decrease of Shares and Buyback

**Article 24** Out of the operation and development needs, the Company can increase the registered capital in the following ways pursuant to the provisions of laws and administrative regulations after resolved by the General Meeting of Shareholders:

*Article 22 of the Guidelines for the Articles of Association of Listed Companies*

- (I) Issue new shares to nonspecific investors for public offering;
- (II) Place new shares to the existing shareholders for non-public offering;
- (III) Distribute bonus shares to existing shareholders;
- (IV) Issue new shares to specific investors;
- (V) Convert the reserve into the capital; and
- (VI) Other forms specified by the laws and administrative regulations and approved by relevant regulator.

If the Company increases the share capital through an additional share offering, the Company shall execute the offering in accordance with relevant laws and administrative regulations of the State as well as the Hong Kong Listing Rules after the offering is approved as per these Articles of Association.

**Article 25** The Company can reduce the registered capital. The Company shall conduct the capital decrease in line with the Company Law, other relevant provisions and these Articles of Association.

*Article 23 of the Guidelines for the Articles of Association of Listed Companies*

**Article 26** The Company shall compile the balance sheet and the property list when reducing the registered capital.

*Article 177 of the Guidelines for the Articles of Association of Listed Companies*

The Company shall notify its creditors of registered capital reduction within ten days after such decision is made and make a public announcement on a newspaper within thirty days. The creditors shall have the right to require the Company to liquidate the debts or offer the corresponding guarantee for debt service within thirty days after receipt of the notice or within forty-five days if they don't receive the notice.

*Article 177 of the Guidelines for the Articles of Association of Listed Companies Article 177 of the Company Law*

The registered capital of the Company after the capital decrease shall not be lower than the minimum legal capital requirement.

**Article 27** The Company may buy back the circulating shares of the Company by adopting such resolution through the procedure stipulated by these Articles of Association in accordance with laws, administrative regulations and department regulations, when the following circumstances occur:

*Article 24 of the Guidelines for the Articles of Association of Listed Companies*

- (I) Reduce the registered capital of the Company;
- (II) Merge with other companies holding the Company shares;
- (III) Use the shares for the employment stock ownership plan or equity incentive;
- (IV) The shareholders require the Company acquire the shares they hold if such shareholders disagree with the merger and separation resolution made by the General Shareholders Meeting; or
- (V) Use the shares to convert the corporate bonds issued by the Company convertible into the shares;
- (VI) Satisfy the need to safeguard the values of the Company as well as the rights and interests of the shareholders;
- (VII) Other situations permitted by laws and administrative regulations.

*Paragraph 1 of Article 142 of the Company Law*

The Company shall not trade its shares unless any of the aforesaid circumstances occurs.

**Article 28** The repurchase of the Company's shares may be conducted in any of the following manners:

*Article 25 of the Guidelines for the Articles of Association of Listed Companies*

- (I) making a repurchase offer to all shareholders in the same proportion;
- (II) repurchase through open transactions in a stock exchange;
- (III) repurchase by way of off-market agreement outside a stock exchange;
- (IV) other methods approved by laws, administrative regulations or regulatory authorities.

**Article 29** With regard to redeemable shares which the Company has the right to repurchase, if they are not repurchased via market or by way of bidding, the price of these shares shall be restricted to the highest price within a certain extent; if they are repurchased by way of bidding, the proposal for bidding shall be made to all shareholders under the same conditions.

**Article 30** Shares repurchased in accordance with law by the Company shall be cancelled within the period required by laws and administrative regulations, and the Company shall apply to the original company registration authority for registration of the change of its registered share capital.

*Article 142 (II) of the Company Law  
Article 26 of the Guidelines for the Articles of Association of Listed Companies*

Acquisition of the Company's shares for reasons set out in (I) and (II) of Article 27 of the Articles of Association shall be subject to resolution at a general meeting. Acquisition of the Company's shares in circumstances as provided in (III), (V) and (VI) of Article 27 of the Articles of Association shall be resolved by more than two-thirds of the directors present at the board meeting in accordance with the authorization of the general meeting.

*Article 142 (II) and (III) of the Company Law  
Article 26 of the Guidelines for the Articles of Association of Listed Companies*

After the Company has repurchased its shares in accordance with the Articles of Association, such shares shall be cancelled within 10 days after buyback in the circumstance set out in (I) of Article 27 of the Articles of Association, or shall be transferred or cancelled within six months under circumstances set out in (II) and (IV) of Article 27 of the Articles of Association; total shares held by the Company shall not exceed 10% of the total issued shares of the Company under the circumstances set out in (III), (V) and (VI) of Article 27 of the Articles of Association, and such shares shall be transferred or cancelled within 3 years.

Where the Company repurchases its shares, it shall perform its information disclosure obligations in accordance with laws.

After the Company lawfully cancelled such shares, the Company shall apply to the original company registration authority for registration of the change of its registered capital and make relevant announcement.

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

Where the laws, regulations and any other provisions of the relevant requirements of the Securities Regulatory Authority in the place where the Company's shares are listed in respect of the share repurchases, such provisions shall prevail.

### Section 3 Transfer of Shares

**Article 31** Save as otherwise specified by laws, regulations, and listing rules in the place where the Company's shares are listed, shares of the Company paid up may be transferred freely and are not subject to any liens. Transfer of overseas-listed foreign shares listed in Hong Kong shall be registered with the share registrar designated by the Company.

The Company shall not accept objects pledged with shares of the Company.

*Article 142 (IV)  
of the Company  
Law*

Transfer of any overseas listed foreign shares shall be executed with a written instrument of transfer with a common format or other format accepted by the Board (including the standard transfer format or transfer form specified from time to time by Hong Kong Stock Exchange), which instrument may be signed by hand or (if the transferor or transferee is a company) affixed with the corporate seal. If the transferor or transferee of the Company's shares is a recognized clearing corporation (hereinafter referred to as "**Recognized Clearing House**") or agent thereof defined in Hong Kong laws, the written instrument of transfer may be signed in printed form.

All overseas listed foreign shares listed in Hong Kong for which full payment has been made may be transferred freely in accordance with the Articles of Association; save under the following conditions, the Board may refuse to recognize any instrument of transfer without providing any reason:

*Article 141 of the  
Company Law*

- (I) The instrument of transfer and other documents relating to or affecting ownership of any shares shall be registered and a sum of HK\$2.5 (per transfer document) or a higher sum as agreed by the Hong Kong Stock Exchange shall be paid to the Company, which shall not exceed the maximum amount as stated in the Hong Kong Listing Rules from time to time;



- (II) The instrument of transfer only involves overseas listed foreign shares listed in Hong Kong;
- (III) Stamp duty payable has been paid for the instrument of transfer;
- (IV) It is required to provide relevant share certificates and evidence reasonably required by the Board to prove that the transferor has the right to transfer the said shares;
- (V) If the shares are transferred to joint holders, the number of joint holders shall not exceed four;
- (VI) The Relevant Shares are not subject to lien of any company; and
- (VII) No shares shall be transferred to any minors or mentally defective persons or any other legally incapacitated persons.

If the Company refuses to register the share transfer, the Company shall send the transferor and the transferee a notice of refusal to register the said share transfer within 2 months after the request for transfer is submitted.

If listing rules of the place(s) in which the shares of the Company are listed provide otherwise on restrictions on transfers of H shares, such rules shall prevail.

**Article 32** The Company's shares held by the promoter shall not be transferred within 1 year from the date of establishment of the Company. The shares issued before the Company's public issuance of shares shall not be transferred within 1 year from the date of the listing of the Company's shares on the stock exchange.

*Article 141 of the  
Company Law*

The directors, supervisors, and senior management of the Company shall regularly declare to the Company their holdings in the Company's shares and any subsequent change thereto. During their term of office, they should not transfer more than 25% of their holdings in the Company's shares every year. No transfer of their holdings in the Company's shares shall be made within six months after they cease to hold their respective offices.

**Article 33** If the directors, supervisors, senior management of the Company or the shareholders holding shares of the Company up to 5% or more sell their shares or other securities with equity nature within six months upon buying or buy back the shares within six months upon such selling, the resulting revenue shall be transferred to the Company and the board of directors of the Company shall take back such revenue. However, the six- month sales restriction on selling shares shall not apply to the securities firms buying and holding the remaining shares up to 5% or more upon underwriting.

*Article 30 of the Guidelines for the Articles of Association of Listed Companies Articles 149, 151, 152 of the Company Law*

The shares or other equity securities held by a director, a supervisor, an officer, or a natural person shareholder as mentioned in the preceding paragraph shall include the shares or other equity securities held by his or her spouse, parents, and children through his, her or any other person's account.

If the board of directors does not implement in accordance with the first paragraph of this article, the shareholders shall have the right to demand the board of directors to perform the same within thirty days. If the board of directors fails to perform within the above period, the shareholders shall have the right to file a lawsuit to the People's Court in their own names for the benefits of the Company.

If the board of directors of the Company does not perform in accordance with the first paragraph of this article, the responsible directors shall be held jointly liable according to the law.

## Chapter 4 Share Certificates and Share Register

**Article 34** The Company may issue registered or bearer shares certificates.

*Article 129 of the  
Company Law*

In addition to those provided in the Company Law, the registered shares certificates issued by the Company shall also contain any other matters required to be specified by the stock exchange(s) on which the Company's shares are listed.

China Securities Depository and Clearing Co., Ltd. is the registrar and depository of share certificates held by domestic shareholders of the Company, the data recorded in the securities book-keeping system of China Securities Depository and Clearing Co., Ltd. shall prevail in determining the particulars of the register of shareholders of domestic shares and the number of shares held by such shareholders. The Company may take the form of overseas depository receipt or other derivations of share certificate to issue overseas-listed foreign shares in accordance with laws and securities registration and depository practice of the listing venue.

*Rule 19A.52 of the  
Hong Kong  
Listing Rules*

During the listing of the Company's H shares on the Hong Kong Stock Exchange, the Company shall at any time ensure that the following statements are included in all title documents (including H share certificates) relating to its securities listed on the Hong Kong Stock Exchange, and shall instruct and cause its share registrar not to register the subscription, purchase or transfer of any of its shares in the name of any individual holder unless and until such individual holder delivers to such share registrar a completed and signed form in respect of such shares bearing the following statements:

- (I) the purchaser of the shares and the Company and each of its shareholders, and the Company and each of the shareholders agree to observe and comply with the requirements of the Company Law and other relevant laws, administrative regulations and the Articles of Association;

- (II) the purchaser of the shares agrees with the Company, each of the Company's shareholders, directors, supervisors and senior management members, and the Company, acting on behalf of itself and each of the directors, supervisors and senior management members, agrees with each of the shareholders that, they will refer to arbitration for settlement of all disputes and claims of rights in relation to the Company's affairs arising from the Articles of Association or any rights or obligations under the Company Law or other relevant laws or administrative regulations in accordance with the provisions of the Articles of Association, and that any referral to arbitration shall be deemed as an authorization to an arbitral court to hold a public hearing and announce its arbitration award to the public. Such award shall be final and conclusive;
- (III) the purchaser of the shares agrees with the Company and each of the shareholders of the Company that the shares of the Company may be freely transferable by the holder;
- (IV) the purchaser of the shares authorizes the Company to enter into a contract on his/her behalf with each of the directors and senior management members, pursuant to which the directors and senior management members undertake to observe and fulfill their responsibilities under the Articles of Association to the shareholders.

**Article 35** The Company issuing registered share certificates shall maintain a register of members which sets forth the following matters: *Article 130 of the Company Law*

- (I) the name (title), address (domicile) of each shareholder;
- (II) the number of shares held by each shareholder;
- (III) the serial numbers of the shares held by each shareholder;
- (IV) the date on which each shareholder acquired the shares;

The Company issuing bearer share certificates shall record the number, serial number and issuance date of its share certificates.

Subject to these Articles of Association and other applicable provisions, the name of the transferee of registered share certificates shall be included in the share register as the holder of such registered share certificates upon the transfer of registered share certificates of the Company.

The assignment and transfer to the registered share certificates shall be registered in the share register.

**Article 36** Where two or more than two persons are registered as joint holders of any shares, they shall be deemed as joint holders of such shares and subject to the following restrictions:

- (I) where power is taken to limit the number of shareholders in a joint account, such limit shall not prevent the registration of a maximum of four persons;
- (II) all joint holders of any shares shall jointly and severally assume obligation for all amounts payable for relevant shares;
- (III) if one of the joint holders deceased, only the surviving joint holders shall be deemed by the Company to be such persons as having the ownership of the relevant shares, but the Board of Directors shall have the right, for the purpose of making amendments to the share register, to demand a death certificate of the relevant shareholder where it deems appropriate to do so; and
- (IV) In the event of there being joint holders of any share, any of them may attend a shareholders' general meeting of the Company or exercise the voting rights of the shares (regardless of attendance in person or by proxy). If more than one of the joint holders attend the shareholders' general meeting in person, or by proxy, only the attendee whose name appears first in the register of shareholders among such joint holders is entitled to vote for such shares, receive notices of the Company and attend or exercise all voting rights of the relevant shares at the shareholders' general meeting of the Company. Any notices served to the aforesaid persons shall be deemed to have been served to all joint shareholders of relevant shares.

Any receipts issued by any joint holders in respect of any dividends, bonuses or capital returns payable to such joint holders shall be deemed to be the effective receipts issued by such joint holders to the Company.

**Article 37** The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authorities of the State Council and overseas securities regulatory authorities, maintain its register of holders of overseas listed foreign shares outside China and appoint overseas agent(s) to manage such register. The part of the register of holders of overseas listed foreign shares relating to holders of shares listed on the Exchange shall be maintained in Hong Kong. The branch register of shareholders in Hong Kong to be open for inspection by shareholders but may permit the issuer to close the register on terms equivalent to section 632 of the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

*Article 20 of  
Appendix 3 to the  
Hong Kong  
Listing Rules  
Article 1(b) of  
Appendix 13D to  
the Hong Kong  
Listing Rules*

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

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

**Article 38** The Company shall keep a complete share register. The share register shall include the following parts:

- (I) Share register kept at the domicile of the Company, save as specified in (II) and (III) herein;
- (II) Register of holders of overseas listed foreign shares kept at the overseas stock exchange;
- (III) Share register that the Board decides to keep at other place for the purpose of listing of the Company's shares.

**Article 39** The respective parts of the share register shall not overlap each other. In the event of transfer of shares registered in a specific part of the share register, the said shares shall not be registered in any other part of the share register in the duration of the registration of the said shares.

Any change or correction of any part of the share register shall comply with the law of the location where the said part is kept.

**Article 40** No changes in the shareholders' register due to the transfer of shares may be made within 20 days before the date of a general meeting or within 5 days before the record date for the Company's distribution of dividends.

*Article 139 of the  
Company Law*

If the laws, regulations and supervisory rules applicable to the place where the shares of the Company are listed, as well as the other provisions of securities regulators of the place where shares of the Company are listed provide otherwise, such provisions shall prevail.

**Article 41** When the Company convenes a general meeting, distributes dividends, enters into liquidation and engages in other activities that involve confirmation of equity interests, the Board or the convener of the general meeting shall determine the date of registration of equity interests. Shareholders named in the register of members after the closing date of registration of equity interests shall be the shareholders with relevant rights and interests.

*Article 32 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

**Article 42** Any person who objects to the register of members and requests to have his name included in or removed from the register of members may apply to the court of jurisdiction to amend the register of members.

**Article 43** Any shareholder who is registered in, or any person who requests to have his/her name (title) entered into, the register of members may, if his/her share certificate (the "**Original Certificate**") is lost, apply to the Company for a replacement share certificate in respect of such shares (the "**Relevant Shares**").

If a holder of domestic shares loses his/her registered share certificate and applies for a replacement share certificate, it shall be dealt with in accordance with the requirement of Article 143 of the Company Law.

If a holder of overseas-listed foreign shares loses his/her registered share certificate and applies for a replacement share certificate, it may be dealt with in accordance with the relevant 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 overseas listed foreign shares of the Company loses his share certificates and applies for their replacement, the replacement of his share certificates shall meet the following requirements:

- (I) the applicant shall submit an application in standard form as prescribed by the Company accompanied by a notarial document or statutory declaration. The notarial document or statutory declaration shall specify the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates as well as a statement declaring that no other person shall be entitled to request to be registered as the shareholder in respect to the Relevant Shares.
- (II) no statement has been received by the Company from any person other than the applicant for having his name registered as a holder of the Relevant Shares before the Company came to a decision to issue the replacement certificates.
- (III) the Company shall, if it decides to issue a replacement certificate to the applicant, make an announcement of its intention to issue the replacement certificate in such newspapers designated by the Board of Directors. The announcement shall be made at least once every 30 days over a period of 90 days.
- (IV) the Company shall, prior to the publication of the announcement of its intention to issue a replacement certificate, deliver to the stock exchange where its shares are listed a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from the stock exchange that the announcement has been exhibited at its premises. The announcement shall be exhibited at the premises of the stock exchange for a period of 90 days.



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

- (V) if, upon expiration of the 90-day period for announcement and exhibition referred to in items (III) and (IV) of this Article, the Company has not received any objection from any person to the issuance of replacement certificates, the Company may issue replacement certificates to the applicant according to his application.
- (VI) where the Company issues a replacement certificate under this Article, it shall forthwith cancel the Original Certificate and enter the cancellation and replacement issue into the register of shareholders accordingly.
- (VII) all expenses relating to the cancellation of an Original Certificate and the issuance of a replacement certificate by the Company shall be borne by the applicant. The Company has the right to refuse to take any action until a reasonable undertaking is provided by the applicant therefor.

**Article 44** Where the Company issues a replacement certificate pursuant to the Articles, the name of a bona fide purchaser who obtains the aforesaid replacement certificate or a shareholder who thereafter registers as the owner of such shares (in the case where he is a bona fide purchaser) shall not be removed from the register of shareholders.

**Article 45** The Company shall not be liable to any person for any damages caused by the cancellation of the Original Certificate or the issuance of the replacement certificate, unless the claimant is able to prove that the Company has acted fraudulently.

## Chapter 5 Rights and Obligations of Shareholders

**Article 46** A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders. A shareholder shall enjoy rights and assume obligations according to the class of shares held by that shareholder. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

*Article 31 of the Guidelines for the Articles of Association of Listed Companies*

The register of shareholders shall be kept at the Company and shareholders shall have the right to inspect it. The Company shall manage the register of shareholders in accordance with the Company Law and other laws and administrative regulations as well as the requirements of relevant regulatory authorities.

*Article 96 of the Company Law*

**Article 47** The Shareholders holding ordinary Shares shall enjoy the following rights:

*Article 33 of the Guidelines for the Articles of Association of Listed Companies*

- (I) to be entitled to dividends and other forms of distributions in proportion to the number of Shares; *Article 97 of the Company Law*
- (II) to propose, convene and preside over, to attend or appoint a proxy to attend general meetings and to exercise the corresponding rights to speak and vote in accordance with laws; *Article 14(3) of Appendix 3 to the Hong Kong Listing Rules*
- (III) to supervise the operation activities of the Company, and to make suggestions and enquiries accordingly; *Article 102 (II) of the Company Law*
- (IV) to transfer, bestow or pledge the Shares held by them in accordance with the laws, administrative regulations and the Articles of Association;
- (V) to obtain relevant information in accordance with the Articles of Association, including:
  - 1. to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;

2. to inspect and copy, subject to payment of a reasonable charge:
  - (1) all parts of the register of members (the list of all shareholders at the close of trading on the record date of the Company's latest periodic report);
  - (2) personal particulars of each of the directors, supervisors, general manager and other senior management of the Company, including:
    - (a) current and previous names and aliases;
    - (b) main address (domicile);
    - (c) nationality;
    - (d) full-time and all other part-time occupations and duties;
    - (e) identification documents and their numbers;
  - (3) the status of the Company's share capital;
  - (4) the latest audited financial statements of the Company, and the reports of the Board, auditors and supervisors;
  - (5) reports of the aggregate par value, number of shares, highest and lowest prices paid by the Company in respect of each class of shares bought back by the Company since the end of the last accounting year and all the expenses paid by the Company therefor;
  - (6) copy of the latest annual review report which has been filed with the competent administrations for market regulation or other competent authorities;
  - (7) minutes of general meetings (only available for shareholders' inspection) and copies of the Company's resolutions of general meetings, Board meetings and meeting of Board of Supervisors, as well as special resolutions;
  - (8) counterfoils of corporate bonds.

The Company shall deposit the documents in clauses (1) to (7) above (other than clause (2)) and other applicable documents at its Hong Kong address as required by the Hong Kong Listing Rules available for free inspection of the public and the holders of overseas-listed shares (except for the minutes of the general meeting for the inspection of shareholders only).

The Company may refuse any inspecting or copying request which involves commercial secrets and insider information on the Company and privacy of relevant personnel.

- (VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company according to the number of shares held;
- (VII) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or demerger of the Company, the right to demand the Company to acquire the shares held by them;
- (VIII) any other rights required by laws, administrative regulations, departmental rules or the Articles of Association.

**Article 48** When a shareholder requests to inspect the relevant information mentioned in the preceding Article or requests any materials, such shareholder shall provide the Company with written documents evidencing the class and number of shares held, and the Company shall provide such relevant information or such materials upon request after verifying his shareholder identity. *Article 34 of the Guidelines for the Articles of Association of Listed Companies*

**Article 49** If any resolution of the general meeting or the Board meeting is in violation of the laws and administrative regulations, the shareholders shall be entitled to request the people's court to invalidate the said resolution. *Article 20 of the Company Law*

If the convening procedure and voting method of the general meeting or the Board meeting is in violation of the laws, administrative regulations or these Articles of Association, or if the content of any resolution is in violation of these Articles of Association, the shareholders shall be entitled to request the people's court for revocation within 60 days after the resolution being passed. *Article 1 of Interpretation 4 of the Company Law*

**Article 50** If any director or senior management violates laws, administrative regulations or these Articles of Association in fulfilling their duties, thereby incurring any loss of the Company, the shareholder(s) severally or jointly holding 1% or above shares of the Company for 180 consecutive days or above shall be entitled to request the Board of Supervisors in writing to institute legal proceedings to the people's court; if the Board of Supervisors violates laws, administrative regulations or these Articles of Association in fulfilling its duties, thereby incurring any loss of the Company, the shareholders shall be entitled to request the Board in writing to institute legal proceedings to the people's court.

*Article 151 of the  
Company Law*

If the Board of Supervisors or the Board refuses to institute legal proceedings after receipt of the aforesaid written request or does not institute legal proceedings within 30 days after receipt of the said request, or if the circumstance is urgent or any delay of legal proceedings may incur irrecoverable damage to the interests of the Company, the shareholders as specified in the preceding paragraph shall be entitled to directly institute legal proceedings to the people's court in their own names for the interests of the Company.

If any other person infringes upon the legitimate rights and interests of the Company, thereby incurring any loss of the Company, the shareholder(s) as mentioned in the first paragraph of this Article may institute legal proceedings to the people's court according to the provisions of the two preceding paragraphs.

**Article 51** If any director or senior management violates laws, administrative regulations or the Articles of Association, thereby incurring any loss of the shareholders, the shareholders may institute legal proceedings to the people's court.

*Article 152 of the  
Company Law*

**Article 52** Shareholders of the Company shall perform the following obligations:

*Article 38 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

- (I) to abide by laws, administrative regulations, department rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- (II) to pay share capital according to the number of shares subscribed and the method of subscription;
- (III) not to withdraw the shares unless required by the laws and administrative regulations;
- (IV) not to abuse their shareholders' rights to harm the interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of any creditor of the Company;

*Article 83 of the  
Company Law  
Article 20 of the  
Company Law*

Shareholders of the Company who abuse their shareholder's rights and thereby cause loss on the Company or other shareholders shall be liable for indemnity according to the law;

where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly liable for the debts owed by the Company;

- (V) other obligations imposed by laws, administrative regulations and the Articles of Association;
- (VI) shall be liable for the debts of the Company to the extent of all their shareholdings.

Save as otherwise specified, shareholders do not have the obligation to increase any share capital unless under the conditions accepted by the subscribers at the time of subscription.

The Company shall not have any right to block or adopt other means to damage any right and interests attached to the shares due to any person who has direct or indirect right interests not disclosing his or her rights and interests.

**Article 53** The controlling shareholder and the actual controller of the Company shall not use their connected relationship to act in detriment to the interests of the Company. If they have violated such article and caused damage to the Company, they shall be liable for such damages.

*Article 40 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

The controlling shareholder and the actual controller of the Company owe fiduciary duty to the Company and to the public shareholders of the Company. The controlling shareholder shall exercise its rights as an investor in strict compliance with law; the controlling shareholder shall not use profit distribution, asset restructuring, external investment, funds retention, provision of guarantee for borrowings and other schemes to act in detriment to the lawful rights and interests of the Company and the public shareholders, nor shall it exploit its controlling position in a manner detrimental to the interests of the Company and the public shareholders of the Company.

**Article 54** The term “controlling shareholder” in the Articles of Association shall refer to the shareholder whose ordinary shares (including preference shares with restored voting rights) account for more than fifty percent of the total share capital of the Company, or who holds less than fifty percent of the total share capital but holds voting rights sufficient to have a material impact on resolutions of the general meeting.

*Article 193(1) of  
the Guidelines for  
the Articles of  
Association of  
Listed Companies*

**Article 55** Shareholder holding more than 5% of the shares with voting right in the Company shall submit a written report to the Company when creating a pledge over its shares on the date the same is effected.

*Article 39 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

## Chapter 6 General Meeting

- Article 56** The general meeting is the organ of authority of the Company, which exercises its following functions and powers in accordance with the law:
- Article 41 of the Guidelines for the Articles of Association of Listed Companies*
- (I) determining the Company's business policies and investment plans;
  - (II) electing and replacing directors and supervisors not appointed from employee representatives, and determining matters concerning remunerations to directors and supervisors; *Articles 99, 121 of the Company Law*
  - (III) examining and approving reports of the Board of Directors;
  - (IV) examining and approving reports of the Board of Supervisors;
  - (V) examining and approving the Company's annual financial budget and final account proposals;
  - (VI) examining and approving the Company's profit distribution plans and losses making up plans;
  - (VII) adopting resolutions concerning the increase or decrease of the Company's registered capital;
  - (VIII) passing resolutions relating to the issuance of bonds of the Company;
  - (IX) making resolution on merger, division, dissolution and liquidation or form change of the Company;
  - (X) modifying the Articles of Association;
  - (XI) considering and approving proposals raised by shareholder(s), individually or collectively representing over 3% of the Company's voting shares;



- (XII) adopting resolution on engagement, dismissing or discontinuing the appointment of an accounting firm;
- (XIII) examining and approving external guarantees matters which should be submitted to the general meeting for examination;
- (XIV) examining purchase or sale of material assets of the Company that exceed 25% of the Company's total audited assets in the latest period within one year;
- (XV) reviewing equity incentive scheme and employee stock ownership scheme;
- (XVI) examining material transactions and connected transaction which should be submitted to the general meeting for examination in accordance with the relevant laws, administrative regulations, regulatory rules of the place where the Company's shares are listed as well as the Articles of Association.
- (XVII) examining and approving changes in use of the raised capital.
- (XVIII) examining other matters which shall be decided by the general meeting according to the laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed or the Articles of Association;

If the laws, administrative regulations, departmental rules and regulations or rules of the stock exchange provide otherwise on the matters to be considered and the standard related to the matters to be considered, it shall prevail. Subject to the mandatory provisions of laws and regulations and the relevant laws and regulations of the place of listing, the general meeting may authorize or delegate the board of directors to handle the matters it authorizes or delegates.

**Article 57** The provision of external guarantees by the Company shall be considered and approved by the Board of Directors. The guarantee offered by the Company to a shareholder or de facto controller of the Company shall be resolved by the general meeting. *Articles 16, 121, 148 of the Company Law*

When the general meeting is considering a proposal to provide guarantee for any shareholder or de facto controller, the said shareholder or the shareholders controlled by the said de facto controller shall be abstained from voting on the proposal, and the proposal shall be subject to approval by more than half of the voting rights of the other attending shareholders.

The above guarantees to third parties that shall be approved at a general meeting shall be considered and approved by the board before submission to the general meeting for approval. Any guarantee provided by the Company after the amount of guarantee exceeds 30% of the total audited assets of the Company for the latest period within one year (based on the principle of cumulative calculation for 12 consecutive months) shall be resolved by the general meeting and approved by at least two thirds of voting rights held by shareholders present at the meeting.

A director, general manager or any other senior management personnel shall be liable for compensation if he/she causes losses to the Company by violating the external guarantee approval authority and review procedure requirements set forth in laws, administrative regulations or the Articles of Association, and the Company may take legal action against him or her according to laws.

**Article 58** Without the approval of a special resolution of the general meeting, the Company shall not conclude any contract with any person other than a director, supervisor, general manager and other senior management officer of the Company for the delegation of the whole business management or part of the important business management of the Company to that person, unless the company is in crisis or other special circumstances.

*Article 81 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

**Article 59** There are two types of general meetings: the annual general meetings and the extraordinary general meetings. Annual general meeting shall be held once every accounting year within six months after the end of the last accounting year.

*Article 43 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies  
Article 14(1) of  
Appendix 3 to the  
Hong Kong  
Listing Rules*

Extraordinary general meeting shall be held when it is required. The Board shall hold an extraordinary general meeting within two months after the date on which any of the following circumstances occur:

*Article 6 of  
Opinions on  
Regulated  
Operation and In-  
depth Reform*

- (I) the number of directors is less than the number stipulated by the Company Law or less than two-thirds of the number specified in the Articles of Association;
- (II) the outstanding losses of the Company amounted to one-third of the Company's total paid-in share capital;
- (III) shareholders individually or jointly holding 10% or more of the outstanding shares of the Company with voting rights request in writing (the number of the shares held is calculated based on the date that shareholders made such written request);
- (IV) whenever the Board of Supervisors considers it necessary;
- (V) when the Board of Supervisors proposes so;
- (VI) other circumstances as provided by laws, administrative regulations, departmental regulations, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

*Article 100 of the  
Company Law*

*Article 14(5) of  
Appendix 3 to the  
Hong Kong  
Listing Rules*

**Article 60** The location for the Company to convene a general meeting shall be the Company's domicile or other places specified in the notice of the general meeting. The general meeting will set up an assembly room and be held in the form of live meeting, and the location of meeting shall be clear and specific. A general meeting may be held by fax, telephone call or video conference and resolutions may be made therethrough, provided that the shareholders' opinions are fully expressed, and the general meeting is legal and effective. A general meeting may be held by fax, telephone call or video conference and resolutions may be made therethrough, provided that the shareholders' opinions are fully expressed, and the general meeting is legal and effective.

*Article 45 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

**Article 61** The general meeting shall be convened by the Board. If the Board is unable or fails to fulfill the obligation of convening the meetings of the general meeting, the Board of Supervisors shall convene such meetings. If the Board of Supervisors does not convene such meetings, the shareholders individually or jointly holding no less than 10% of the Company's shares for no less than 90 consecutive days may convene such meetings on their own.

*Article 101 of the  
Company Law*

Independent directors shall have the right to propose for an extraordinary shareholders' general meeting to the Board of Directors. The Board of Directors shall give a written reply on agreeing or disagreeing to convene an extraordinary general meeting of shareholders according to the provisions of the laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association within 10 days after receiving a proposal put forward by independent directors on convening an extraordinary general meeting of shareholders. Directors will issue a notice to convene a shareholders' general meeting within 5 days after making the resolution where it agrees to convene an extraordinary general meeting of shareholders; where the Board of Directors disagree to convene an extraordinary general meeting, it shall explain the reasons and make a public notice.

*Article 47 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

If the securities regulators of the place where shares of the Company are listed provide otherwise, such provisions shall prevail.

**Article 62** The Board of Supervisors shall have the right to propose for an extraordinary general meeting to the Board of Directors, and shall put forward its proposal to the Board of Directors in written form. The Board of Directors shall give a written reply on whether to agree or disagree to convene an extraordinary general meeting according to the provisions of the laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association within 10 days after receiving the proposal.

*Article 48 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

The Board of Directors will issue a notice to convene a general meeting within 5 days after making the resolution where it agrees to convene an extraordinary general meeting of shareholders, any changes made to the original proposal in the notice shall obtain consents of the Board of Supervisors.

Where the Board of Directors disagrees to convene an extraordinary general meeting or fails to give a feedback after receiving the proposal within 10 days, the Board of Directors shall be regarded as unable to perform or fail to perform its duty to convene a general meeting, the Board of Supervisors can convene and preside over a general meeting on its own initiative.

**Article 63** If shareholders require convening an extraordinary general meeting, the following procedure shall be followed:

*Article 101 of the  
Company Law*

- (I) Shareholders solely or jointly holding more than 10% of shares with voting rights at the general meeting to be convened may sign one or several written requests with the same format and content to propose to the Board to convene the extraordinary general meeting, and specify the topics of the meeting. The Board shall convene the extraordinary general meeting responsively after receipt of the aforesaid written request. The aforesaid amount of shareholding is calculated on the day when the shareholders tender the written request.
- (II) If the Board fails to issue a notice of meeting within 30 days after receipt of the aforesaid written request, the shareholders tendering the said request may request the Board of Supervisors to convene an extraordinary general meeting.
- (III) If the Board of Supervisors fails to issue a notice of meeting within 30 days after receipt of the aforesaid written request, the shareholders individually or jointly holding more than 10% of shares with voting rights at the meeting to be convened for 90 consecutive days may by themselves convene a meeting within 4 months after the Board receives the said request, and the convening procedure shall to the extent possible be the same as the procedure by which the Board convenes the general meeting.

Where the shareholders convene a meeting because the Board or the Board of Supervisors fails to convene the meeting pursuant to the aforesaid provision, the reasonable expenses incurred shall be borne by the Company and shall be deducted from the monies payable by the Company to the defaulting directors or supervisors.

**Article 64** When the Company convenes a general meeting, shareholders individually or jointly holding more than 3% of the shares of the Company may submit an interim proposal in writing to the convener 10 days before the general meeting is held. The convener shall issue a supplementary notice of the general meeting within 2 days after receiving the proposal and make a public announcement of the contents of such extempore proposal.

*Article 54 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

Unless it is prescribed by the preceding paragraph, the convener shall, after sending out a notice on the general meeting, not amend the proposal as mentioned in the aforesaid notice or add any new proposal.

The general meeting shall not vote on or make a resolution for any proposal that is not listed in the notice on the general meeting or that is inconsistent with the Articles of Association.

**Article 65** If the Board of Supervisors or shareholders convenes and holds meetings on their own in accordance with the provisions of this chapter, they shall comply with the relevant regulations of the relevant securities regulatory authorities and the corresponding stock exchange in the place where the Company is located. The Board of Directors and the secretary to the Board of Directors shall cooperate with the general meeting convened by the Board of Supervisors or shareholders on their own. The Board of Directors shall provide the register of shareholders.

*Article 51 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

**Article 66** Where the Board of Supervisors or shareholders decide to convene the general meeting on its/their own initiative, it/they shall send out a written notice to the Board of Directors, and shall file with the relevant stock exchange. Before the resolution of the general meeting is announced, the proportion of shares held by the summoning shareholders shall be no less than 10%.

*Article 50 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

**Article 67** The expenses necessary for holding the general meeting convened by the Board of Supervisors or shareholders shall be borne by the Company, and deducted from payment due from the Company to the default director.

*Article 52 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

**Article 68** The contents of a proposal shall be within the duty of the shareholders' general meeting, have definite topics and specific matters for resolution, and shall be in line with the laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association.

*Article 53 of the Guidelines for the Articles of Association of Listed Companies Article 14(2) of Appendix 3 to the Hong Kong Listing Rules*

The Company shall notify all registered shareholders of the annual general meeting twenty business days (excluding the day on which the notice is sent and the day on which the meeting is held) prior to the date of the meeting. An extraordinary general meeting shall be notified to all registered shareholders fifteen days (and not less than ten business days) prior to the meeting (excluding the day on which the notice is sent and the day on which the meeting is held), and the extraordinary general meeting shall not resolve matters not stated in the notice. If otherwise provided by laws, regulations and the securities regulatory authority of the place where the Company's shares are listed, such provisions shall prevail.

*Article 3.1 of the Guide on General Meetings of Hong Kong Exchanges and Clearing Limited*

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

The public notice in the preceding paragraph shall be published in one or more newspapers designated by the security regulatory authority of the State Council for the period between 20 to 25 business days (excluding the day on which the notice is sent and the day on which the meeting is held) before the date of the general meeting and between 15 to 20 days (not less than 10 business days, excluding the day on which the notice is sent and the day on which the meeting is held) before the date of the extraordinary general meeting. After the publication of such notice, the holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

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

**Article 69** A notice of the shareholders’ general meeting shall be in writing and including following contents:

*Article 56 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

- (I) shall state the time, venue and duration of the meeting;
- (II) shall describe the matters and proposals to be discussed at the meeting;
- (III) shall provide such information and explanations as are necessary for the shareholders to exercise an informed judgment on the proposals before them; this principle includes (but not limited to) the terms of the proposed transaction must be provided in detail together with the proposed contract (if any), and the cause and effect of such proposal must be properly explained while the Company proposes a merger, repurchase of shares, reorganizing the share capital or restructuring the Company in any other way;
- (IV) in the event that any of the Directors, Supervisors, general manager and other senior management has material interests at stake in matters to be discussed, the nature and extent of the interests at stake shall be disclosed.
- (V) shall include the full text of any special resolution to be proposed for approval at the meeting;
- (VI) shall contain a conspicuous statement that a shareholder who is entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote at the meeting on his/her behalf and such proxy needs not to be a shareholder of the Company;
- (VII) shall specify the date and place for the delivery of proxy forms for voting;
- (VIII) shall state the names and telephone numbers of the standing contact persons for the meeting;



- (IX) the registration date of equity interests for shareholders entitled to attend the shareholders' general meeting;
- (X) the time and procedures for voting online or by other means;
- (XI) other matters required by laws, administrative regulations and normative documents.

Notices and supplementary notices of a shareholders' meeting shall fully and completely disclose all detailed contents of all proposals. For matters to be discussed that require opinions from the independent directors, the opinions of the independent directors and reasons thereof shall be simultaneously disclosed with the notices or supplementary notices of the shareholders' meeting.

**Article 70** The accidental omission to give notice of a meeting to, or the failure to receive the notice of a meeting by any person entitled to receive such notice, shall not invalidate the meeting or the resolutions adopted thereat.

*Article 170 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

**Article 71** The Board of Directors and any other convener shall take necessary measures to guarantee the normal order of the shareholders' general meeting, and shall take measures to deter any act of disturbing the shareholders' general meeting, picking quarrels and provoking troubles or damaging the lawful rights and interests of any shareholder, and shall timely report it to the relevant department for investigation and punishment.

*Article 59 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

**Article 72** Any shareholders entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (who need not be a shareholder or shareholders) as his/her proxies to attend and vote on his/her behalf. Such proxy may exercise the following rights according to his/her entrustment by the shareholder:

*Article 60 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

- (I) the shareholder's right to speak at the general meeting;
- (II) the right to severally or jointly request to vote by ballot;
- (III) save as otherwise stipulated by the applicable rules governing the listing of securities or other securities laws and regulations, the exercise of voting right by a show of hand or ballot. Where there is more than one proxy, the said proxies shall vote by ballot.

**Article 73** Every shareholder shall be entitled to appoint a proxy who needs not necessarily be a shareholder of the corporation and that every shareholder being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of the issuer and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorized officer. Individual shareholders attending a shareholders' general meeting in person shall produce their identity cards or other valid proof or evidence of their identities or certificate account card, and in the case of attendance by proxies, the proxies shall produce valid proof of their identities and the proxy forms from shareholders.

*Article 61 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

*Article 18 of  
Appendix 3 to the  
Hong Kong  
Listing Rules*

**Article 74** For a corporate shareholder, its legal representative or a proxy appointed by such legal representative shall attend a shareholders' general meeting. In the case of attendance by legal representatives, they shall produce their identity cards and valid proof of their capacities as legal representatives; The appointment of a proxy by a shareholder shall be in writing and signed by the appointer or the agent authorized by the shareholders in writing; or if the appointer is a legal person, shall be affixed with the legal person's seal or signed by its director or formally authorised agent.

**Article 75** The power of attorney for voting shall be deposited at the domicile of the Company or such other place as specified in the notice of meeting at least 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours before the specified voting time. Where such a power of attorney for voting is signed by a person authorized by the appointer, the power of attorney authorizing signature or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall, together with the power of attorney for voting, be deposited at the Company's domicile or at such other place as specified in the notice of meeting.

*Article 64 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

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

If the shareholder is a clearing house (or agent thereof), the clearing house shall be entitled to appoint a proxy or corporation representative to attend general meetings of the issuer and meetings of creditors and such proxy or corporation representative shall have the same statutory rights as other shareholders, including the rights to speak and to vote.

*Article 19 of  
Appendix 3 to the  
Hong Kong  
Listing Rules*

**Article 76** A corporation may execute a form of proxy under the hand of a duly authorised officer. Any form issued by the Board of Directors of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast an affirmative or negative vote and enable the shareholders to give separate instructions on each matter to be voted during discussions at the meeting. The power of attorney shall specify that in the absence of instructions from the shareholder, the proxy may vote as he/she thinks fit.

*Article 63 of the  
Guidelines for the  
Articles of  
Association of  
Listed*

Save as provided above, the aforesaid power of attorney shall also specify the number of shares to be represented by the proxy, the name of the proxy; whether or not the proxy has any voting right(s); whether or not the proxy has any voting right(s) in respect of interim proposals which may possibly be included in the agenda of the general meeting; and, if the proxy has such voting right(s), specific instructions as to the exercise of those voting rights; the date of issue and validity period. If several persons are appointed as the shareholder's proxies, the power of attorney shall specify the number of shares to be represented by each proxy.

*Article 62 of the  
Guidelines for the  
Articles of  
Association of  
Listed*

Any proxy attending a general meeting on behalf of a shareholder shall present his/her identity certificate and power of attorney signed by the appointer or the appointer's legal representative, which power of attorney shall specify the date of issue. Where a legal person shareholder appoints its legal representative to attend the meeting, the legal representative shall present his/her identity certificate and the copy of the notarized certified resolutions of the Board or other authorities of the legal person appointing the said legal representative or other certified copy permitted by the Company.

**Article 77** If, before voting, the appointer has passed away, lost his/her ability to act, withdrawn the appointment, withdrawn the authorisation to sign the power of attorney, or transferred relevant shares, the vote cast by the proxy in accordance with the power of attorney shall remain valid so long as the Company has not received the written notice regarding such matters before the commencement of relevant meeting.

**Article 78** The attendance records of the meeting shall be prepared by the Company. The records shall include the names (or company names) of participants, the ID card numbers, resident addresses, numbers of voting shares held or represented, and names (or company names) of appointers.

*Article 65 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

**Article 79** General meetings shall be convened and presided over by the chairman. Where the chairman cannot or does not fulfil the duty thereof, the Board of Directors may designate a director of the Company to convene and preside over the meeting in proxy; if no person is designated to preside over the meeting, the attending shareholders may elect a person to preside over the meeting; if for any reason the shareholders cannot elect a person to preside over the meeting, the shareholder (including proxies thereof) holding the most voting shares among the attending shareholders shall preside over the meeting.

*Article 68 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

*Article 101 of the  
Company Law*

If the board of directors cannot perform or fails to perform the duties of convening a general meeting of the shareholders, the Board of Supervisors shall convene and preside over the meeting in a timely manner. If the Board of Supervisors does not convene and preside over the meeting, shareholders who hold more than 10% of the Company's shares individually or collectively for more than ninety consecutive days may convene and preside over the meeting themselves.

A general meeting convened by the Board of Supervisors itself shall be presided over by the chairman of the Board of Supervisors. Where the chairman of the Board of Supervisors cannot or does not fulfil the duty thereof, more than half of the supervisors may jointly elect a supervisor to preside over the meeting.

General meetings independently convened by the shareholders shall be presided over by a representative recommended by the convener. If no chairman of the meeting has been so recommended, shareholders present at the meeting shall choose one person to act as the chairman of the meeting. If for any reason, the shareholders shall fail to elect a chairman, then the shareholder (including a proxy) holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.

Where a general meeting is held and the chairman of the meeting violates the rules of procedure which makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as chairman, subject to the approval of more than half of the attending shareholders having the voting rights. If for any reason the shareholders cannot elect a person to preside over the meeting, the shareholder (including proxies thereof) holding the most voting shares among the attending shareholders shall preside over the meeting.

**Article 80** In the annual general meeting, the Board and Board of Supervisors shall report their work during the past year to the general meeting. The independent directors may also present a work report through the representative nominated by them.

*Article 70 of the Guidelines for the Articles of Association of Listed Companies*

**Article 81** The directors, supervisors and senior management officer shall explain the inquiries and suggestions of shareholders at the shareholders' general meeting.

*Article 71 of the Guidelines for the Articles of Association of Listed Companies*

**Article 82** The presider of meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting in person as well as the total number of their voting shares, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's registration record.

*Article 72 of the Guidelines for the Articles of Association of Listed Companies*

**Article 83** Minutes of general meetings shall be recorded by the secretary to the Board of Directors and contain the following items:

*Article 73 of the Guidelines for the Articles of Association of Listed Companies*

- (I) the date, place and agenda of the meeting, and the name of the convener;
- (II) the name of the presider of the meeting, and the names of directors, supervisors, managers and other senior management members of the Company attending or present at the meeting;
- (III) the number of shares carrying voting rights held respectively by shareholders and their proxies attending the meeting, and the percentage of the total number of shares of the Company they represent;
- (IV) the discussions in respect of each motion, highlights of the speeches and the voting results on each resolution;
- (V) details of the queries or recommendations of the shareholders, and the corresponding answers or explanations;
- (VI) the names of vote counters and vote monitors;
- (VII) such other matters which shall be recorded in the minutes of the meeting in accordance with the provisions of the Articles of Association.

**Article 84** The convener shall ensure the truthfulness, accuracy and completeness of the minutes of the meeting. Directors, supervisors, the secretary to the Board of Directors, the convener or his or her representative, and the presider of the meeting attending the meeting shall sign the minutes of the meeting.

*Article 74 of the Guidelines for the Articles of Association of Listed Companies*

**Article 85** Resolutions of a general meeting are divided into ordinary resolutions and special resolutions.

*Article 76 of the Guidelines for the Articles of Association of Listed Companies*

Ordinary resolutions shall be passed by votes representing more than half of the voting rights held by shareholders (including proxies thereof) attending the general meeting.

Special resolutions shall be passed by votes representing more than two thirds of voting rights held by shareholders (including proxies thereof) attending the general meeting.

A shareholder (including his proxy) attending the meeting shall express one of the following opinions on motions for voting: for, against or abstain, except that securities registration and settlement institutions, being the nominal holders of shares subject to the Mainland-Hong Kong stock connect, may express opinions according to the intentions of actual holders.

*Article 89 of the Guidelines for the Articles of Association of Listed Companies*

Any vote which is not filled or filled wrongly or with unrecognizable writing or not cast will be deemed as having waived his voting rights, and the corresponding poll will be counted as “Abstain”. When the Company calculates the voting results on this matter, abstention votes are included in the number of votes with voting rights and participation.

**Article 86** Shareholders (including proxies thereof) who vote at a general meeting shall exercise their voting rights in proportion to the amount of voting shares they represent. Each share carries the right to one vote. However, the Company has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the general meeting.

*Articles 79, 80 of the Guidelines for the Articles of Association of Listed Companies*

When the shareholders’ general meeting considers connected transactions, the connected shareholders shall not participate in the voting. His/her shares held with voting rights will not be counted within the total number of valid votes. The public announcement on the voting results of the shareholders’ general meeting shall fully disclose the voting results of the non-connected party shareholders.

*Article 80 of the Guidelines for the Articles of Association of Listed Companies*

According to applicable laws and regulations and the Hong Kong Listing Rules, where any shareholder is required to waive his/her voting rights or is restricted to cast only affirmative or negative vote on a certain resolution, any vote cast by the said shareholder or proxy thereof in violation of the relevant provisions or restrictions shall not be counted into the voting results.

*Article 103 (1) of the Company Law Articles 14(3) and 14(4) of Appendix 3 to the Hong Kong Listing Rules*

**Article 87** Voting at general meetings shall be conducted by show of hands unless the following persons require voting by ballot before or after voting by show of hands:

- (I) chairman of the meeting;
- (II) at least two shareholders with voting rights or proxies thereof;
- (III) shareholder(s) (including proxies thereof) severally or jointly holding more than 10% (inclusive) of shares with voting rights at the meeting.

Unless anybody requires voting by ballot, the chairman of the meeting shall announce the result of voting by show of hands on proposals, which result shall be recorded in the minutes as final evidence, without specifying the number or percentage of pros for or cons against the resolutions adopted at the meeting. The request for voting by ballot may be revoked by the person tendering the request.

**Article 88** If the issue required to be voted by ballot relates to election of chairman or termination of meeting, voting by ballot shall be conducted immediately; in respect of other issues required to be voted by ballot, the chairman may decide the time of voting by ballot, and the meeting may proceed to consider other issues, and the voting results shall be deemed as resolutions passed at the said meeting.

**Article 89** In casting of votes, shareholders (including proxy thereof) with voting rights who are entitled to two or more votes are not required to cast all their votes in favour of or against a resolution.

**Article 90** In the event of equality of votes, the chairman of the meeting shall, whether by show of hands or on a poll, have a casting vote.

**Article 91** The following matters shall be approved by ordinary resolutions at a general meeting:

*Article 77 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

- (I) working reports of the Board and the Board of Supervisors;
- (II) profit distribution proposals and loss recovery proposals formulated by the Board;
- (III) appointment and removal of members of the Board and the Board of Supervisors, their remunerations and methods of payment;
- (IV) annual financial budgets and final accounts of the Company;
- (V) other matters than those that should be passed by special resolutions pursuant to the laws, administrative regulations, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

**Article 92** The following matters shall be approved by special resolutions at a general meeting:

*Article 78 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

- (I) increase or reduction of the Company's registered capital or issuance of any class of shares, warrants and other similar securities;
- (II) issuance of corporate bonds or other securities by the Company and listing thereof;
- (III) the division, spin-off, merger, dissolution and liquidation of the Company or form change of the Company;
- (IV) the amendments to the Articles of Association;
- (V) the Company's acquisition or disposal of major assets within one year with the transaction amount exceeding 25% of the latest audited total assets of the Company;
- (VI) formulation, modification and implementation of the share incentive plan scheme;

*Articles 103 (II),  
121 of the  
Company Law  
Article 43 of the  
Company Law  
Article 21 of  
Appendix 3 to the  
Hong Kong  
Listing Rules  
Article 16 of  
Appendix 3 to the  
Hong Kong  
Listing Rules*



(VII) repurchase of the Company's shares;

*Article 19A.25(1)  
of the Hong Kong  
Listing Rules*

(VIII) any other matter specified in the laws, administrative regulations, the Hong Kong Listing Rules or the Articles of Association and approved by an ordinary resolution at the general meeting of shareholders resolving such matters that may have material impact on the Company and shall be approved by a special resolution.

**Article 93** If the general meeting requires all the directors, supervisors and senior management members of the Company to attend the meeting, they shall attend the meeting. The directors, supervisors and senior management members attending or present at the meeting shall answer or explain inquiries made by shareholders except that the business secrets of the Company are involved and cannot be disclosed at the general meeting.

*Article 150 of the  
Company Law*

**Article 94** The presider of the meeting shall be responsible for determining whether a resolution has been passed pursuant to voting results. His/her decision, which shall be final and conclusive, shall be announced at the meeting and recorded in the minutes.

**Article 95** The method and procedure for nomination of directors and supervisors (excluding employee representative supervisors) to be elected at a general meeting are as follows:

(I) shareholder(s) severally or jointly holding more than 3% of the outstanding voting shares of the Company may propose in writing director candidates or supervisor candidates who are not employee representatives to the general meeting, but the number of nominees shall comply with the Articles of Association and shall not exceed the number of directors or supervisors to be elected. The said proposals shall be submitted to the Company at least 7 days before convening of the general meeting.

- (II) directors or supervisors may propose a list of director or supervisor candidates as per the number specified in the Articles of Association and the number of the directors or supervisors to be elected and submit it to the Board of Directors and the Board of Supervisors for examination respectively. After the Board of Directors or the Board of Supervisors examined the list and resolved on the candidates of directors or supervisors, they shall submit the results to the general meeting through written proposal.
- (III) the written notice of the intention to nominate director candidates or supervisor candidates who are not employee representatives and the nominee's will to accept the nomination, as well as relevant written documents about the information of the nominee shall be submitted to the Company at least 7 days before convening of the general meeting (The 7-day notice period shall start no earlier than the next day after the issue of the notice of the meeting for such election designated and end no later than 7 days prior to the general meeting). The Board of Directors and the Board of Supervisors shall provide shareholders with the brief biographies and background information of the director or supervisor candidates.
- (IV) the period given by the Company to nominate director or supervisor candidates and nominees for submitting the aforesaid notice and documents (the period shall be calculated from the day following the date of issue of the notice of general meeting) shall not be less than 7 days.
- (V) the director or supervisor candidates shall be voted on separately at the general meeting.
- (VI) in the event of a temporary vacancy of director or supervisor, the Board or the Board of Supervisors shall propose to elect or replace one at the general meeting.

**Article 96** No amendment shall be made to a motion when it is considered at a general meeting, otherwise, the relevant amendment shall be deemed as a new motion and shall not be voted on at the general meeting.

*Article 84 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

**Article 97** If the chairman of the meeting has any doubts about the voting result of a proposed resolution, he may arrange recounting of the votes. If the chairman of the meeting does not arrange re-counting of the votes, a shareholder or proxy attending the meeting who dissent from the result announced by the chairman of the meeting shall be entitled to request re-counting of votes immediately after such announcement of voting result, in which case the chairman of the meeting shall immediately arrange re-counting of the votes.

*Article 90 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

**Article 98** If ballots are counted at a general meeting, the counting result shall be recorded in the meeting minutes.

The minutes together with the attendance record of shareholders and the powers of attorney of the proxies shall be kept at the domicile of the Company for a period of no less than 10 years.

*Article 74 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

**Article 99** Shareholders may have access to copies of the minutes free of charge during the office hours of the Company. If any shareholder asks for copies of relevant meeting minutes, the Company shall send out the said copies within 7 days upon authentication of the said shareholder and receipt of reasonable expenses.

## Chapter 7 Board of Directors

### Section 1 Directors

**Article 100** Directors shall be elected or replaced by the general meeting for a term of three years. Directors may be re-elected at the end of their term of office. *Article 45 of the Company Law*

The general meeting may, subject to the provisions of the relevant laws and administrative regulations, remove by ordinary resolution any Director whose term of office has not yet expired (provided that claims of the director for damages under any contract shall not be affected by this). *Article 4(3) of Appendix 3 to the Hong Kong Listing Rules*

The term of office of Directors shall last from the date on which the Directors take office to the expiration of the term of office of the current Board of Directors. If the term of office of a Director expires but the Director fails to be reelected in time, the former Director shall, before the newly elected Director takes office, still perform the duties of the Director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association. *Article 96(2) of the Guidelines for the Articles of Association of Listed Companies*

A written notice of the intention of nominating candidates for Directors and the candidates' express willingness to accept the nomination shall be sent to the Company seven days prior to the general meeting. The period for giving such a notice shall commence from the dispatch of the notice on the election and end not later than seven days prior to the date of such meeting.

**Article 101** A director shall be deemed incapable of carrying out his/her duties if he/she fails to attend two consecutive meetings of the Board either personally (attending or voting at the meeting of the Board by means of communication is deemed to attend in person) or by appointing other directors to attend on his/her behalf. The Board shall make a proposal to the general meeting to remove such director. *Article 99 of the Guidelines for the Articles of Association of Listed Companies*

**Article 102** A director may resign before the expiration of his/her term. The director shall submit a written resignation report to the board of director. *Paragraph 2 of Article 45 of the Company Law*

If the resignation of a Director causes the Company's Board of Directors to be below the quorum, the former Director shall, before the newly elected Director takes office, still perform the duties of a Director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association. *Paragraph 3 of Article 108*

Except for the circumstances specified in the preceding paragraph, the resignation of the Director shall take effect upon the delivery of the resignation report to the Board.

Subject to relevant laws and regulations and regulatory rules of the place where the Company is listed, any person appointed by the Board as a Director to fill a temporary vacancy or increase the number of Directors shall serve only until the next annual general meeting of the Company and shall be eligible for re-election at that time.

*Article 100 of the Guidelines for the Articles of Association of Listed Companies*

**Article 103** When a director's resignation takes effect or his/her term of office expires, the director shall complete all handover procedures with the Board, and his/her fiduciary duties to the Company and shareholders shall not be discharged after the termination of office, but shall remain valid within a reasonable period specified in the Articles of Association.

*Article 101 of the Guidelines for the Articles of Association of Listed Companies*

The duty of confidentiality of directors in relation to trade secrets of the Company survives the termination of their tenure until such trade secrets become public. The duration of other fiduciary duties shall be determined in accordance with the principle of fairness, depending on the time lapse between the termination and the occurrence of the matter as well as the circumstances and conditions under which the relationship with the Company is terminated.

**Article 104** The Company shall have independent Directors. Except as otherwise provided in this section, the provisions on the qualifications and obligations of Directors in Chapter 11 of the Articles of Association shall apply to the independent Directors. More than one-third of the members of the Board shall be independent Directors, and there shall be no less than 3 independent Directors, including at least one accounting professional. Independent Directors shall faithfully perform their duties and safeguard the interests of the Company, with particular attention to ensuring that the legitimate rights and interests of public shareholders are not jeopardized, so as to ensure that the interests of all shareholders are adequately represented.

*Article 6 of Opinions on Regulated Operation and In-depth Reform Article 3.10, 3.10A and 19A.18 of the Hong Kong Listing Rules*

The Company shall make up for the number of independent Directors as required by the Articles of Association if the number of independent Directors falls short of the requirement of the Articles of Association because any independent Director fail to meet the independence condition or is otherwise unfit to perform the duties as an independent Director.

At least one of the independent Directors of the Company is ordinarily resident in Hong Kong.

**Article 105** A Director whose term of office has not yet expired shall be liable for compensation for any loss caused to the Company due to his/her unauthorized resignation or his/her violation of laws, administrative regulations, departmental rules or the Articles of Association in performing his/her duties.

*Article 103 of the Guidelines for the Articles of Association of Listed Companies*

**Article 106** Without the legal authorization by the Articles of Association or the Board, no director shall act on behalf of the Company or the Board in his/her own name. Where a director acts in his/her own name, the director shall declare in advance his/her position and identity in the case that a third party would reasonably believe that the director is acting on behalf of the Company or the board of directors.

*Article 102 of the Guidelines for the Articles of Association of Listed Companies*

## Section 2 Board of Directors

**Article 107** The Company shall have a Board of Directors, which is accountable to the general meeting. The board of directors shall consist of five to nine directors, including three independent directors and the specific number of members of the board of directors shall be determined by shareholders at general meetings within this range. The Board shall have one chairman.

*Articles 106 of the Guidelines for the Articles of Association of Listed Companies*

The chairman shall be elected and removed by a majority of all the Directors. The chairman shall serve a 3-year term and may be re-elected. Directors are not required to hold shares in the Company.

*Articles 1 and 6 of Opinions on Regulated Operation and In-depth Reform*

An independent director shall have a term of office of three years and may be re-elected for a maximum period of not more than nine years, unless otherwise stipulated by the relevant laws and regulations and the listing rules of the stock exchange where the Company's shares are listed.

*Articles 45 and 108 of the Company Law Articles B2.3 and B2.4 of Appendix 14 to the Hong Kong Listing Rules*

**Article 108** The Board is responsible to the general meeting and exercises the following functions and powers:

*Article 107 of the Guidelines for the Articles of*

(I) to convene a general meeting and report to the meeting on the work of the Board;

*Association of Listed Companies*

(II) to implement the resolutions of the general meeting;

*Article 46 of the Company Law*

(III) to decide on the business plan and investment scheme of the Company;

*Article 6 of Opinions on Regulated*

(IV) to formulate the annual financial budgetary plans and final accounting plans of the Company;

*Operation and In-depth Reform*

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

(VI) to formulate plans of increasing or decreasing the Company's registered capital, and issuing corporate bonds or other securities, and listing plans;

- (VII) to formulate plans for substantial acquisition, repurchase of shares, or merger, division, dissolution and change of corporate form of the Company;
- (VIII) to decide on the outbound investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, external donation and external financing of the Company within the authority granted by the general meeting;
- (IX) to determine the setup of the Company's internal management structure;
- (X) to determine to the appointment or dismissal, or determine the remuneration, reward and punishment of, the general manager, the secretary of the board of directors and other senior officers of the Company; to appoint or dismiss senior officers such as deputy manager, chief financial officer of the Company according to the nomination of the general manager, and to decide on matters of remuneration, rewards and punishments;
- (XI) to formulate the basic management system of the Company;
- (XII) to formulate the amendment to the Articles of Association;
- (XIII) to manage information disclosure of the Company;
- (XIV) to request the general meeting to engage or replace the accounting firm that provides audit service for the Company;
- (XV) to decide on the investment, acquisition or disposal of assets, financing, connected transactions and other matters required to be decided by the Board pursuant to the Hong Kong Listing Rules;
- (XVI) to debrief the work report of the general manager of the Company and check the works of the general manager;
- (XVII) to review, supervise, evaluate, manage and approve the material sustainable development matters;
- (XVIII) to manage the information disclosure of the Company according to laws and regulations, the Hong Kong Listing Rules and the internal rules and regulations of the Company;



(XIX) to decide on other major affairs of the Company, except for the matters that shall be resolved by the general meeting as specified in the Company Law and the Articles of Association;

(XX) Other functions and powers set out in and granted by the relevant laws, administrative regulations, departmental rules and Articles of Association.

When the Board makes resolutions on the aforesaid matters, save for the matters set out in paragraphs (VI), (VII) and (XII) which require consent by more than two-thirds of the Directors through voting, the remaining matters may be approved by more than half of the Directors through voting.

The Board shall make explanations to the general meeting on the nonstandard audit opinion issued by the certified public accountants on the Company's financial reports.

**Article 109** For the disposal of fixed assets by the Board, in the event that the aggregate amount of the expected value of the proposed disposal of fixed assets and the value of the disposed fixed assets during the four months prior to the proposed disposal exceeds 33% of the value of fixed assets shown in the latest balance sheet as considered at the general meeting, the Board shall not dispose or agree to dispose of such fixed assets without obtaining the approval of the general meeting.

*Article 4 of  
Opinions on  
Regulated  
Operation and  
Indepth Reform*

The disposal of fixed assets as mentioned in this Article includes the transfer of certain interests of assets but excludes the provision of fixed assets as security.

The validity of the transactions for the disposal of fixed assets conducted by the Company shall not be affected by the breach of the first paragraph of this Article.

**Article 110** The chairman of the Board shall exercise the following functions and powers:

*Article 112 of the Guidelines for the Articles of Association of Listed Companies*

- (I) to preside over general meetings and to convene and preside over meetings of the board of directors;
- (II) to procure and examine the implementation of resolutions of the board of directors;
- (III) to sign share certificates, corporate bonds and other securities issued by the Company;
- (IV) Other functions and powers specified by laws, regulations or the Articles of Association and granted by the Board.

If the chairman is unable to exercise his/her functions or power, a Director shall be jointly nominated by more than half of the Directors to exercise his/her functions and powers instead.

The Board may, if necessary, authorize the chairman to exercise part of the power of the Board when the Board is not in session.

The Board shall authorize the chairman expressly by the resolutions of the Board, and provide clear and specific authorization matters, content and authorities. All matters involving the Company's material interests shall be collectively determined by the Board. The Board shall not authorize the chairman or any director to determine such matter.

**Article 111** The Board of Directors discusses official business by way of the meetings of Board of Directors. Board meetings are divided into regular meetings and extraordinary meetings. The Board of Directors should meet regularly and board meetings shall be held at least four times a year at approximately quarterly intervals. It is expected regular board meetings will normally involve the active participation, either in person or through electronic means of communication, of a majority of directors entitled to be present. Therefore, The regular meetings of the Board of Directors will not include approval obtained from the Board of Directors by circulation of written resolutions. The board meetings shall be convened by the chairman of the Board. A written notice shall be given to all the Directors and supervisors at least 14 days prior to a regular meeting of the Board.

*Article 114 of the Guidelines for the Articles of Association of Listed Companies*  
  
*Article 110 of the Company Law and Articles C5.1 and C5.3 under the Part II of Appendix 14 to the Hong Kong Listing Rules*

**Article 112** The chairman shall convene an extraordinary Board meeting within ten days upon the receipt of a proposal for such a meeting where a meeting is:

*Article 115 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

- (I) proposed by the Shareholders representing more than one-tenth of the shares with voting rights of the Company;
- (II) proposed by more than one-third of the Directors jointly;
- (III) proposed by the Board of Supervisors;
- (IV) Proposed by the chairman of the Board;
- (V) Proposed by more than half of the independent Directors.

*Article 110 of the  
Company Law*

**Article 113** A notice shall be given to all the Directors, Supervisors and the General Manager 14 days prior to a regular meeting of the Board or 5 days prior to an extraordinary meeting of the Board. The responsible organization of the Company shall serve a written notice of the meetings to all the Directors, Supervisors and the General Manager by hand, fax, express mail service or other means of electronic communication. If it is not served directly, it shall be confirmed by telephone and recorded accordingly.

In case of emergency and it is necessary to convene an extraordinary Board meeting as soon as possible, the meeting notice may be sent by telephone or other oral means at any time, provided that the convener shall make explanations on the way of sending the relevant notice at the meeting.

**Article 114** Meeting notice shall be deemed to have been given to the directors who are present at the meeting and do not raise an objection that they have not received the notice of the meeting before or at the meeting.

Regular or extraordinary meetings of the Board may be held by teleconference or by means of other communication equipment, and all Directors present at the meeting shall be deemed to have attended the meeting in person so long as they can hear and communicate with each other.

**Article 115** A board meeting shall not be held unless more than half of the directors are present.

*Article 118 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

Each director shall have one vote. A resolution made by the board of directors must be approved by more than half of all the directors unless otherwise stipulated by laws, administrative regulations and the Articles of Association.

*Article 111 of the  
Company Law*

In the event of a tie between for and against, the Board chairman is entitled to one additional vote.

**Article 116** The directors shall attend the board meeting in person. If a director is unable to attend the meeting for some reason, he/she may entrust another director in writing to attend the meeting on his/her behalf, provided that the scope of authorization shall be specified in the power of attorney.

*Article 121 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

The Director attending the meeting as a proxy shall exercise the rights of the Directors within the scope of authorization. If a Director fails to attend a Board meeting or to appoint a proxy, he/she shall be deemed to have waived his/her right to vote at that meeting.

**Article 117** Where a director or any of his/her close associates (as defined in the Hong Kong Listing Rules) has a material interest in or connection with the matter to be resolved by the Board meeting, such director shall not exercise the right to vote on the resolution, nor exercise voting rights on behalf of other directors, nor be counted in the quorum of the meeting. The Board meeting can be held by more than half of the uninterested Directors. The resolutions of the Board meeting should be adopted by more than half of the uninterested Directors. If the number of uninterested Directors present at the Board meeting is less than three, the matter shall be submitted to the general meeting for consideration.

*Article 119 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

**Article 118** All important matters that shall be resolved by the Board shall be notified to all the Directors in advance within the time limit specified in the Articles of Association, and sufficient information shall be provided in strict accordance with the relevant procedures. The Directors may request for additional information. If more than a quarter of the Directors or two or more independent Directors believe that the information is insufficient or other issues prevent them making a judgment on relevant matters, they may jointly propose postponing the Board meeting or the consideration of the relevant matters, which shall be adopted by the Board.

*Articles 3 and 6 of  
Opinions on  
Regulated  
Operation and  
In-depth Reform*

When the Board makes a resolution relating to a connected transaction of the Company, the resolution shall be signed by the independent Directors before it becomes effective.

**Article 119** Unless otherwise specified by laws and regulations or the Hong Kong Listing Rules, the Board may approve the written proposals in lieu of convening meetings of the Board, but the draft of such proposals shall be served to each Director through personal delivery, post, fax or e-mail. If the Board of Directors has sent the proposal to all the directors and the quorum for signing the proposal has been reached and a signed document endorsing the proposal has been sent to the Secretary of the Board in the aforesaid manner, the proposal shall become a resolution of the Board and shall be deemed to have the same legal effect as a resolution passed at a board meeting held in accordance with the procedures prescribed by the relevant provisions of the Articles of Association.

**Article 120** The Board shall make meeting minutes for all decisions on matters discussed at the meeting, and the attending directors and the minute-taker shall sign the meeting minutes. The minutes of the Board meeting shall be maintained as the Company file. The Directors shall be liable for the resolutions of the Board. Where a resolution of the Board violates laws, administrative regulations or the Articles of Association, thereby causing serious losses to the Company, the Directors who took part in the resolution shall be liable for the damages to the Company. However, where a Director can prove that he/she expressed his/her opposition to such a resolution when it was put to be voted on, and that such an opposition was recorded in the minutes of the meeting, the Director may be relieved from such liabilities.

*Article 122 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

### Section 3 Special Committees of the Board

**Article 121** The Board has set up the Strategies Committee, Audit Committee, the Nomination Committee and the Remuneration and Evaluation Committee. The duties, composition and rules of procedure of the special committees shall be separately agreed upon by the Board. The Board may set up other special committees as necessary. The special committees under the Board are special working bodies established by the Board to provide suggestions or advisory opinions for major decisions of the Board. The special committees shall not make any decisions in the name of the Board, but may exercise decision-making power in respect of the authorized matter according to the specific authorization of the Board.

*C.4 of Appendix 14 to the Hong Kong Listing Rules*

*Article 108 of the Guideline for the Articles of Association of Listed Companies*

Each special committee, whose members are all Directors, shall be accountable to the Board. The Audit Committee shall only include nonexecutive Directors and consist of at least three members, the majority of whom shall be independent Directors. At least one member shall be an independent director with appropriate professional qualifications under the Hong Kong Listing Rules or with appropriate accounting or related financial management expertise. The convener (i.e. the chairman) of the Audit Committee shall be an independent Director. The majority of the members of the Remuneration and Evaluation Committee shall be independent Directors, and the convener (i.e. the chairman) shall be an independent Director. The convener (i.e. the chairman) of the Nomination Committee shall be the chairman of the Board or an independent Director, and the majority of the members of the Nomination Committee shall be independent Directors. The Board may separately establish other committees and adjust the existing committees as necessary. The Board shall separately formulate working rules for special committees with respect to their duties and procedures.

*Articles 3.25, 3.26 and 3.27 of the Hong Kong Listing Rules*

## Chapter 8 Secretary of the Board of Directors

**Article 122** The Company shall have a Secretary of the Board of Directors. The Secretary of the Board shall be a senior officer of the Company.

*Article 124, 133 of the Guidelines for the Articles of Association of Listed Companies*

**Article 123** The Secretary of the Board shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed or dismissed by the Board. The main duties of the Secretary of the Board are:

*Article 97 of the Guidelines for the Articles of Association of Listed Companies*

(I) to ensure that the Company has complete organizational documents and records; to keep and manage Shareholders' information; to assist Directors in handling the daily work of the Board;

*Article 123 of the Company Law*

(II) to ensure that the Company prepares and submits the documents and reports required by the relevant authorities according to law;

(III) to arrange and prepare Board meetings and general meetings; to prepare the materials of the meetings; to handle the routine work of the meetings; to record the proceedings of the meetings; to ensure the accuracy of the minutes; to keep the documents and minutes of the meetings; to oversee the execution of resolutions; to report any important issue arising out of the execution to the Board and to put forward recommendations;

(IV) to act as the liaison between the Company and the securities regulatory authorities; to prepare and promptly deliver such reports and documents as may be required by the regulatory authorities; and to receive and finish such tasks as may be communicated by the regulatory authorities;

- (V) to coordinate and arrange the disclosure of the information of the Company; to establish a sound disclosure system; to attend the meetings relating to the disclosure; and to be promptly aware of the material business operating decisions of the Company and other relevant information;
- (VI) to ensure that the Company's register of shareholders is properly established and that persons entitled to the relevant records and documents of the Company obtain such records and documents in a timely manner;
- (VII) to exercise other functions and power granted by the Board and required by laws, regulations, and rules of the stock exchange(s) where the Company's Shares are listed.

**Article 124** The Director or other senior officers of the Company may concurrently serve as the Secretary of the Board. The accountants of the accounting firm appointed by the Company or the officers of the controlling Shareholder may not act concurrently as the Secretary of the Board.

Where the office of the Secretary of the Board is held concurrently by a Director, and a certain act is required to be done by the Director and the Secretary of the Board separately, the person who concurrently holds the offices of Director and Secretary of the Board may not perform such an act in both capacities.

*Article 1 of  
Opinions on  
Regulated  
Operation and  
Indepth Reform*



## Chapter 9 General Manager and Other Senior Officers

**Article 125** The Company has one general manager and several other senior officers, one chief financial officer and one secretary of the board, who shall be appointed or dismissed by the Board.

*Article 124 of the Guidelines for the Articles of Association of Listed Companies*

The general manager, chief financial officer, secretary of the board and other persons recognized by the board of directors are senior officers of the Company.

The chief financial officer shall be appointed or removed by the Board. The chief financial officer shall be accountable to the Board and the General Manager.

If a senior officer violates laws, administrative regulations, departmental rules and the Articles of Association while performing his/her duties and causes losses to the Company, he/she shall be liable for compensation.

**Article 126** The general manager shall have a term of office of 3 years and can be reelected upon the expiry of the term of office. The term of office of the general manager shall last from the date on which the resolution of the board meeting is adopted to the expiration of the term of office of the current board of directors.

*Article 127 and Article 131 of the Guidelines for the Articles of Association of Listed Companies*

**Article 127** The general manager shall be accountable to the Board and exercise the following functions and powers:

*Article 128 of the Guideline for the Articles of Association of Listed Companies*

- (I) managing the production and operation management of the Company, organizing execution of the Board's resolutions, and reporting the relevant work to the Board;
- (II) organizing the implementation of the annual business plan and investment scheme of the Company;
- (III) preparing the annual financial budget and final accounts of the Company and making recommendations to the board of directors;
- (IV) preparing proposal for the internal management organization setting scheme of the Company;
- (V) preparing proposal for the basic management system of the Company;

- (VI) Developing the specific rules of the Company;
- (VII) Proposing the appointment or termination of the chief financial officer and other senior officers to the Board;
- (VIII) Deciding to appoint or remove the officers other than those subject to the decision of the board of directors;
- (IX) proposing to convene extraordinary board meeting;
- (X) deciding on other matters of the Company within the scope authorized by the Board;
- (XI) deciding on the investment, acquisition or disposal, financing and other projects except those which shall be decided by the Board and the general meeting;
- (XII) Other functions and powers granted by the Articles of Association or the Board.

Senior officers other than the General Manager shall assist the General Manager in his/her work and exercise part of the functions and powers of the General Manager as entrusted by the General Manager.

**Article 128** The general manager shall attend board meetings and, if the general manager is not a director, he shall not have voting right thereat.

**Article 129** In the exercise of his powers, the general manager shall comply with the laws, administrative regulations and the Articles of Association, and fulfil his duties in good faith and with due diligence.

*Article 135 of the  
Guideline for the  
Articles of  
Association of  
Listed Companies*

## Chapter 10 Board of Supervisors

**Article 130** The Company shall establish the Board of Supervisors, which shall exercise its supervisory powers in accordance with the law, administrative regulations and the Articles of Association.

*Article 144 of the  
Guideline for the  
Articles of  
Association of  
Listed Companies*

**Article 131** The Board of Supervisors is comprised of 3 supervisors, one of whom shall act as the chairman of the Board of Supervisors. The term of office of supervisors shall be 3 years, renewable upon re-election and reappointment.

*Article 144 of the  
Guideline for the  
Articles of  
Association of  
Listed Companies*

The appointment and dismissal of the chairman of the Board of Supervisors shall be subject to the approval of two-thirds or more of its members by voting.

*Article 1(d)(i) of  
Appendix 13D to  
the Hong Kong  
Listing Rules*

**Article 132** The Board of Supervisors shall comprise shareholder representative supervisors and staff representative supervisors, and the number of staff representative supervisors shall not be less than one-third of the number of the members of the Board of Supervisors. Of which, the staff representative supervisors shall be elected by the Company's staff and workers' congress, the shareholders' general meeting of staff and workers or other democratic ways.

*Article 144 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

At least half of the members of the Board of Supervisors shall be external supervisors (namely supervisors who are not representatives of shareholders nor holding any positions in the Company), and external supervisors shall have authority to report separately to the shareholders' general meeting on the integrity and diligence of the senior management officers of the Company.

*Article 7 of  
Opinions on  
Regulated  
Operation and  
In-depth Reform*

*Article 117(2) of  
the Company Law*

**Article 133** The directors and senior management officers of the Company shall not concurrently act as supervisors.

*Article 136 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies  
Article 117(4) of  
the Company Law*

**Article 134** The Board of Supervisors shall be accountable to the shareholders' general meeting and exercise the following functions and powers:

*Article 145 of the Guidelines for the Articles of Association of Listed Companies*

- (I) to review the periodic reports of the Company prepared by the Board and submit written review opinions thereon;
- (II) to review the Company's financial position;
- (III) to monitor any acts on the part of directors and senior management officers in their performance of duties that may violate the laws, administrative regulations and the Articles of Association, and to propose dismissal of any directors and senior management officers who violate the laws, administrative regulations, the Articles of Association or any resolutions of shareholders' general meetings;
- (IV) to demand directors and senior management officers to make rectification if their conduct has damaged the Company's interest;
- (V) to review financial information such as the financial reports, operation reports and profit distribution plans to be submitted by the Board of Directors to the Shareholders' general meetings; to conduct investigation if there is any doubt in the Company's operations, and engage certified public accountants and practicing auditors in the name of the Company to assist their review if necessary;
- (VI) to propose the convening of an extraordinary general meeting, and convene and preside over the shareholders' general meeting when the Board of Directors fails to perform such duties specified under the Company Law;
- (VII) to submit proposals to the shareholders' general meeting;
- (VIII) to propose convening of an extraordinary board meeting;
- (IX) to negotiate with the directors or to bring an action against a director and senior management officer on behalf of the Company in accordance with the Company Law;
- (X) to exercise other functions and powers specified in the laws, administrative regulations and the Articles of Association. Supervisors shall attend the board meetings as non-voting participants.

*Article 7 of Opinions on Regulated Operation and In-depth Reform*

*Article 53 of the Company Law*

**Article 135** The method of discussion for the Board of Supervisors shall be by way of holding a meeting of the Board of Supervisors. The Board of Supervisors shall convene at least once meeting every six months, which shall be convened by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is unable or fails to perform his duties, a supervisor who has been elected by more than half of the supervisors shall convene and preside over the meeting of the Board of Supervisors.

*Article 146 of the Guidelines for the Articles of Association of Listed Companies Article 117(3) of the Company Law*

The supervisors can propose to convene extraordinary meetings of the Board of Supervisors.

In convening the regular or extraordinary meetings of the Board of Supervisors, the members of the Board of Supervisors shall give the written notice of the meeting to all supervisors by hand, fax, e-mail or other means within a reasonable period. If the notice is not delivered by hand, a subsequent telephone call shall be made for confirmation and corresponding records shall be made.

A notice of regular meeting of the Board of Supervisors shall be served to all the supervisors at least 10 days in advance in the event of a regular meeting or at least 3 days in advance in the event of an extraordinary meeting. The responsible body of the Company shall serve a written meeting notice to all the supervisors by hand, fax, express mail or other means. If the notice is not delivered by hand, 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 meeting may be delivered by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.

**Article 136** Resolutions of the Board of Supervisors shall be made by way of voting with one vote for each supervisor in the manner of open and written ballot.

*Article 147 of the Guidelines for the Articles of Association of Listed Companies*

The voting procedure: a supervisor may cast an affirmative, a negative or an abstention vote. Each attending supervisor shall indicate his intention by choosing one of the above. The presider of the meeting shall request each supervisor who fails to choose any of the above or has chosen two or more of the above to vote again, and refusal to do so shall be regarded as having waived the voting rights at such meeting. Any supervisor who leaves the meeting and does not return and has not voted by choosing any of the above shall be regarded as having waived the voting rights at such meeting.

*Article 1(d)(ii) of Appendix 13D to the Hong Kong Listing Rules*

Resolutions of the Board of Supervisors shall be passed by the affirmative votes of two-thirds or more 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 that an explanatory note be made with regard to his speech in the meeting. The minutes of the meeting of the Board of Supervisors shall be kept at the address of the company.

In case of voting by correspondence, supervisors shall, after confirming their votes by signing their written opinions and voting intentions on the matters considered, fax the same to the office of Board of Supervisors. Supervisors participating in the voting by correspondence should submit the signed original copy of the voting paper to the Board of Supervisors within the period specified in the notice of meeting.

**Article 137** In the event that the Board of Supervisors discovers any unusual operation of the Company, it may conduct an investigation and, when necessary, may engage professionals, such as lawyers and accounting firms, to assist in its work. Any reasonable expenses incurred thereby shall be borne by the Company.

*Article 145 of the Guidelines for the Articles of Association of Listed Companies*

**Article 138** A supervisor shall carry out his supervisory duties honestly and faithfully in accordance with the law, administrative regulations and the Articles of Association.

*Article 137 of the Guidelines for the Articles of Association of Listed Companies*

## **Chapter 11 Qualifications and Obligations of Directors, Supervisors and Senior Management Officers of the Company**

**Article 139** The following persons may not serve as a director, supervisor, the general manager, or other senior management officer of the Company:

*Articles 95, 125 of  
the Guidelines for  
the Articles of  
Association of  
Listed Companies*

- (I) A person without or with limited capacity for civil conduct;
- (II) A person who has been sentenced for corruption, bribery, infringement of property, misappropriation of property or damaging the social economic order, where less than 5 years have elapsed since the sentence was served, or who has been deprived of his political rights due to criminal offense, where less than 5 years have elapsed since the sentence was served;
- (III) A person who is a former director, factory manager or manager of a company or enterprise which has become insolvent and has been liquidated and who is personally liable for the insolvency of such company or enterprise, and where less than 3 years have elapsed since the date of completion of the insolvency and liquidation of such company or enterprise;
- (IV) A person who is a former legal representative of a company or enterprise the business license of which was revoked and ordered to close down due to violation of law and who is personally liable for such violation, where less than 3 years have elapsed since the date of the revocation of business license of such company or enterprise;
- (V) A person who has a relatively large amount of debts which have become overdue;
- (VI) A person who is currently under investigation by the judicial authorities for violation of criminal law, and the legal procedures are pending;
- (VII) A person who, according to law and administrative regulations, is not permitted to be the leader of an enterprise;
- (VIII) A person who is not a natural person;
- (IX) A person who are prohibited from entering into the securities market by the CSRC for a period which has not yet expired;

- (X) A person who has been convicted by the competent authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than 5 years have elapsed since the date of such conviction;
- (XI) Other persons stipulated in the laws, administrative regulations, departmental rules, regulatory documents, the regulations of the relevant regulatory authorities and the relevant laws and regulations of the place where the Company's shares are listed.

For any election, appointment or employment of a director, supervisor and senior management officer in contravention of the provisions prescribed by this article, such election, appointment or employment shall be void and null. Where a director, supervisor and senior management officer falls into any of the circumstances stipulated in this article in his term of office, the director, supervisor and senior management officer shall be removed from office.

**Article 140** The validity of an act carried out by a director, general manager and other senior management officer on behalf of the Company as against a bona fide third party shall not be affected by any irregularity in his employment, election or qualification.

**Article 141** In addition to the obligations imposed by law, administrative regulations or the listing rules of the stock exchange where the Company's shares are listed, each of the Company's directors, supervisors, general manager and other senior management officers owes the following obligations to each shareholder, in the exercise of the functions and powers entrusted to him by the Company:

- (I) Not to exceed the Company's scope of business specified in its business license;
- (II) To act bona fide in the best interests of the Company;
- (III) Not to expropriate the Company's property in any way, including (but not limited to) opportunities beneficial to the Company;
- (IV) Not to expropriate the personal rights and interests of shareholders, including (but not limited to) rights to distribution and voting rights, except in a restructuring of the Company which has been submitted to the shareholders' general meeting for approval in accordance with the Articles of Association.



**Article 142** Each of the Company's directors, supervisors, general managers and other senior management officers owes the duty that in the exercise of his powers or discharge of his obligations, to exercise the care, diligence and skill that a reasonably prudent person would exercise under similar circumstances.

**Article 143** Each of the Company's directors, supervisors, general manager and other senior management officers shall perform his duties on the principle of fiduciary responsibility, and shall not put himself in a position where his interests and his duties may conflict. This principle includes (but is not limited to) discharging the following obligations:

- (I) To act bona fide in the best interests of the Company;
- (II) To exercise his powers within his terms of reference and not to act ultra vires;
- (III) To exercise the discretion vested in him personally and not to allow himself to act under the control of any other party; and unless permitted by laws, administrative regulations or with the informed consent of the shareholders given in a general meeting, not to delegate the exercise of his discretion;
- (IV) To treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (V) Unless otherwise provided in the Articles of Association or except with the informed consent of the shareholders given in a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (VI) Not to use the Company's property in any way for his own benefit without the informed consent of the shareholders given in a general meeting;
- (VII) Not to exploit his position to accept bribes or to obtain other illegal income, expropriate the Company's property in any way, including (but not limited to) opportunities beneficial to the Company;
- (VIII) Not to accept commissions in connection with the Company's transactions without the informed consent of the shareholders given in a general meeting;

- (IX) To comply with the Articles of Association, perform his duties faithfully, protect the Company's interests and not to exploit his position and power in the Company for his own benefit;
- (X) Not to compete with the Company in any way without the informed consent of the shareholders given in a general meeting;
- (XI) Not to misappropriate the Company's funds, not to open any account in his own name or in any other name for the deposit of the Company's assets or funds, not to violate the provisions of the Articles of Association by lending the Company's funds to others or using such assets to provide guarantee for the debts of shareholders of the Company or other individuals without the consent of the shareholders given at a general meeting or the consent of the Board of Directors;
- (XII) Not to disclose any confidential information in relation to the Company which he has obtained during his term of office without the informed consent of the shareholders given at a general meeting; nor shall he use such information other than for the Company's benefit, save that disclosure of such information to the court or other governmental authorities is permitted if:
1. The law so requires;
  2. Public interest so warrants;
  3. The interests of the relevant director, supervisor, general manager and other senior management officers so requires.

Any gain arising from the breach of this Article by the personnel mentioned in this Article shall belong to the Company. Such personnel shall be liable for compensation for any loss of the Company arising therefrom.

**Article 144** Each director, supervisor, general manager and other senior management officer of the Company shall not direct the following persons or institutions (“**related parties**”) to do anything that is not permitted:

- (I) The spouse or minor child of the Company’s director, supervisor, general manager or other senior management officer;
- (II) The trustee of the Company’s director, supervisor, general manager or other senior management officer or any person referred to in subparagraph (I) of this Article;
- (III) The partner of the Company’s director, supervisor, general manager or other senior management officer or any person referred to in subparagraphs (I) and (II) of this Article;
- (IV) A company in which the Company’s director, supervisor, general manager or other senior management officer, whether alone or jointly with the persons referred to in sub-paragraphs (I), (II) or (III) of this Article or other directors, supervisors, general managers and other senior management officers of the Company, has de facto control;
- (V) The directors, supervisors, general managers and other senior management officers of the controlled company referred to in subparagraph (IV) of this Article.

**Article 145** The fiduciary duties of a director, supervisor, general manager and other senior management officers of the Company do not necessarily cease upon termination of their tenure. The duty of confidentiality in respect to trade secrets of the Company survives the termination of their tenures. Other duties may continue for such period as the principle of fairness may require, depending on the length of time that has elapsed between termination and the act concerned and the circumstances and terms under which their relationship with the Company have been terminated.

**Article 146** A director, supervisor, general manager and other senior management officers of the Company may be relieved of liability for specific breaches of his duty with the informed consent of the shareholders given in a general meeting.

**Article 147** Where a director, supervisor, general manager or 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 (except for the employment contracts between the Company and its directors, supervisors and senior management officers), he shall disclose the nature and extent of his interest to the Board of Directors at the earliest opportunity, whether or not such matters are subject to the approval of the Board of Directors under normal circumstances.

Except for the exceptions under Note 1 of Appendix 3 to the Hong Kong Listing Rules or as permitted by the Hong Kong Stock Exchange, a director shall not vote on any resolution of the Board of Directors approving any contract or arrangement or any other relevant proposal in which he or any of his close associates (as defined under the applicable Hong Kong Listing Rules effective from time to time) has a material interest nor shall he be counted in the quorum present at the meeting.

Unless the interested director, supervisor, general manager or other senior management officer of the Company has disclosed his interest to the Board of Directors as required by the first paragraph of this Article and relevant matters have been approved by the Board of Directors at a meeting in which he was not counted in the quorum and has abstained from voting, the contract, transaction or arrangement is voidable at the instance of the Company except as against a bona fide party thereto who does not have notice of the breach of duty by the interested director, supervisor, general manager or other senior management officer.

A director, supervisor, general manager or other senior management officer of the Company is deemed to be interested in a contract, transaction or arrangement in which his related party is interested.

If no quorum is present at the Board meeting as a result of the aforesaid abstention, the relevant matters shall be submitted for shareholders' consideration at a general meeting.

If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the Board, which the Board has determined to be material, the matter should not be dealt with by way of circulation of documents or by a committee under the Board (other than a committee specifically set up for such matter by a resolution passed at a board meeting), but a physical meeting of the Board shall be held. Independent directors who, and whose close associates, have no material interest in the transaction should be present at such board meeting.

“Substantial shareholder” and “close associates” referred to in this Article mean the definition in the Hong Kong Listing Rules.

**Article 148** Where a director, supervisor, general manager or other senior management officer of the Company gives the Board of Directors a notice in writing stating that, by reason of the facts specified in the notice, he is interested in the contract, transaction or arrangement which may subsequently be made by the Company, such notice shall be deemed to be a disclosure for the purpose of the preceding Article of this Chapter, so far as the content stated in such notice is concerned, provided that such notice shall have been given before the date on which the relevant contract conclusion, transaction or arrangement is first taken into consideration by the Company.

**Article 149** The Company shall not in any manner pay taxes for its directors, supervisors, general manager or other senior management officers.

**Article 150** The Company shall not directly or indirectly make a loan to or provide any guarantee for a loan to a director, supervisor, general manager or other senior management officer of the Company or the Company’s controlling shareholders or any of their respective related parties.

The foregoing provision shall not apply to the following circumstances:

- (I) The provision by the Company of a loan or a guarantee for a loan to its subsidiaries;
- (II) The provision by the Company of a loan or a guarantee for a loan or any other funds to any of its directors, supervisors, general managers or other senior management officers pursuant to their employment contracts which were approved by the shareholders in a general meeting for him to settle expenditures incurred by him for the purpose of the Company or incurred in performing his duties and responsibilities;
- (III) If the ordinary scope of business of the Company is expanded to include the provision of loans or guarantees for loans, the Company may provide a loan or a guarantee for a loan to any of the relevant directors, supervisors, general managers or other senior management officers or their respective related parties, provided that the provision of loans or guarantees for loans is on normal commercial terms.

**Article 151** A loan made by the Company in breach of the preceding Article shall be repayable forthwith by the recipient of the loan regardless of the terms of the loan.

**Article 152** A guarantee for a loan provided by the Company in breach of the first paragraph of Article 150 shall not be enforceable against the Company, unless:

- (I) The lender was not aware of the relevant circumstances when he provided a loan to a related party of any of the directors, supervisors, general managers and other senior management officers of the Company or of the Company's controlling shareholders;
- (II) The collateral provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.

**Article 153** For the purposes of the foregoing provisions of this Chapter, a "guarantee" includes an act of undertaking or property provided by the guarantor to secure the performance of obligations by the obligor.

**Article 154** Where a director, supervisor, general manager or other senior management officer of the Company is in breach of his obligations owed to the Company, the Company has, in addition to any rights and remedies provided for in the laws and administrative regulations, the right to take the following measures:

- (I) To demand such director, supervisor, general manager or other senior management officer compensate for losses sustained by the Company as a result of such breach;
- (II) To rescind any contract or transaction that has been entered into by the Company with such director, supervisor, general manager or other senior management officer, or with a third party (where such third party has known or should have known that such director, supervisor, general manager or other senior management officer that represents the Company has breached his duties owed to the Company);
- (III) To demand such director, supervisor, general manager or other senior management officer to surrender profits obtained as a result of the breach of his obligations;
- (IV) To recover any monies received by the directors, supervisors, general manager or other senior management officers that should have been received by the Company, including (without limitation) commissions;
- (V) To demand the return of interest earned or which may have been earned by such director, supervisor, general manager or other senior management officer on the monies that should have been paid to the Company;
- (VI) To request for judgment through legal proceedings that the properties acquired by directors, supervisors, general manager and other senior management officers through their breach of duties shall belong to the Company.

**Article 155** The Company shall, with the prior approval of shareholders in a general meeting or by the Board of Directors, enter into a written contract with its director, supervisor or senior management officer regarding his remuneration. The written contract shall include at least the following provisions:

- (I) An undertaking by the directors, supervisors and senior management officers to the Company to observe Company Law, the Articles of Association, the Codes on Takeover and Mergers approved by the Hong Kong Securities and Futures Commission as amended from time to time, the Codes on Share Repurchases and other rules of the Hong Kong Stock Exchange, and an agreement that the Company shall have the remedies provided in the Articles of Association, and that neither the contract nor his office is capable of assignment; *Article 116 of the Company Law*  
*Articles*  
*19A.54(1)(2) and*  
*19A.55(a)(b) of*  
*the Hong Kong*  
*Listing Rules*
- (II) An undertaking by the directors, supervisors and senior management officers to the Company which represents each shareholder to observe and perform his obligations in accordance with the Articles of Association;
- (III) An arbitration clause as provided in Article 197 hereof.

The aforesaid emoluments include:

- (I) Emoluments in respect to his service as a director, supervisor or senior management officer of the Company;
- (II) Emoluments in respect to his service as a director, supervisor or senior management officer of any subsidiary of the Company;
- (III) Emoluments in respect to the provision of other services in connection with the management of the affairs of the Company and any of its subsidiaries;
- (IV) Payments to the director or supervisor as compensation for loss of office or as consideration in connection with his retirement.

No proceedings may be brought by a director or supervisor against the Company for any benefit due to him in respect to the foregoing matters except pursuant to the contract mentioned above.

The Company shall, on a regular basis, disclose to shareholders the remunerations obtained by the directors, supervisors and senior management officers from the Company.



**Article 156** The contracts entered into between the Company and its directors or supervisors concerning emoluments shall prescribe that in the event that the Company is being acquired, the Company's directors and supervisors shall, subject to the prior approval of shareholders in a general meeting, have the right to receive compensation or other payment in respect to his loss of office or retirement. For the purposes of the preceding paragraph, the acquisition of the Company includes any of the following:

- (I) An offer made by any person to all shareholders;
- (II) An offer made by any person such that the offeror will become the controlling shareholder. The term "controlling shareholder" has the same meaning as defined in the Articles of Association.

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

## Chapter 12 Financial and Accounting System

**Article 157** The Company shall establish its financial and accounting system in accordance with the law, administrative regulations and the provisions stipulated by the relevant authorities of the state. Should it be required otherwise by supervisory body of the place where the shares of the Company are listed, such requirements shall be complied with.

*Article 150 of the Guidelines for the Articles of Association of Listed Companies*

**Article 158** The Company shall adopt the Gregorian calendar year for its accounting year, namely being that the accounting year shall be from 1 January to 31 December.

*the Paragraph one of Article 164 of the Company Law*

At the end of each accounting year, the Company shall prepare a financial report which shall be audited and verified according to the law.

The financial statements of the Company shall be prepared in accordance with accounting standards and regulations of the People's Republic of China, as well as in accordance with international accounting standards, or the accounting standards of the overseas jurisdiction in which the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be stated in an appendix to the financial statements.

In distributing its after-tax profits of the relevant accounting year, the lower of the after-tax profits as shown respectively in the above mentioned two financial statements shall be adopted.

**Article 159** The Company's Board of Directors 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 regulatory documents promulgated by the local government and the competent authorities.

**Article 160** The Company shall not maintain books of accounts other than those provided for by law. The Company's assets shall not be deposited in an account maintained in the name of any individual.

*Article 152 of the Guidelines for the Articles of Association of Listed Companies*

**Article 161** The Company's financial reports shall be made available for shareholders' inspection at the Company 20 days prior to the date of the annual general meeting. Each shareholder of the Company has the right to receive a copy of such financial reports mentioned in this Chapter.

The financial report mentioned in the preceding paragraph shall comprise the directors' report, together with the balance sheet (including all other documents to be annexed as required by the People's Republic of China or other laws and administrative regulations) and the profit and loss statement (the profit statement) or the statement of income and expense (the statement of cash flow), or (subject to the relevant laws of the People's Republic of China) the summary financial report as approved by the Hong Kong Stock Exchange.

*The Hong Kong  
Listing Rules*

The Company's financial reports shall be made available for shareholders' inspection at the Company before 20 days prior to the date of the annual general meeting. Each shareholder of the Company has the right to receive a copy of such financial reports mentioned in this Chapter.

The Company shall deliver or send by prepaid mail the above mentioned financial reports to each holder of overseas-listed foreign shares at the address recorded in the register of shareholders at least 21 days before the annual general meeting is convened. 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 162** The interim results or financial reports to be published or disclosed by the Company shall be prepared in accordance with accounting standards and regulations of the People's Republic of China, as well as in accordance with international accounting standards, or the accounting standards of the overseas places where the Company's shares are listed.

**Article 163** The Company shall disclose its annual reports within four months from the ending date of each accounting year, and disclose its interim reports within two months from the ending date of the first half of each accounting year. The aforesaid annual reports and interim reports shall be prepared in accordance with the relevant laws, administrative regulations and the regulations of the CSRC and regulatory rules of the place where the shares of the Company are listed.

*Articles 13.46 and  
13.49 of the Hong  
Kong Listing  
Rules*

Other regulations of the securities regulatory authorities at the place where the shares of the Company are listed shall prevail.

The Company shall not maintain books of accounts other than those provided for by law. The Company's assets shall not be deposited in an account maintained in the name of any individual.

## Chapter 13 Profit Distribution

**Article 164** In distributing the profit after tax of the current year, the Company shall allocate 10% of its profit into its statutory reserve fund. When the aggregate amount of the statutory reserve fund of the Company is more than 50% of its registered capital, further appropriations are not required.

*Article 166 of the  
Company Law*

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

After allocation of its profits after tax to its statutory reserve fund, the Company may, through the resolution of shareholders' general meeting allocate its profits after tax to its discretionary reserve fund.

After making up for the losses and making allocations to the reserve fund, any remaining profits after tax shall be distributed by the Company in proportion to their shareholdings.

If the shareholders' general meeting has, in violation of the provision of the preceding paragraph, distributed profits to shareholders before the Company has made up for its losses and made allocations to its statutory reserve fund, the shareholders shall return to the Company the profit distributed in violation of the provision. The Company's shares held by the Company are not entitled to any profit distribution.

**Article 165** Capital reserve fund includes the following items:

- (I) Premium received when shares are issued at a premium to their par Provisions value;
- (II) Any other income required by the finance regulatory department of the State Council to be included in the capital reserve fund.

**Article 166** The reserve fund of the Company can be applied for making up for losses of the Company, expansion of the Company's production and operation or increasing the capital of the Company, but the capital reserve fund cannot be applied for making up for losses of the Company.

*Article 168 of the  
Company Law*

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

**Article 167** The Company may distribute dividends in the form of (or a combination of both):

(I) Cash;

(II) Shares.

After the general meeting has resolved on the plan to allocate profits, the Board of Directors shall complete the distribution of dividends (or shares) within 2 months after conclusion of the general meeting.

**Article 168** Any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to receive a dividend subsequently declared.

**Article 169** The Company shall appoint a receiving agent for holders of foreign shares. The receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect to the foreign shares, and such payment shall be kept by the receiving agent on such shareholders' behalf for any payment to them.

*Article 19A.51 of  
the Hong Kong  
Listing Rules*

The receiving agent appointed by the Company shall satisfy requirements under the laws of the place where the Company's shares are listed or the rules of relevant stock exchange.

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

*Article 1(C) of  
Appendix 13D to  
the Hong Kong  
Listing Rules*

Subject to the relevant laws and regulations of the People's Republic of China, the Company may exercise its right to claim over unclaimed dividends, provided that such right shall not be exercised until after the expiration of the applicable limitations period under the listing rule of the stock exchange where the Company's shares are listed.

The Company has the 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 until such warrants have been so left uncashed on two consecutive occasions. 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 new warrant shall be issued to replace one that has been lost unless the Company is satisfied beyond a reasonable doubt that the original warrant has been destroyed. The Company has the right to sell, by means considered appropriate by the Board of Directors, the shares of a holder of the overseas-listed foreign shares who is untraceable under the following circumstances:

- (I) During a period of 12 years at least 3 dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and
- (II) Upon expiry of the 12 years, the Company gives notice of its intention to sell the shares by way of an announcement published in one or more newspapers in the place where the Company's shares are listed and notifies the securities regulatory authority of the place where the Company's shares are listed.

**Article 170** The cash dividend and other amount paid by the Company to the holders of domestic shares shall be paid in Renminbi. The cash dividend and other amounts paid by the Company to the holders of overseas-listed foreign shares shall be denominated and declared in Renminbi and paid in Hong Kong Dollars. The foreign currency required for the payment of cash dividends and other amount by the Company to the holders of overseas-listed foreign shares shall be arranged in accordance with the provisions of the People's Republic of China in relation to foreign exchange administration.

**Article 171** Unless otherwise provided in relevant law or administrative regulations, if the cash dividends and other amount are to be paid in Hong Kong Dollars, the Company shall adopt the average offer price of the relevant foreign exchange quoted by the People's Bank of China for a calendar week preceding the date on which the dividend and other amount are declared as the exchange rate therefor.

## Chapter 14 Appointment of Accountant Firm

**Article 172** The Company shall appoint an independent accounting firm which is qualified under the relevant national regulations to audit the Company's annual financial reports and verify other financial reports of the Company.

*Article 159 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

The first accounting firm of the Company may be appointed at the inaugural meeting prior to the first annual general meeting. The accounting firm so appointed shall hold the position until the conclusion of the first annual general meeting.

If the inaugural meeting fails to exercise its powers in accordance with the preceding paragraph, those powers shall be exercised by the Board of Directors.

**Article 173** The accounting firm appointed by the Company shall have the following rights:

- (I) The right to review the books, records or vouchers of the Company at any time, the right to require the directors, general managers or other senior management officers of the Company to provide relevant information and explanation;
- (II) The right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as necessary for the accounting firm to discharge its duties;
- (III) The right to attend general meetings and to receive all notices of, and other information relating to, any general meeting which any shareholder is entitled to receive, and to speak at any general meeting in relation to matters concerning its role as the Company's accounting firm.

*Article 170 of the  
Company Law*

The Company shall provide the accounting firm appointed with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information. The Company shall not refuse to provide or hide the same or make false reports.

**Article 174** If there is a vacancy in the position of accounting firm of the Company, the Board of Directors may appoint an accounting firm to fill such vacancy before the convening of the shareholders' general meeting. Any other accounting firm which has been appointed by the Company may continue to act in this capacity during the period in which a vacancy exists.



**Article 175** The shareholders in a general meeting may, by ordinary resolution, remove the accounting firm before the expiration of the term of office of any accounting firm, irrespective of the provisions in the contract between the accounting firm and the Company. However, the accounting firm's right to claim for damages which arise from its removal shall not be affected thereby.

**Article 176** The appointment, removal and remuneration (or the manner in which such remuneration is to be decided) of an accounting firm shall be approved by a majority of the issuer's shareholders or other body that is independent of the Board of Directors.

*Article 17 of  
Appendix 3 to the  
Hong Kong  
Listing Rules*

**Article 177** The Company's appointment, removal and non-reappointment of an accounting firm shall be resolved by a shareholder's general meeting.

*Article 160 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

Where a resolution at a shareholders' general meeting is passed to appoint an accounting firm other than the incumbent accounting firm to fill a casual vacancy in the office of the accounting firm, to re-appoint an accounting firm that was appointed by the Board of Directors to fill a casual vacancy, or to remove an accounting firm before the expiration of its term of office, the following provisions shall apply:

*Article 1(e)(i) of  
Appendix 13D to  
the Hong Kong  
Listing Rules*

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

Leaving includes leaving by removal, resignation and retirement.

- (II) If the outgoing accounting firm makes representations in writing and requests the Company to notify its shareholders of such representations, the Company shall (unless the written representations were received too late) take the following measures:
1. In any notice of meeting held for making the resolution, state the fact that the departing accounting firm has made such representations; and
  2. Attach a copy of the representations to the notice and send it to every shareholder entitled to notice of general meeting in the manner stipulated in the Articles of Association.
- (III) If the Company fails to send out the accounting firm's representations in the manner set out in sub-paragraph (II) of this Article, such accounting firm may require that the representations be read out at the shareholders' general meeting and may make further representations.
- (IV) An accounting firm that is leaving its post shall be entitled to attend:
1. The shareholders' general meeting at which its term of office would otherwise have expired;
  2. The shareholders' general meeting at that it is proposed to fill the vacancy caused by its removal; and
  3. The shareholders' general meeting that is convened as a result of its resignation.

The accounting firm that is leaving its post shall be entitled to receive all notices of, and other communications relating to, such meetings, and to speak at such meetings in relation to matters concerning its role as the former accounting firm of the Company.

**Article 178** If the Company proposes to remove the accounting firm or not to renew the appointment thereof, it shall notify the accounting firm in advance, and the latter has the right to state its opinions to the shareholders' general meeting. If the accounting firm resigns, it shall make clear to the shareholders' general meeting whether there is any impropriety on the part of the Company.

*Article 163 of the Guidelines for the Articles of Association of Listed Companies*

The accounting firm may resign from its office by depositing the written notice of resignation at the registered address of the Company. The notice shall become effective on the date of such deposit or on such later date as may be stated in the notice. The notice shall contain the following statements:

*Article 1(e)(ii), (iii) and (iv) of Appendix 13D to the Hong Kong Listing Rules*

1. A statement to the effect that there are no circumstances connected with its resignation that it considers must 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.

The Company shall, within 14 days of the receipt of the written notice referred to in sub-paragraph 2 of this Article, send a copy of the notice to the relevant competent authority. If the notice contains a statement under sub-paragraph 2 of the second paragraph 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 (namely being the shareholder who is entitled to receive the financial report of the Company) at the address recorded in the register of shareholders.

If the accounting firm's notice of resignation contains a statement under sub-paragraph 2 of the second paragraph of this Article, the accounting firm may request the Board of Directors to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances in connection with its resignation.

## Chapter 15 Notices

**Article 179** Notices of the Company may be delivered through the following means:

- (I) By hand; *Article 2.07B of the Hong Kong Listing Rules*
- (II) By fax, electronic mail or mail; *Article 2.07A(3) of the Hong Kong Listing Rules*
- (III) By way of publishing information on websites designated by the Company and the Hong Kong Stock Exchange, subject to the laws, administrative regulations and the listing rules of stock exchange of the place where the Company's shares are listed; *Article 164 of the Guidelines for the Articles of Association of Listed Companies*
- (IV) By way of announcement;
- (V) By any other means as agreed by the Company or the recipient or as accepted by the recipient after the notice is received;
- (VI) By any other means as approved by the relevant regulatory authorities of the place where the Company's shares are listed or as specified in the Articles of Association.

Unless the context otherwise specifies, the “notices” referred to in the Articles of Association shall mean, in respect to announcements made to the holders of domestic shares or the announcements to be published in the People's Republic of China as required by the relevant requirements and the Articles of Association, the publication of an announcement in newspapers in the People's Republic of China, and such newspapers shall have been prescribed under the laws and administrative regulations of the People's Republic of China or by the securities regulatory authority of the State Council.

For notices issued by the Company to the holders of overseas-listed foreign shares by way of announcement, the Company shall on the same day submit its electronic version available for real-time publication to the Hong Kong Stock Exchange through the e-submission system of the Hong Kong Stock Exchange for release on the website of the Hong Kong Stock Exchange in accordance with the local listing rules, or publish an announcement in newspapers (including the publication of an advertisement in newspapers) in accordance with the local listing rules. The announcement shall at the same time also be published on the Company's website. In addition, unless otherwise required in the Articles of Association, the notice shall be delivered to each of the registered addresses as set forth in the register of holders of overseas-listed foreign shares by personal delivery or prepaid mail, so as to give the shareholders sufficient notice and time to exercise their rights or act in accordance with the terms of the notice.

The Company's holders of overseas-listed foreign shares can, in writing, select to receive corporate communication by electronic means or by mail that the Company shall send to shareholders, and they 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.

Shareholders or directors who wish to prove that certain notices, documents, information or written statements have been served on the Company shall provide evidence showing the same has been served to the correct address by ordinary means or by prepaid mail within the specified period of time.

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 Hong Kong Listing Rules, if the Company has obtained shareholders' prior written consent or deemed consent according to the relevant laws and regulations and the Hong Kong Listing Rules as amended from time to time, the Company may dispatch or provide corporate communication to its shareholders by electronic means or by publishing information via its website. Corporate communication includes, but is not limited to circulars, annual reports, interim reports, quarterly reports, notices of shareholders' general meetings, and other types of corporate communication as specified in the Hong Kong Listing Rules.

**Article 180** Unless otherwise specified in the Articles of Association, the various means of sending notices specified in the preceding paragraph shall apply to the notices of shareholders' general meetings, board meetings and meetings of the Board of Supervisors convened by the Company.

*Article 166–168 of the Guidelines for the Articles of Association of Listed Companies*

**Article 181** For a notice of the Company delivered by hand, the notice shall be deemed to be received upon signing (or affixing the seal) by the recipient on the note of receipt and the receipt date shall be the date of serve. If the notice is delivered by post, it shall be deemed to have been received after 48 hours from the date upon which the post office receives the notice. If the notice is delivered by way of fax or electronic mail or by way of publishing information on websites, it shall be deemed to have been received on the date it is sent or published. If the notice is delivered by way of announcement, it shall be deemed to have been received on the date on which the announcement is first published. Such announcement shall be published on the newspapers that satisfy the relevant requirements.

*Article 169 of the Guidelines for the Articles of Association of Listed Companies*

**Article 182** In the event that 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 either the English or the Chinese version, the Company may (as per the preference stated by the shareholders) only send the English version or the Chinese version to the shareholders concerned to the extent permitted by applicable laws and regulations and pursuant to the applicable laws and regulations.

*2.07B of the Hong Kong Listing Rules*

## Chapter 16 Merger and Division of the Company

**Article 183** In the event of the merger or division of the Company, the Company's Board of Directors shall put forward a proposal and shall be approved in accordance with the procedures stipulated in the Company's Articles of Association. The Company shall then go through the relevant approval formalities pursuant to the law. Shareholders who oppose the plan of merger or division of the Company shall have the right to request the Company or the shareholders who consent to such plan to purchase their shares at a fair price. The content of the resolution of on the merger or division of the Company shall be contained in special documents which shall be available for inspection by the shareholders.

*Article 149 of the Guidelines for the Articles of Association of Listed Companies*

The aforesaid documents shall be sent to each holder of overseas-listed foreign shares by post.

**Article 184** The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

*Article 172 of the Guidelines for the Articles of Association of Listed Companies*

In the event of a merger, the parties to the merger shall enter into a merger agreement, and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days from the date of on which the resolution in favour of the merger is adopted and shall publish an announcement in a newspaper within 30 days from the date of such resolution. A creditor has the right, within 30 days upon receiving the notice from the Company or, in the case of a creditor who has not received such notice, within 45 days from the date of the announcement, to require the Company to repay its debts or provide corresponding guarantee for such indebtedness.

*Article 173 of the Company Law*

Upon the merger, claims and debts of each of the merged parties shall be assumed by the company which survives the merger or the newly established company resulting from the merger.

**Article 185** In the event of a division of the Company, its properties shall be divided up accordingly.

*Article 175 of the Guidelines for the Articles of Association of Listed Companies*

In the event of a division, the Company shall prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days from the date on which a resolution is adopted in favour of the division and shall publish an announcement in a newspaper within 30 days from the date of such resolution.

*Articles 175 and  
176 of the  
Company Law*

Unless otherwise agreed in writing between the Company and its creditors in relation to the repayment of debts before the division, the surviving companies after the division shall jointly assume the indebtedness of the Company which has been incurred before such division.

**Article 186** The Company shall, in accordance with law, apply for change in its registration with the company registration authority where a change in any item in its registration as a result of any merger or demerger. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, the Company shall apply for registration thereof in accordance with law.

*Article 178 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*



## Chapter 17 Dissolution and Liquidation of the Company

**Article 187** In any of the following circumstances, the Company shall be dissolved and enter into liquidation in accordance with the law:

*Article 179 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

- (I) Expiry of the Company's term of business operations stipulated in the Articles of Association or other dissolution reasons as stipulated in the Articles of Association occur;
- (II) The shareholders' general meeting by special resolution dissolves the Company;
- (III) Dissolution is necessary due to a merger or division of the Company;
- (IV) The business license is revoked, the Company is ordered to close, or is wound up according to law;
- (V) The Company is ordered to close due to breach of law or administrative regulations;
- (VI) The Company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of its shareholders and there are no other solutions to resolve the matters. Shareholders holding 10% or more of the total voting rights of the Company may appeal to the People's Court for dissolution of the Company.

*Articles 180 and  
182 of the  
Company Law*

**Article 188** Where the Company is to be dissolved under the circumstance specified in item (I) of Article 187, it may continue to exist by modifying the Articles of Association.

Amendments to this Articles of Association in accordance with the provisions of the preceding paragraph must be approved by more than two-thirds of the voting rights held by shareholders attending the general meeting of shareholders.

**Article 189** Where the Company is dissolved pursuant to sub-paragraphs (I), (II), (IV) and (VI) of Article 187, a liquidation committee shall be formed within 15 days from the date of occurrence of such grounds for dissolution, to start the liquidation process. The composition of the liquidation committee shall be determined by directors or the shareholders' general meeting. In case no such committee is established to timely proceed with liquidation, the creditors may make an application to a People's Court for appointing relevant persons to form the liquidation committee for liquidation.

*Article 181 of the Guidelines for the Articles of Association of Listed Companies*  
*Article 183 of the Company Law*

**Article 190** During the liquidation period, the liquidation committee shall exercise the following functions and powers:

*Article 182 of the Guidelines for the Articles of Association of Listed Companies*

(I) To liquidate the Company's assets and prepare a balance sheet and an inventory of assets respectively;

*Article 184 of the Company Law*

(II) To notify creditors by sending notice and making public announcement;

(III) To deal with and settle any outstanding businesses of the Company;

(IV) To pay outstanding taxes as well as taxes arising in the course of liquidation;

(V) To settle claims and debts;

(VI) To dispose of the remaining assets of the Company after the repayment of debts;

(VII) To represent the Company in any civil proceedings.

**Article 191** The liquidation committee shall notify creditors within 10 days from the date of its establishment and publish announcements in newspapers within 60 days. The creditors may declare their claims to the liquidation committee within 30 days from the date it receives the above notice or within 45 days from the date of announcement if no such notice is received.

*Article 183 of the Guidelines for the Articles of Association of Listed Companies*  
*Article 185 of the Company Law*

When declaring the claims, the creditors shall specify the relevant matters about the claims and provide corresponding evidence. The liquidation committee shall register such claims.

During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

**Article 192** After sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit to the shareholders' general meeting or to the relevant competent authorities for confirmation.

*Article 184 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies  
Article 186 of the  
Company Law*

The remaining assets of the Company after payment of liquidation expenses, staff wages and social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the Company's debts shall be distributed to the shareholders of the Company in proportion to their respective shareholdings.

During the liquidation, the Company remains continuing but shall not commence any business activities unrelated to the liquidation. The Company's assets shall not be distributed to the shareholders before repayment of the Company's debts in full in accordance with the preceding paragraph.

**Article 193** In the event of the Company's liquidation due to dissolution, if, after sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall immediately apply to a People's Court for declaration of bankruptcy.

*Article 185 of  
Guidelines for the  
Articles of  
Association of  
Listed Companies  
Article 187 of the  
Company Law*

After the Company is declared bankrupt by a ruling from a People's Court, the liquidation committee shall handover the liquidation matters to the People's Court.

**Article 194** Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, a statement of the income and expenses during the liquidation period and financial accounts, which shall be verified by a certified public accountant of the People's Republic of China, and then submitted to the shareholders' general meeting or a People's Court for confirmation. Furthermore, within 30 days of the date of confirmation by the shareholders' general meeting or the People's Court, the aforesaid documents shall be submitted to the company registration authority for application for cancelling the registration of the Company and a public announcement shall be made for the termination of the Company.

*Article 186 of the  
Guidelines for the  
Articles of  
Association of  
Listed Companies*

## Chapter 18 Amendments to the Articles of Association

**Article 195** Under any one of the following circumstances, the Company shall amend its Articles of Association: *Article 189 of the Guidelines for the Articles of Association of Listed Companies*

- (I) after amendment has been made to the Company Law or relevant laws or administrative regulations, the contents of the Articles of Association collide with the amended laws or administrative regulations;
- (II) the changes that the Company have undergone are inconsistent with the records made in the Articles of Association;
- (III) the shareholders' general meeting has resolved to amend the Articles of Association.

**Article 196** The following procedures shall be followed when amending the Articles of Association:

- (I) The Board of Directors shall firstly adopt a resolution for amendment to the Articles of Associations and prepare a proposal for amendment to the Articles of Associations;
- (II) The Board of Directors shall convene a shareholders' general meeting for voting on such proposals thereat;
- (III) The shareholders' general meeting shall approve such proposals by special resolution;
- (IV) The Company shall submit the amended Articles of Association to the company registration authority for filing.

## Chapter 19 Settlement of Disputes

**Article 197** The Company shall abide by the following principles for settlement of disputes:

*Articles  
19A.54(3) and  
19A.55(c) of the  
Hong Kong  
Listing Rules*

- (I) Whenever any disputes or claims of rights arise between foreign shareholders and the Company, foreign shareholders and the Company's directors, supervisors, general manager or other senior management officers, or foreign shareholders and holders of domestic shares, in respect to any rights or obligations arising from the Articles of Association, Company Law and other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims of rights shall be referred by the relevant parties to arbitration.

Where the aforesaid disputes or claims of rights are referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the disputes or claims or whose participation is necessary for the resolution of such disputes or claims, shall, where such person is the Company or the Company's shareholders, directors, supervisors, general manager or other senior management officers, comply with the decisions made through arbitration.

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

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

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

- (III) If any disputes or claims of rights arising from the sub-paragraph (I) above are settled by way of arbitration, 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 region) shall apply, unless otherwise provided in the laws and administrative regulations.
- (IV) The award of an arbitral body shall be final and conclusive and binding on all parties.

## Chapter 20 Supplementary Provisions

**Article 198** In the Articles of Association, the meaning of “de facto controller” is the person who is not a shareholder of the Company but is able to actually control the acts of the Company through an investment, agreement or other arrangement.

*Article 216 (3) of  
the Company Law*

In the Articles of Association, the meaning of “no less than”, “within” or “no more than” includes the underlying number, while “more than” or “beyond” or “less than” does not include the underlying number. The “connected transaction” mentioned in this Articles of Association refers to the definition stipulated in the “Hong Kong Listing Rules”.

**Article 199** The Articles of Association are written in Chinese. Should there be any discrepancy between the versions in other languages and the Chinese version, the Chinese version shall prevail.

**Article 200** Where this Articles of Association conflicts with the laws, administrative regulations, other relevant regulatory documents and listing rules of the place where the Company’s shares are listed from time to time, the laws, administrative regulations, other relevant regulatory documents and listing rules of the place where the Company’s shares are listed shall prevail.

**Article 201** The power of interpretation of the Articles of Association shall be vested in the Company’s Board of Directors.

**Article 202** The appendix to this Articles of Association include the “Rules of Procedure for the General Meeting of Shareholders”, “Rules of Procedure for the Board of Directors” and “Rules of Procedure for the Board of Supervisors”, in the event of any conflict between the “Rules of Procedure for the General Meeting of Shareholders”, “Rules of Procedure for the Board of Directors” and “Rules of Procedure for the Board of Supervisors” and the Articles of Association, the Articles of Association shall prevail.

**Article 203** This Articles of Association shall become effective and implemented on the date of submission by the Board of Directors to the general meeting of shareholders for review and approval.