

**Articles of Association of**  
**Shenzhen Pagoda Industrial (Group) Corporation Limited**  
**(深圳百果園實業(集團)股份有限公司)**  
*(a joint stock company incorporated in the People's Republic of China with limited liability)*

Amended in June 2024

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# Articles of Association of Shenzhen Pagoda Industrial (Group) Corporation Limited

## Chapter 1 General Provisions

**Article 1** This Articles of Association is formulated in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to Overseas Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), the Guidelines for the Articles of Association of Listed Companies and other applicable laws and administrative regulations of the PRC for the purpose of protecting the legitimate rights and interests of the shareholders and creditors of Shenzhen Pagoda Industrial (Group) Corporation Limited (the "Company") and regulating the organization and activities of the Company.

**Article 2** The Company is a joint stock limited company established in accordance with the Company Law and other applicable laws and regulations.

The Company was established on April 10, 2020 through overall reform of its predecessor, Shenzhen Pagoda Orchard Industrial Development Co., Ltd.; registered with Shenzhen Administration for Market Regulation and obtained the Business License issued by Shenzhen Administration for Market Regulation, with Unified Social Credit Code: 914403007152447549.

**Article 3** Approved by the China Securities Regulatory Commission on October 28, 2022 and approved by The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on January 13, 2023, the Company initially issued 78,947,500 ordinary shares of overseas-listed foreign shares (H shares) with a par value of RMB1 each, which were listed on the Main Board of the Hong Kong Stock Exchange on January 16, 2023 to overseas investors. The Company issued 9,596,500 H shares (ordinary shares) with a par value of RMB1 each under over-allotment, which were listed on the Main Board of the Hong Kong Stock Exchange on February 13, 2023.

**Article 4** The Company's registered names are:

Full name in Chinese: 深圳百果園實業(集團)股份有限公司

Full name in English: Shenzhen Pagoda Industrial (Group) Corporation Limited

**Article 5** The Company's address: 6A-2, 6/F, Block A, Yantian Modern Industry Service Center (Phase I), No. 3018 Shayan Road, Tianxin Community, Shatoujiao Street, Yantian District, Shenzhen.

Postal code: 518000

**Article 6** The registered capital of the Company is RMB1,588,544,000.

**Article 7** The business term of the Company is permanent operation.

**Article 8** The chairman of the Board of Directors is the legal representative of the Company.

**Article 9** The entire assets of the Company are divided into equal shares, and the shareholders are liable for the Company to the extent of their subscribed shares, while the Company is liable for its debts to the extent of its entire assets.

**Article 10** The Articles of Association, being the code of conduct for the Company, shall become effective on the date considered and approved at the shareholders' general meeting of the Company and in replace of the original articles of association filed with the administrative authority for industry and commerce.

From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders inter se and are binding on the Company and its shareholders, directors, supervisors and senior management officers.

Pursuant to the Articles of Association, shareholders may initiate legal proceedings against the Company without violating the provisions of the Articles of Association; the Company may initiate legal proceedings against shareholders; shareholders may initiate legal proceedings against shareholders; and shareholders may initiate legal proceedings against directors, supervisors and senior management officers of the Company; and the Company may initiate legal proceedings against its directors, supervisors and senior management officers.

“Legal proceedings” referred to in the preceding paragraph include any legal action brought before a court and any arbitration application submitted to an arbitration institution. Holders of H shares may initiate legal proceedings in the courts at the incorporation place of the Company or the courts of Hong Kong to resolve disputes.

**Article 11** “Senior management officers” referred to in the Articles of Association include the general manager, vice general manager, financial officer, secretary to the Board of Directors and other senior management members as determined by the Board of Directors of the Company.

**Article 12** The Company may invest in other enterprises; however, it shall not become a capital contributor that shall bear the joint and several liabilities for the debts of the enterprises it invests in, unless it is otherwise provided for by laws.

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

**Article 13** The objectives of business of the Company are “offer delicious fruits and enjoyable lifestyle to people”.

**Article 14** After due registration in accordance with laws, the business scope of the Company includes:

The scope and field of business: consulting services (excluding restricted items); purchase and sale of primary agricultural products and daily necessities; investment in setting up industries (specific items are declared separately); enterprise management consulting and planning (excluding restricted items); real estate brokerage; domestic trade; fruit carving; fruit sales; flower sales; information technology consulting, technical services; marketing planning; e-commerce; advertising communication, advertising planning, import and export agency; rental of automated teller machines; domestic cargo transport agency; cargo handling and loading and unloading services; design and sale of packaging materials, paper products, wood products, metal products and plastic products; design and production of signboards and light boxes. Online sale of agricultural products, food, agricultural and sideline foods, condiments, grain and oil products, rice, flour, meat, and cooked food; vending machine sales (including juice and fruits); e-commerce operations. The licensed business items are: production and sale of fruit juice; sales of fruit juice, dried fruit, prepackaged food (excluding prepackaged foods that require reheating), dairy products (excluding infant formula); warehousing services; fruit sales and processing; catering services; vocational skills education; sales of printed products (including books); food packaging.

## **Chapter 3 Shares**

### **Section 1 Issuance of Shares**

**Article 15** The share of the Company is in the form of stock.

**Article 16** Shares of the Company shall be issued in a transparent, fair and equal manner and shall rank *pari passu* in all respects with the shares of the same class.

Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance, and the same price shall be paid for each of the shares subscribed for by any entity or individual.

**Article 17** The shares issued by the Company shall each have a par value of RMB1.

Renminbi referred to in the preceding paragraph shall refer to the legal currency of the People’s Republic of China (the “PRC” or “China”).

**Article 18** The overseas-listed shares issued by the Company and listed in Hong Kong are referred to as H shares, which shall be the shares listed on the Hong Kong Stock Exchange after approval, denominated in Renminbi, and subscribed for and traded in Hong Kong dollars. The shares issued by the Company that are not listed on overseas or domestic stock exchange are referred to as unlisted shares.

**Article 19** After the overseas share offering and listing of the Company, the shareholders holding unlisted shares may list and trade all or part of the unlisted shares held by them overseas as permitted by relevant laws, administrative regulations and departmental rules. Such shares listed and traded on overseas stock exchanges shall be subject to the regulatory procedures, rules and requirements of the overseas stock exchanges.

No approval of general meeting is required for the listing and trading of such shares on overseas stock exchanges.

**Article 20** Among the shares issued by the Company, unlisted shares shall be registered and deposited at the domestic securities registration and clearing institution, and the registration and settlement arrangements for overseas-listed shares shall be subject to the requirements of the place where the Company's shares are listed.

**Article 21** The Company shall perform registration or filing procedures with the China Securities Regulatory Commission in accordance with laws when issuing shares to domestic and overseas investors.

Foreign investors referred to in the preceding paragraph mean those investors who subscribe for the Company's shares and who are located in foreign countries and in Hong Kong, Macau and Taiwan region. Domestic investors mean those investors who subscribe for the Company's shares and who are located within the territory of China excluding the regions mentioned above.

**Article 22** The Company, at the time of its establishment, issued 21,900,720 ordinary shares to its promoters, all of which are subscribed and held by the promoters of the Company. The names of the promoters of the Company at the time of establishment and their shareholdings, shareholding percentage, method of capital contribution and time of capital contribution are as follows:

No.	Names of Promoters	Shareholding (Shares)	Shareholding percentage (%)	Method of capital contribution	Time of capital contribution
1	Yu Huiyong	5,605,956	25.5971	Conversion of net assets into shares	March 25, 2020
2	Shenzhen Hongyuan Shanguo Investment Development (Limited Partnership)	1,894,401	8.6499	Conversion of net assets into shares	March 25, 2020
3	Shenzhen Hengyili Investment Development Center (Limited Partnership)	1,761,738	8.0442	Conversion of net assets into shares	March 25, 2020
4	Beijing Tiantu Xingbei Investment Center (Limited Partnership)	1,350,000	6.1642	Conversion of net assets into shares	March 25, 2020

5	Shenzhen Huilin Industrial Development Co., Ltd.	859,522	3.9247	Conversion of net assets into shares	March 25, 2020
6	Ningbo Meishan Bonded Port District CICC Haoze Equity Investment Partnership (Limited Partnership)	709,641	3.2403	Conversion of net assets into shares	March 25, 2020
7	Shenzhen China Merchant Equity Investment Partnership (Limited Partnership)	696,220	3.1790	Conversion of net assets into shares	March 25, 2020
8	Xinyu Unicorn Investment Management Partnership (Limited Partnership)	696,220	3.1790	Conversion of net assets into shares	March 25, 2020
9	Beijing Heshun Liru Enterprise Management Center (Limited Partnership)	683,525	3.1210	Conversion of net assets into shares	March 25, 2020
10	Beijing Huizhi Zhongxiang Enterprise Management Center (Limited Partnership)	627,996	2.8675	Conversion of net assets into shares	March 25, 2020
11	Shenzhen Xingxintou Investment Partnership (Limited Partnership)	558,314	2.5493	Conversion of net assets into shares	March 25, 2020
12	Shenzhen Tiantu Xinghui Investment (Limited Partnership)	547,518	2.5000	Conversion of net assets into shares	March 25, 2020
13	Henan Zhanxin Industry Investment Fund (Limited Partnership)	465,041	2.1234	Conversion of net assets into shares	March 25, 2020
14	Ningbo Meishan Bonded Port District Zhichun Equity Investment Partnership (Limited Partnership)	417,658	1.9071	Conversion of net assets into shares	March 25, 2020

15	Shenzhen CICC Qianhai Bole No. 1 Fund Center (Limited Partnership)	392,558	1.7924	Conversion of net assets into shares	March 25, 2020
16	Shenzhen Lingyu Jishi Equity Investment Partnership (Limited Partnership)	348,781	1.5926	Conversion of net assets into shares	March 25, 2020
17	Shanghai Free Trade Zone No. 3 Equity Investment Fund Partnership (Limited Partnership)	339,722	1.5512	Conversion of net assets into shares	March 25, 2020
18	Guangzhou Mingrui No. 8 Industry Investment Partnership (Limited Partnership)	313,903	1.4333	Conversion of net assets into shares	March 25, 2020
19	Li Hongwei	297,000	1.3561	Conversion of net assets into shares	March 25, 2020
20	Huang Weixiong	270,000	1.2328	Conversion of net assets into shares	March 25, 2020
21	Suzhou Tiantu Xingsu Equity Investment Center Limited Partnership	260,802	1.1908	Conversion of net assets into shares	March 25, 2020
22	Cai Jintao	242,912	1.1092	Conversion of net assets into shares	March 25, 2020
23	Ningbo Meishan Bonded Port District Kunxin Xiangyi Investment Partnership (Limited Partnership)	235,725	1.0763	Conversion of net assets into shares	March 25, 2020
24	Suzhou Yuanhan Equity Investment Partnership (Limited Partnership)	232,521	1.0617	Conversion of net assets into shares	March 25, 2020



25	Chengdu Tiantu Tiantou Dongfeng Equity Investment Fund Center (Limited Partnership)	193,856	0.8852	Conversion of net assets into shares	March 25, 2020
26	Liu Gang	191,102	0.8726	Conversion of net assets into shares	March 25, 2020
27	Su Meisong	135,000	0.6164	Conversion of net assets into shares	March 25, 2020
28	Qianhai Equity Investment Fund (Limited Partnership)	134,993	0.6164	Conversion of net assets into shares	March 25, 2020
29	Shenzhen Jinyafu Lide Investment (Limited Partnership)	135,000	0.6164	Conversion of net assets into shares	March 25, 2020
30	Shenzhen Xingshun Investment (Limited Partnership)	127,754	0.5833	Conversion of net assets into shares	March 25, 2020
31	Shenzhen Futian Hongtu Equity Investment Fund Partnership (Limited Partnership)	116,695	0.5328	Conversion of net assets into shares	March 25, 2020
32	Zhang Yungen	112,762	0.5149	Conversion of net assets into shares	March 25, 2020
33	Wu Xianfeng	105,104	0.4799	Conversion of net assets into shares	March 25, 2020
34	Shenzhen Xingsi Investment (Limited Partnership)	98,707	0.4507	Conversion of net assets into shares	March 25, 2020
35	Guangzhou Yuexiu Innovative Industry No. 2 Investment Fund Partnership (Limited Partnership)	93,008	0.4247	Conversion of net assets into shares	March 25, 2020
36	Huang Chuangru	76,489	0.3492	Conversion of net assets into shares	March 25, 2020

37	Zheng Zhijian	76,489	0.3492	Conversion of net assets into shares	March 25, 2020
38	Shenzhen Zhuopu Investment Development Partnership (Limited Partnership)	70,739	0.323	Conversion of net assets into shares	March 25, 2020
39	Hongtu Hedong (Zhuhai) Industrial Development Fund (Limited Partnership)	70,016	0.3197	Conversion of net assets into shares	March 25, 2020
40	Shenzhen Innovative Capital Group Co., Ltd.	46,677	0.2131	Conversion of net assets into shares	March 25, 2020
41	Beijing Yitang Hongtu Integrated Circuit and Internet Investment Fund Center (Limited Partnership)	46,677	0.2131	Conversion of net assets into shares	March 25, 2020
42	Chen Dezhong	44,996	0.2055	Conversion of net assets into shares	March 25, 2020
43	Zhangshu City Hengwang Investment Management (Limited Partnership)	42,537	0.1942	Conversion of net assets into shares	March 25, 2020
44	Chen Jihong	40,600	0.1854	Conversion of net assets into shares	March 25, 2020
45	Tian Jianzhang	40,400	0.1845	Conversion of net assets into shares	March 25, 2020
46	Xinyu Shuoguo Investment Center (Limited Partnership)	38,641	0.1764	Conversion of net assets into shares	March 25, 2020
47	Liu Yunhua	27,960	0.1277	Conversion of net assets into shares	March 25, 2020
48	Shenzhen CICC Qianhai Baima No. 4 Fund Center (Limited Partnership)	26,841	0.1226	Conversion of net assets into shares	March 25, 2020

**Article 23** Upon the completion of the initial public offering of H shares (including the exercise of over-allotment) and conversion of unlisted shares into H Shares, the share capital structure of the Company is as follows: 1,588,544,000 ordinary shares, of which 405,927,395 are unlisted shares, representing 25.55% of the total ordinary share capital; 1,182,616,605 are H Shares (including 1,094,072,605 overseas-listed foreign shares converted from unlisted domestic shares), representing 74.45% of the total ordinary share capital.

**Article 24** The Company or its subsidiaries (including affiliates of the Company) shall not provide assistance to purchasers or potential purchasers of the Company's shares by way of gift, advance, guarantee, compensation or loans.

## **Section 2 Increase, Reduction and Repurchase of Shares**

**Article 25** Based on its operating and development needs, the Company may, pursuant to the laws, regulations, the Articles of Association and the resolution of the general meeting, increase its capital in the following ways:

- (1) public offering of shares;
- (2) non-public offering of shares;
- (3) distributing bonus shares to its existing shareholders;
- (4) conversion of capital reserve into share capital;
- (5) any other means which are stipulated by laws and administrative regulations and approved by the relevant regulatory authority.

After the Company's increase of share capital by means of the issuance of new shares has been approved in accordance with the provisions of the Articles of Association, the issuance thereof should be made in accordance with the procedures set out in the relevant PRC laws and administrative regulations and the listing rules of the place where the Company's shares are listed.

**Article 26** The Company may reduce its registered capital. Such reduction shall be made in accordance with the procedures set out in the Company Law, the Hong Kong Listing Rules and other relevant requirements and the Articles of Association.

**Articles 27** The Company shall not purchase its own shares, except in any of the following circumstances:

- (1) for the purpose of reducing its registered capital;
- (2) merging with another company which holds the shares of the Company;
- (3) utilizing shares for employee stock ownership plan or equity incentive;
- (4) acquiring the shares upon request by shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company;

- (5) utilizing the shares for conversion to corporate bonds which are convertible into shares issued by the Company;
- (6) where it is necessary to safeguard the value of the Company and the interests of its shareholders; or
- (7) any other circumstances permitted by the laws and administrative regulations and approved by the governing authorities.

**Article 28** The Company may purchase shares of the Company through a public and centralized trading method, or other methods recognized by laws, administrative regulations and the China Securities Regulatory Commission and the place where the Company's shares are listed shall be adopted.

If the Company acquires its own shares under provisions set out in subparagraphs (3), (5) and (6) of Article 27 herein, the transaction shall be carried out in an open and centralized manner.

**Article 29** The purchase by the Company of its own shares for the circumstances set forth in subparagraphs (1) to (2) of Article 27 shall be subject to the resolution by its general meeting. The shares purchased for the circumstances set out in subparagraphs (3), (5) or (6) of Article 27 shall obtain approval from a Board meeting where over two-thirds of the directors are present.

Shares lawfully repurchased by the Company under subparagraph (1) of Article 27 herein shall be canceled within ten days from the date of repurchase; for those shares repurchased under subparagraphs (2) and (4) of Article 27 herein shall be transferred or canceled within 6 months thereafter; and the shares acquired by the Company in accordance with subparagraphs (3), (5) and (6) of Article 27 herein shall not exceed 10% of the total issued share capital of the Company, and the purchased shares shall be transferred or canceled within three years.

Notwithstanding the foregoing provisions of this Article, if the applicable laws, administrative regulations, other provisions of the Articles of Association and the laws or securities regulatory authorities of the place where the Company's shares are listed have other provisions on the aforementioned matters involving the repurchase of shares of the Company, the Company shall comply with such provisions.

### **Section 3 Transfer of Shares**

**Article 30** The shares of the Company shall be legally transferable.

**Article 31** The Company shall not accept its own shares as collateral.

**Article 32** Shares held by promoters of the Company shall not be transferred within one year after the Company's establishment. The shares issued before the public offering of the Company's shares shall not be transferred within one year from the date when the shares of the Company are listed and traded on a stock exchange.

The directors, supervisors and senior management officers of the Company shall report to the Company the number of shares (including preferential shares, if any) held by them in the Company and the subsequent changes in their shareholdings. The number of shares which such persons may transfer every year during their terms of office shall not exceed 25% of the total number of the Company's shares in the same class in his or her possession; the Company's shares shall not be transferred within one year from the date on which the Company's shares are first listed and traded on a stock exchange. Such personnel shall not transfer the Company's shares in their possession within half year after they have terminated their employment with the Company.

If it is otherwise specified in the Hong Kong Listing Rules or the provisions of the rules of the securities regulatory authority where the Company's shares are listed on restricting the transfer of overseas-listed shares, such rules or provisions shall prevail.

**Article 33** For shareholders, directors, supervisors and senior management officers holding more than 5% of the Company's shares, if they have sold the shares of the Company or other securities with equity nature held by them within six months after purchasing, or if they have purchased such shares or securities again within six months after selling them, the gains obtained therefrom shall be attributed to the Company and be forfeited by the Board of Directors of the Company. However, securities companies holding more than 5% of shares due to the purchase of the remaining shares after underwriting, and other circumstances stipulated by the securities regulatory authority of the State Council are excluded.

The shares or other securities with an equity nature held by directors, supervisors, senior management officers and natural person shareholders as mentioned in the preceding paragraph shall include the shares or other securities with an equity nature held by their spouses, parents, children, and those held in the accounts of others.

If the Board of Directors of the Company does not comply with the provisions of the first paragraph of this Article, shareholders shall have the right to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to follow the afore-mentioned deadline, shareholders shall have the right to file a lawsuit directly to the people's court in their own name in the interest of the Company.

If the Board of Directors of the Company does not comply with the provisions of the first paragraph of this Article, the responsible directors shall be jointly and severally liable in accordance with laws.

## **Chapter 4 Share Certificates and Shareholders' General Meetings**

### **Section 1 Shareholders**

**Article 34** Where the Company issues registered shares, it shall establish a register of members in accordance with the evidence provided by the securities registration authority. Where bearer shares are issued, the register of members shall be sufficient evidence of the shareholders' holding of the Company's shares. Shareholders shall enjoy the rights and assume the obligations according to the class of the shares they hold. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

**Article 35** Transfer of shares shall be recorded in the register of members. Duplicates of the register of members of H Shares shall be maintained at the Company's place of domicile. The appointed overseas agency shall ensure the consistency between the original and the duplicate of the register of members of H Shares. The register of members kept in Hong Kong shall be available for inspection by shareholders. However, the register of members may be closed on terms equivalent to those set out in section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

**Article 36** The share certificates shall be signed by the chairman of the Board of Directors. Where the stock exchange on which the Company's shares are listed requires the share certificates to be signed by other senior management officers, the share certificates shall also be signed by such senior management officers. The share certificates shall take effect after being affixed, or affixed by way of printing, with the seal of the Company. The share certificates shall only be affixed or printed with the Company's seal under the authorization of the Board of Directors. The signatures of the chairman of the Board of Directors of the Company or other relevant senior management officers on the share certificates may also be in printed form.

Under the conditions of paperless issuance and transactions, other requirements stipulated by the laws of the place where the shares of the Company are listed and rules of the securities regulatory authorities shall prevail.

**Article 37** The Company shall maintain a register of members and register the following particulars:

- (1) the name and residence of the shareholders;
- (2) the class and number of shares held by each shareholder;

The register of members shall be the sufficient evidence for the shareholders' shareholding in the Company, except with evidence to prove the contrary.

**Article 38** On the premise of complying with the Articles of Association and all other applicable regulations, once the shares of the Company are transferred, the transferee shall be the holder of such shares, and his/her name shall be listed on the register of members.

The instruments and other documents related to or affecting the transfer of the ownership of any foreign share shall be registered. If any fee is required for registration, such fee shall not exceed the maximum fee prescribed by the Hong Kong Stock Exchange.

When two or more persons are registered as joint holders of any share, they shall be deemed to be joint holders of the share subject to the following provisions:

- (1) if the power is granted to restrict the number of shareholders in the joint account, the number of shareholders in the joint account shall not exceed four;
- (2) all joint shareholders of any share shall be jointly and severally liable for all amounts payable in respect of the share;
- (3) in case of the death of one of the joint shareholders, only the surviving joint shareholder(s) shall be deemed by the Company to have the ownership of the share(s) concerned, but the Board of Directors has the right to require the submission of the death certificate of the relevant shareholder which it deems appropriate for the amendments of the register of members; and
- (4) with respect to joint shareholders of any share, any joint shareholder may attend or exercise the voting rights of relevant share (whether in person or by proxy) at the general meeting of the Company. If more than one joint shareholder attends the general meeting of the Company in person or by proxy, only the one listed first in the register of members is entitled to vote on such share(s).

**Article 39** All transfers of overseas-listed shares shall be carried out in general or common format, or any other written transfer instrument format acceptable to the Board of Directors (including the standard transfer format or form of transfer as prescribed by the Hong Kong Stock Exchange from time to time); a written transfer document may be signed under hand or (where the transferor or transferee is a corporation) by the Company's seal.

In the event that the transferor or transferee of the shares of the Company is a recognized clearing house (hereinafter referred to as the "Recognized Clearing House") as defined under the laws of Hong Kong or its agent, a written transfer instrument may be signed in a machine-printed form.

All paid-up overseas-listed shares which are listed in Hong Kong are freely transferable pursuant to the Articles of Association. However, the Board of Directors may refuse to recognize any instrument of transfer without giving any reason, unless:

- (1) the transfer instrument and other documents relating to likely affecting the ownership of any shares shall be registered and shall pay fee to the Company for registration in accordance with the charging standard prescribed by the Hong Kong Listing Rules and the fee shall not exceed the maximum fee specified in the Hong Kong Listing Rules from time to time;
- (2) the instrument of transfer involves only the overseas-listed shares listed in Hong Kong;
- (3) the stamp duty payable on the instrument of transfer has been paid;
- (4) the relevant share certificates and evidence reasonably required by the Board of Directors showing that the transferor has the right to transfer such shares shall be provided;
- (5) if the shares are to be transferred to joint holders, the number of joint holders shall not exceed four;
- (6) the relevant shares are not subject to any lien of the Company; and
- (7) no transfer shall be made to minors or persons of unsound mind or others under legal disability.

If the Company refuses to register any transfer of shares, it shall provide the transferor and the transferee of the shares with a notification of refusal in relation to registration of shares within two months from the application for registration.

**Article 40** Any shareholder who is registered in, or any person who requests to have his name entered in, the register of members may, if his share certificates (the "Original Certificates") are lost, apply to the Company for a replacement share certificate in respect of such shares (the "Relevant Shares").

If a holder of the domestic non-tradable shares loses his share certificates and applies for their replacement, it shall be dealt with in accordance with the relevant requirements of the Company Law.

If a holder of H shares loses his share certificates and applies for their replacement, 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 shares is maintained.

**Article 41** The registration change of the Company's register of members before the convening of the general meetings or before the base day when the Company decides to distribute dividends shall be carried out according to the applicable laws and regulations and the rules of the stock exchange where the Company's shares are listed, the laws and the rules of the securities regulatory authority therein for the period of closure of the register of members.

**Article 42** Where the Company convenes a shareholders' general meeting, distributes dividends, liquidates and carries out other activities which would require the determination of shareholdings, the Board of Directors or the convener of the general meeting shall fix a date as the record date for ascertainment of the shareholding. At the close of business on the record date, the shareholders who remain on the register shall be deemed as the entitled shareholders.

**Article 43** Shareholders of the Company shall have the following rights:

- (1) the right to receive dividends and other distributions in proportion to the number of shares held;
- (2) the right to request, convene, chair, attend and vote in person or appoint a proxy to attend and vote on his behalf at shareholders' general meetings in proportion to the voting rights held in accordance with laws;
- (3) the right to supervise the Company's operations, and to put forward proposals and raise inquiries;
- (4) the right to transfer, give or pledge the shares held in accordance with laws, administrative regulations and the Articles of Association;
- (5) the right to inspect the Articles of Association, the register of members, the Company's bond stubs, minutes of the shareholders' general meetings, resolutions of the Board meetings and meetings of the Board of Supervisors, and financial and accounting reports;
- (6) 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;
- (7) the shareholders voting against the merger or demerger resolution passed at a general meeting are entitled to request the Company to purchase their shares;
- (8) any other rights prescribed by laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed or the Articles of Association.



**Article 44** Any shareholder requesting to inspect the relevant information or to obtain documents as set forth in the preceding paragraph shall furnish with the Company written document evidencing the class and number of shares it holds in the Company and the Company shall, at such shareholder's request and upon verification of its shareholder capacity, provide such information or documents.

**Article 45** Shareholders shall be entitled to request the people's court to invalidate the resolution of the shareholders' general meeting and the Board of Directors which violates laws and administrative regulations.

Shareholders are entitled to request the people's court to cancel the relevant resolution within 60 days after the resolution is passed if the convening procedure and voting method of the shareholders' general meeting or the Board meeting violates laws, administrative regulations or this Articles of Association, or the resolution content breaches this Articles of Association.

**Article 46** If a director or a senior management officer causes losses to the Company due to violation of the requirements of the laws, administrative regulations or the Articles of Association while performing his/her duties, shareholder(s) who hold one percent or more, individually or jointly, of the Company's shares for more than one hundred eighty days continuously, have the right to request the board of supervisors of the Company (the "Board of Supervisors") in written form to file a lawsuit to the people's court; if the Board of Supervisors causes losses to the Company due to violation of the requirements of the laws, administrative regulations or the Articles of Association while performing its duties, aforementioned shareholders can request the Board in written form to file a lawsuit to the people's court.

Upon receipt of the written request made by the shareholders as stipulated in the preceding paragraph, in case the Board of Supervisors and the Board of Directors refuses to file a lawsuit or fails to file a lawsuit within 30 days from receipt of such request, or under urgent circumstances where failure in filing a lawsuit immediately will have the Company suffer from irreparable damages, the aforesaid shareholders shall have the right to file a lawsuit to the people's court directly in their own names in the interests of the Company.

In the event that any person infringes the legitimate interests of the Company and causes losses thereto, the shareholders specified in first paragraph of this Article may file a lawsuit to the people's court in accordance with the provisions of the preceding two paragraphs.

**Article 47** In the event of violation of laws, administrative regulations or the provisions under the Articles of Association by a director or a senior management officer resulting damage to the interests of shareholders, the shareholders may file a lawsuit to the people's court.

**Article 48** The shareholders of the Company shall assume the following obligations:

- (1) to abide by the laws, administrative regulations, listing rules of the place where the Company's shares are listed and the obligations set out in the Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) to assume liability of the Company based on the shares held by them;
- (4) not to withdraw their fund contribution after approval and registration by the Company, except as provided in laws and regulations;

- (5) no abuse of shareholder's rights to damage the interests of the Company or other shareholders; no abuse of the independent legal person status of the Company and the limited liability of shareholders to damage the interests of the creditors of the Company;
- (6) other obligations imposed by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where the abuse of shareholders' rights causes any loss to the Company or other shareholders, such abusive shareholder shall be liable for compensation in accordance with laws. Where shareholders abuse the Company's independent status or the limited liability of shareholders to disregard debts severely damaged the interests of the Company's creditors, such shareholders shall bear joint and several liability for the debts of the Company.

**Article 49** A shareholder holding more than 5% of any class of the Company's shares with voting rights pledging any shares in his/her possession shall submit a written report to the Company from the date when he/she pledges his/her shares.

**Article 50** The controlling shareholders and the de facto controllers of the Company shall not use their connected relations to prejudice the interests of the Company. They shall be liable for indemnifying the Company for the losses arising therefrom in case of violation of such requirement.

The controlling shareholders and de facto controllers of the Company shall bear the fiduciary duty to the Company and its public shareholders. The controlling shareholders shall exercise the rights of capital contributors in strict accordance with laws, and shall not damage the legitimate rights and interests of the Company and its public shareholders by means of profit distribution, asset reorganization, outbound investment, capital occupation, loan guarantee, etc., nor damage the interests of the Company and its public shareholders by means of using their controlling position.

**Article 51** In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange on which the Company's shares are listed, a controlling shareholder shall not exercise his voting rights in respect of the following matters in a manner that is prejudicial to the interests of all or part of the shareholders of the Company:

- (1) to relieve a director or supervisor of his duty to act honestly in the best interests of the Company;
- (2) to approve the directors or supervisors (for their own account or for the account of other parties) to deprive the Company of its assets in any manner, including, but not limited to, any opportunity favorable to the Company;
- (3) to approve the directors or supervisors (for their own account or for the account of other parties) to deprive another shareholder of his personal interest, including, but not limited to, any allocation right and voting right, but excluding any corporate restructuring proposal submitted to the shareholders' general meeting for approval in accordance with the Articles of Association.

**Article 52** For the purpose of the Articles of Association, a “controlling shareholder” means a shareholder who satisfies any one of the following conditions:

- (1) any person acting on his own or in concert with other parties has the power to elect not less than half of the directors;
- (2) any person acting on his own or in concert with other parties has the power to exercise or control the exercise of 30% or more of the voting rights of the Company;
- (3) any person acting on his own or in concert with other parties holds 30% or more of the outstanding shares of the Company;
- (4) any person acting on his own or in concert with other parties has actual control over the Company in any other manner;
- (5) other persons prescribed by relevant laws, administrative regulations or the listing rules of the place where the Company’s shares are listed.

## **Section 2 Shareholders’ General Meetings**

**Article 53** The shareholders’ general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with laws.

**Article 54** The shareholders’ general meeting shall have the following functions and powers:

- (1) to decide the Company’s operational guidelines and investment schemes;
- (2) to elect and remove directors and supervisors who both are not staff representatives and to determine matters relating to the remuneration of the directors and the supervisors;
- (3) to consider and approve the reports of the Board of Directors;
- (4) to consider and approve the reports of the Board of Supervisors;
- (5) to consider and approve the Company’s annual financial budgets and final accounts;
- (6) to consider and approve the Company’s profit distribution plan and plan for recovery of losses;
- (7) to resolve on increase or reduction in the Company’s registered capital;
- (8) to resolve on the issue of debentures, any kind of shares, warrants or other similar securities by the Company;
- (9) to resolve on the merger, demerger, dissolution, liquidation or change of form of business of the Company;
- (10) to amend the Articles of Association;

- (11) to consider and approve the motions put forward by shareholders who, individually or jointly, holding 3% or more of the Company's shares with voting rights;
- (12) to decide the engagement, re-appointment or dismissal of the accounting firms;
- (13) to consider and approve the guarantees subject to the approval of the shareholders' general meeting;
- (14) to consider and approve the purchase or disposal of material assets or provision of guarantee by the Company within a year of a value exceeding 30% of the Company's latest audited total assets;
- (15) to consider and approve the connected transactions and major transactions (as defined in the Hong Kong Listing Rules) that need to be considered and approved by the general meeting in accordance with the Hong Kong Listing Rules;
- (16) to consider and approve the provision of financial assistance (including the granting of credit, lending, or granting indemnity, guarantees or collateral in respect of loans, other than to subsidiaries of the Company) that shall be considered and approved by the general meeting as required by the Hong Kong Listing Rules;
- (17) making a resolution on the Company's repurchasing of the Company's shares due to the circumstances specified in Items (1) and Item (2) of Article 27 of the Articles of Association;
- (18) to consider and approve the change of use of proceeds;
- (19) to consider and approve equity incentive scheme and employee stock ownership plan;
- (20) to resolve on any other matters to be resolved thereby as required by laws, administrative regulations and the Articles of Association;
- (21) to consider other matters as required by the listing rules of the stock exchange of the locality on which the Company's shares are listed.

**Article 55** The following external guarantees of the Company shall be considered and approved by the shareholders' general meeting:

- (1) any guarantee provided after the total amount of the external guarantees provided by the Company and its subsidiaries reaches or exceeds 50% of the audited net assets for the latest financial year;
- (2) any guarantee provided after the total amount of the external guarantees provided by the Company exceeds 30% of the audited total assets for the latest financial year;
- (3) any guarantee whose amount exceeds 30% of the Company's latest total audited assets according to the principle of cumulative calculation of guarantee amount for 12 consecutive months;
- (4) any guarantee provided to the guaranteed object with a debt-to-asset ratio of more than 70%;

- (5) any single guarantee whose amount exceeds 10% of the audited net assets for the latest financial year;
- (6) any guarantee provided to shareholders, actual controllers and their related persons;
- (7) any other guarantees required to be considered by the shareholders' general meeting as prescribed by the laws, administrative regulations, normative documents and the Articles of Association;
- (8) other guarantees as stipulated by the stock exchange on which the Company's shares are listed or in the Articles of Association.

External guarantees as referred to herein refer to guarantees provided for subjects other than the Company and its wholly-owned subsidiaries. Mutual guarantees between the Company and wholly-owned subsidiaries are not external guarantees. Guarantees provided by the Company and its wholly-owned subsidiaries to the Company's non-wholly-owned subsidiaries and other third parties are guarantees as defined in this Articles of Association.

**Article 56** The shareholders' general meeting may authorize or delegate the Board of Directors to transact the matters authorized or delegated by it, including but not limited to carrying out the following matters at the general meeting:

Subject to the applicable laws, regulations and listing rules, to give a general mandate to the Board of Directors to issue, allot and deal with additional overseas-listed shares not exceeding 20% of the overseas-listed shares of the Company in issue (or other proportions as required by the applicable laws, regulations and listing rules);

To authorize the Board of Directors, within the cap amount of debt issuance, to determine the specific terms and the relevant matters in relation to the issuance of the debt financing instrument(s) such as domestic short-term financial instruments, mid-term financial notes, corporate bonds, overseas USD bonds in accordance with the needs of production, operation and capital expenditure as well as the market conditions, including but not limited to the determination of the value, interest rate, term, targeted group and use of proceeds of the bond(s), as well as the preparation for, execution and disclosure of all necessary documents thereof subject to the aforementioned limits.

**Article 57** The Company shall not, without the prior approval of the shareholders' general meeting, enter into any contract with any party (other than the directors, supervisors and senior management officers) pursuant to which such party shall be in charge of management of the whole or any substantial part of the Company's business.

**Article 58** A general meeting shall either be an annual general meeting or an extraordinary general meeting. Annual general meetings shall be held once every accounting year and within 6 months from the close of the preceding accounting year.

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

- (1) when the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;
- (2) when the unrecovered losses of the Company amount to one-third of the total amount of its paid-in share capital;
- (3) where any shareholder(s) holding individually or collectively 10% or more of the Company's shares request(s) in writing for the convening of an extraordinary general meeting;
- (4) when deemed necessary by the Board of Directors or when requested by the Board of Supervisors;
- (5) other situations stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange of the locality where the Company's shares are listed or the Articles of Association.

**Article 59** An extraordinary general meeting may be convened upon proposal by independent non-executive directors to the Board of Directors. For the proposal of independent non-executive directors to convene an extraordinary general meeting, the Board of Directors shall, pursuant to the provisions of laws, administrative regulations and this Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within ten days upon receipt of the proposal. When the Board of Directors agrees to convene an extraordinary general meeting, it shall, within five days after the resolution is made, issue a notice calling for the meeting. If the Board of Directors does not agree to convene such meeting, the reasons shall be stated and announced.

**Article 60** The Board of Supervisors is entitled to propose to the Board of Directors to convene the extraordinary general meeting, provided that the proposal shall be made in written form. The Board of Directors shall, pursuant to the provisions of laws, administrative regulations and this Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within ten days upon receipt of the proposal.

When the Board of Directors agrees to convene an extraordinary general meeting, the Board of Directors shall, within 5 days after the Board resolution is made, issue a notice calling for the meeting. Changes in the original proposal in the notice shall be subject to the approval of the Board of Supervisors.

When the Board of Directors does not agree to convene an extraordinary general meeting, or does not provide written reply within 10 days upon receipt of the proposal, the Board of Directors shall be considered to be unable or fail to perform the duty of convening an extraordinary general meeting. The Board of Supervisors may convene and preside over the meeting on its own.

**Article 61** The shareholders who individually or jointly hold 10% or more of the shares of the Company shall have the right to request the Board of Directors to convene an extraordinary general meeting, and shall make such request to the Board of Directors in writing. The Board of Directors shall, pursuant to the provisions of laws, administrative regulations and this Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within ten days upon receipt of the request.

In case the Board of Directors agrees to convene an extraordinary general meeting, the Board of Directors shall, within five days after the Board resolution is made, issue a notice calling for the meeting. Changes to the original request in the notice shall be subject to the approval of relevant shareholders.

In case the Board of Directors refuses to convene an extraordinary general meeting, or does not give any response within ten days upon receipt of the request, the shareholders who individually or jointly hold 10% or more of the shares of the Company at such proposed meeting shall have the right to propose to the Board of Supervisors for convening of such meeting, and shall make such request to the Board of Supervisors in writing.

In case the Board of Supervisors agrees to convene an extraordinary general meeting, the Board of Supervisors shall, within five days upon receipt of the request, issue a notice calling for the meeting. Changes to the original request in the notice shall be subject to the approval of relevant shareholders.

In case the Board of Supervisors fails to give the notice of such a meeting within the specified time limit, the Board of Supervisors shall be deemed to have failed to convene or preside over the meeting, in which case, the shareholders who either individually or jointly hold 10% or more of the Company's shares for more than ninety consecutive days may convene and preside over the meeting by themselves.

**Article 62** When the Board of Supervisors or the shareholders decide to convene a general meeting by themselves, they must notify the Board of Directors in writing and at the same time file the notice with the relevant securities regulatory authority of the place where the Company is domiciled and the stock exchange where the Company's shares are listed in accordance with applicable regulations (if needed).

Before an announcement on general meeting resolutions is made, the shareholding of the convening shareholders shall not be less than 10%.

When the Board of Supervisors or convening shareholders decide to send a notice of the shareholders' general meeting and the announcement of the resolution of the shareholders' general meeting, they shall also submit the relevant certification materials to the securities regulatory authorities where the Company is domiciled and the stock exchange where the Company's shares are listed in accordance with applicable regulations.

**Article 63** The Board of Directors and the secretary to the Board shall cooperate with the shareholders' general meeting convened by the Board of Supervisors or the shareholders on their own. The Board of Directors shall provide the register of members as at the record date.

**Article 64** When the Board of Supervisors or shareholders convene a general meeting on their own, the expenses necessary for the meeting shall be borne by the Company.

**Article 65** When the Company convenes a general meeting, shareholders individually or jointly holding 3% or more of the total voting shares of the Company shall be entitled to propose new resolutions in writing to the Company and submit to the convener 10 days prior to the convening of the general meeting. The convener of the general meeting shall issue a supplemental notice of general meeting to other shareholders within 2 days after the receipt of such proposal and incorporate the matters falling within the scope of duties of the general meeting into the agenda of such meeting. The new agenda shall be tabled at the general meeting for consideration.

**Article 66** Where the Company convenes an annual general meeting, a notice shall be given at least 21 days before the meeting to notify each of the shareholders of matters to be deliberated and the time and venue of the meeting. In the case of an extraordinary general meeting, the Company shall issue a notice 15 days prior to the meeting to notify each of the shareholders. The duration of the aforesaid periods shall not include the day on which the meeting is convened. If there are laws, regulations and other provisions of the securities regulatory authority of the place where the Company's shares are listed, such laws, regulations and provisions shall prevail.

Unless otherwise provided in the Articles of Association, the notice of the shareholders' general meeting shall be delivered to the shareholders (whether or not such shareholders have a voting right at the shareholders' general meeting) in the form of a notice in the manner provided in this Articles of Association. The address of the recipient shall be the address registered in the register of members. For the holders of unlisted shares, notice of the shareholders' general meeting may also be given in the form of a notice in the manner provided in this Articles of Association.

The notice of a shareholders' general meeting served on the holders of H shares may be published through the websites of the Hong Kong Stock Exchange and the Company. Upon the publication of the announcement, all holders of overseas-listed foreign shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

**Article 67** A general meeting shall not pass a resolution on matters not specified in the notices as referred to in Article 60 and Article 61 of this Articles of Association.

When a proposal is being considered at the shareholders' general meeting, it shall not be amended; otherwise, such amendments shall be deemed as a new proposal and may not be voted at the current general meeting.

**Article 68** A notice of shareholders' general meeting and meeting documents shall be made in writing and includes:

- (1) the time, venue, means and the date of the meeting;
- (2) submit the matters and proposals to be considered at the meeting;
- (3) record date for the shareholders who are entitled to attend the shareholders' general meeting;
- (4) the regular contact number for the meeting;
- (5) the voting time and voting procedures of the meeting (if any) for the online voting or other means of voting;



- (6) provide such information and explanation as are necessary for the shareholders to make informed decisions on the matters to be considered. This principle includes (but not limited to), where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed contract (if any), and the cause and effect of such proposal shall be properly described;
- (7) disclose the nature and extent of the material conflict of interest, if any, of any director, supervisor and senior management officer in the matters to be considered; and provide an explanation of the differences, if any, between the way in which the matter to be considered would affect such director, supervisor or senior management officer in his/her capacity as shareholders and the way in which such matter would affect other shareholders;
- (8) set out the full text of any special resolution proposed to be passed at the meeting;
- (9) contain conspicuously a statement that a shareholder entitled to attend and vote have the right to appoint one or more proxies to attend and vote on his behalf and that such proxy need not be a shareholder of the Company;
- (10) specify the time and place for lodging proxy forms for the relevant meeting;
- (11) other requirements stipulated in the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The interval between the record date and the date of the meeting shall be no more than seven working days. Once the record date is confirmed, it shall not be changed.

**Article 69** Any shareholder who is entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one person (whether or not a shareholder) as his proxy to attend and vote on his behalf. If the shareholder is a Company, it can appoint a representative to attend and vote. If the shareholder of the Company has appointed a representative to attend, the shareholder is deemed to be present in person. The Company may execute a form of proxy by its duly authorised officer. A proxy so appointed shall be entitled to exercise the following rights in accordance with the authorization from that shareholder:

- (1) the shareholder's right to speak at the meeting;
- (2) the right to demand, whether on his own or together with others, a poll;
- (3) exercise voting right by way of poll.

If the shareholder is a recognized clearing house (or its nominee) as defined in the relevant regulations formulated by Hong Kong from time to time, the shareholder may authorize one or more persons as it thinks fit to act as its representative at any general meeting or creditors' meeting; however, if more than one person is authorized, the power of attorney shall specify the number and type of shares involved in the authorization of each of such persons, and the power of attorney shall be signed by the authorized person of the recognized clearing house. The authorized person can exercise rights on behalf of the recognized clearing house (or its nominee), and must have the same legal rights as other shareholders, including the right to speak and vote.

**Article 70** The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing, or if the appointor is a legal person, either under seal or under the hand of attorney duly authorized.

**Article 71** The instrument appointing a voting proxy shall be deposited at the Company's domicile or at such other place as specified in the notice convening the meeting not less than 24 hours prior to the time for holding the meeting at which the proxy proposes to vote. If such instrument is signed by another person under a power of attorney or other authorization documents given by the appointor, such power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall, together with the instrument appointing the voting proxy, be deposited at the Company's domicile or at such other place as specified in the notice convening the meeting.

If the appointor is a legal person, its legal representative or any person authorized by the resolutions of the Board of Directors or other governing body shall attend the shareholders' general meeting of the Company as the appointor's representative.

**Article 72** Any form issued to a shareholder by the Board of Directors of the Company for the purpose of appointing a proxy of shareholder shall be in such form which enables the shareholder, according to his free will, to instruct his proxy to vote in favor of or against the motions proposed and in respect of each individual matters to be voted on at the meeting. Such a form shall contain a statement that in the absence of instructions from the appointor, the proxy may vote as he thinks fit.

Save as provided above, the aforesaid proxy form shall also contain the following: number of shares represented by and name of the proxy; whether voting power is granted to the proxy; whether the proxy is entitled to vote for the temporary resolution proposed at any shareholders' general meeting; instruction of voting if voting power is granted; date of appointing a proxy and the effective period for such appointment. Where a shareholder appoints more than one proxy, he shall specify the number of shares represented by each proxy in the proxy form.

Where the shareholders' general meeting is attended by proxy, he shall produce the identification proof and letter of authorization signed by the appointor or its legal representative which indicates the date of appointing. Where corporate shareholder appoints its legal representative to attend the meeting, the legal representative shall produce the identification proof and the copy of the notarized certified resolutions of the board of directors or other authorities of the legal person appointing the said legal representative or other certified copy permitted by the Company.

**Article 73** Where the appointor has deceased, incapacitated to act, withdrawn the appointment or the power of attorney or where the relevant shares have been transferred prior to the voting, a vote given by the proxy in accordance with the power of attorney shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

**Article 74** A shareholders' general meeting shall be convened by the Board of Directors and presided by the chairman of the Board of Directors. If the chairman of the Board of Directors is unable or fails to perform his duties, the vice-chairman shall chair and preside over the meeting; if the vice-chairman is unable or fails to perform such duties, a director elected jointly by more than half of the directors shall chair and preside over the meeting. If no chairman of the meeting has been so designated, shareholders present shall choose one person to be chairman of the meeting. If for any reason the shareholders fail to elect a chairman, the shareholder (including proxy thereof) attending the meeting and holding the largest number of shares vested with voting rights shall be the chairman of the meeting (other than HKSCC Nominees).

**Article 75** The Company shall formulate rules of procedure for its general meeting, stipulating in detail the convening and voting procedures of the general meeting, including notification, registration, voting, counting of votes, announcement of voting results, formation and signing of resolutions of the meeting, announcement, etc., as well as the principle of authorisation of the general meeting to the Board of Directors. The rules of procedure for the general meeting shall be formulated by the Board of Directors and approved at the general meeting.

**Article 76** Resolutions of shareholders' general meetings are classified as ordinary resolutions and special resolutions.

To adopt an ordinary resolution, more than one-half of the votes represented by the shareholders (including proxies) present at the meeting must be cast in favor of the resolution.

To adopt a special resolution, two-thirds or more of the votes represented by the shareholders (including proxies) present at the meeting must be cast in favor of the resolution.

A shareholder (including his proxy) attending the meeting shall vote in favor of or against each resolution relating to every matter which has been put to vote at the relevant meeting. If a shareholder or his proxy casts abstention vote or abstains from voting, any vote cast by such shareholder or his proxy shall not be counted in the voting results of the Company.

**Article 77** Shareholders shall have the right to (a) speak at the general meeting; and (b) vote at the general meeting, unless the individual shareholders are required by the laws, administrative regulations, the securities regulatory authorities of the place where the Company's shares are listed, the Hong Kong Listing Rules or the Articles of Association to abstain from voting on a particular matter. Shareholders (including proxies) exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share entitles the shareholder one votes upon voting at the shareholders' general meeting. However, shares held by the Company carry no voting rights and shall not be counted into the total number of shares with voting rights held by shareholders attending the meeting.

Where any shareholder is, under the applicable laws and regulations and the Hong Kong Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for (or only against) any particular resolution at any general meeting, any votes cast by such shareholders (or their proxies) in contravention of such requirement or restriction shall not be counted.

**Article 78** The shareholders' general meeting shall vote by ballot.

**Article 79** In the case of an equality of votes, the chairman of the meeting shall have a casting vote.

**Article 80** The following matters shall be resolved by ordinary resolutions at a shareholders' general meeting:

- (1) work reports of the Board of Directors and the Board of Supervisors;
- (2) plans formulated by the Board of Directors for distribution of profits and for making up losses;
- (3) appointment or removal of members of the Board of Directors and the Board of Supervisors (except for staff representative supervisors), and their remuneration and manner of payment thereof;
- (4) the Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statements;
- (5) the annual report of the Company;
- (6) resolutions on the engagement, dismissal or non-renewal of the accounting firm of the Company;
- (7) matters other than those required by the laws, administrative regulations or the Articles of Association to be approved by special resolution.

**Article 81** The following matters shall be resolved by special resolutions at a shareholders' general meeting:

- (1) increase in or reduction of the Company's share capital, and issue of shares of any class, warrants and other similar securities;
- (2) issue of corporate debentures of the Company;
- (3) demerger, spin-off, merger, dissolution and liquidation of the Company;
- (4) change of corporate form of the Company;
- (5) the purchase or disposal of material assets or provision of guarantee by the Company within a year of a value exceeding 30% of the Company's latest audited total assets;
- (6) equity incentive scheme;
- (7) amendment to the Articles of Association;
- (8) any other matters prescribed by the laws, administrative regulations or the Articles of Association, and those approved as an ordinary resolution at a shareholders' general meeting that may have material impact on the Company and are required to be approved by a special resolution;
- (9) other matters required by the Hong Kong Listing Rules to be adopted by a special resolution.

**Article 82** The directors, supervisors and senior management officers who attend the meeting or attend the meeting as non-voting participants shall make replies or explanation in respect of inquiries of shareholders at the shareholders' general meeting, except for those matters in relation to business secrets of the Company which cannot be made public.

**Article 83** At a shareholders' general meeting, the approach and procedures for nomination of directors and supervisors (except for staff representative supervisors) are as follows:

- (1) shareholders individually or collectively holding 3% or more of the total outstanding voting shares of the Company may, by way of a written proposal, put forward to the shareholders' general meeting about the candidates for directors and supervisors (not being staff representatives). However, the number of candidates proposed shall comply with the provisions of the Articles of Association, and shall not exceed the number to be elected. The aforesaid proposal put forward by shareholders to the Company should be delivered to the Company at least 7 days before the convening of the shareholders' general meeting;
- (2) within the number of members as specified by the Articles of Association and based on the number of proposed candidates for election, directors and supervisors may propose a list of recommended candidates for directors and supervisors, which shall be submitted to the Board of Directors and the Board of Supervisors for approval. After the list of candidates for directors and supervisors is determined based on the examination by the Board of Directors and the Board of Supervisors and the adoption of a resolution, it should be proposed in writing at a general meeting;
- (3) the written notices of the intention to nominate a candidate for election as a director or a supervisor (not being staff representative), the acceptance of nomination by such potential candidate, and the relevant written materials of the nominated candidate, shall be given to the Company no less than 7 days prior to the date of convening the shareholders' general meeting (such seven-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which the election shall be conducted and no later than 7 days prior to the shareholders' general meeting). The Board of Directors and the Board of Supervisors shall provide shareholders with biographical details and basic information on the candidates for directors and supervisors;
- (4) the period given by the Company to nominate a candidate for election as a director or a supervisor and nominees for providing the aforesaid notice and documents shall be no less than 7 days (such period shall commence from the day following the date of serving the notice of convening the shareholders' general meeting);
- (5) in the shareholders' general meeting, voting for each candidate for a director and supervisor shall be taken separately;
- (6) in the case of ad hoc addition or replacement of any director or supervisor, the Board of Directors and the Board of Supervisors shall put forward a proposal to the general meeting for such election or replacement.

During voting at the general meeting on election of directors and supervisors, cumulative voting system shall be implemented.

The cumulative voting system as mentioned in the preceding paragraph indicates that each share has the number of voting rights identical to the number of directors or supervisors to be elected, and the voting rights owned by the shareholders may be cumulatively used when electing the directors or supervisors at the general meeting.

In addition to the cumulative voting system, the general meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the general meeting. The same voting right shall only be exercised on-site, online or by other means. Where the same vote is cast repeatedly, the first cast shall hold.

**Article 84** If the chairman of the meeting has any doubt as to the result of a resolution put to the vote of the meeting, he may have the votes counted. If the chairman of the meeting fails to have the votes counted, any attending shareholder or proxy who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the result, and the chairman of the meeting shall have the votes counted immediately.

**Article 85** If votes are counted at the shareholders' general meeting, the counting result shall be recorded in the minutes of the meeting.

The minutes of the meeting together with the attendance lists of shareholders and proxy forms shall be kept at the address of the Company.

**Article 86** Copies of the minutes of the meeting shall, during business hours of the Company, be available for inspection by any shareholder without charge. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him within 7 days following the verification of his identity and receipt of reasonable charges.

## **Chapter 5 Board of Directors**

### **Section 1 Directors**

**Article 87** Directors shall be elected or replaced at the shareholders' general meetings to hold for a term of 3 years. Upon maturity of the term of office, a director shall be eligible to offer himself for re-election and re-appointment. Without violating the laws of the place where the Company is listed and the rules of the securities regulatory authority therein, if the Company increases the number of directors, the new director shall only hold office until the issuer's first annual general meeting after his/her appointment, and shall be eligible for re-election at that time.

The term of office of a director shall start from the date on which the said director assumes office to the expiry of the current term of the Board of Directors. If the term of office of a director expires but re-election is not made responsively, the said director shall continue fulfilling the duties as director pursuant to relevant laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed and the Articles of Association until a new director is elected.

**Article 88** On the premise of complying with relevant laws and administrative regulations, the general meeting of shareholders may remove any director whose term of office has not expired by ordinary resolution (but the director's claim for damages under any contract shall not be affected).

**Article 89** A director may resign before expiration of his term of office. The directors who resign shall submit to the Board of Directors a written report in relation to their resignation.

In the event that the resignation of any director during his term of office results in the number of members of the Board of Directors being less than the statutory minimum requirement, the said directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules and the Articles of Association until the re-elected directors assume their office.

Save for the circumstances referred to in the preceding paragraph, the resignation of a director becomes effective upon submission of his resignation report to the Board of Directors. Subject to the applicable laws and regulations and the relevant laws of the place where the Company's shares are listed and rules of the security's regulatory authority, if the Board of Directors appoints a new director to fill a casual vacancy or as an addition, the appointed director only holds office until the issuer's first annual general meeting after his appointment, and is eligible for re-election at that time.

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

A Director shall clear all transitional procedures with the Board of Directors on resignation or expiry of term and shall fulfill his fiduciary obligations to the Company and shareholders. The obligations shall not be dismissed after the expiry of term and remain effective within the reasonable period specified by the Articles of Association. A director's confidentiality obligation of the Company's trade secret shall remain valid after the expiration of his/her term of office until the secret becomes public information. The duration of other obligations shall be determined on the principle of fairness, depending on the length of time between the occurrence of the event and his/her departure, and the circumstances and conditions under which the relation with the Company ends.

**Article 90** No director shall act on behalf of the Company or the Board of Directors without the requirement of the Articles of Association or the lawful authorization of the Board of Directors. In the event that a director is acting in his own name, which may be reasonably deemed to be acting on the behalf of the Company or the Board of Directors by a third party, such director shall state his stance and identity in advance.

## **Section 2 Independent Non-executive Directors**

**Article 91** The Company establishes an independent non-executive director system. An independent non-executive director refers to a director who does not hold any position other than a director in the Company and has no relations with the Company and its major shareholders that may hinder his/her independent and objective judgment.

Unless otherwise provided by the relevant laws, regulations and the listing rules of the stock exchange(s) on which the Company's shares are listed, an independent non-executive director shall be appointed for a term of 3 years, and shall be eligible to offer himself for re-election and reappointment. However, an independent non-executive director's term of office shall not exceed a total of 9 years.

The number of independent non-executive directors of the Company shall be at least three and not less than one-third of the number of the members of the Board of Directors, including at least one financial or accounting professional.

Unless otherwise specified in this section, the provisions of the Articles of Association on directors shall apply to independent non-executive directors.

**Article 92** Independent non-executive directors shall meet the following basic conditions:

Being qualified to be a director and an independent non-executive director of the Company in accordance with laws, administrative regulations, departmental rules, normative documents, relevant regulations of regulatory authorities or the Articles of Association and the Hong Kong Listing Rules;

- (1) independent performance of duties, free from the influence of the Company's major shareholders, actual controllers or other units or individuals with interests in the Company;
- (2) having a bachelor's degree or higher or a senior title of relevant major;
- (3) having relevant knowledge of corporate governance, and being familiar with relevant laws, administrative regulations, departmental rules and normative documents;
- (4) more than 5 years of legal, economic, financial or other work experience conducive to the performance of the duties of independent non-executive directors;
- (5) being familiar with the Company's operation and management and relevant laws, administrative regulations, departmental rules and normative documents;
- (6) being able to read, understand and analyze the Company's financial statements;
- (7) ensuring that there is enough time and energy to effectively perform their duties and promising to abide by their obligations of integrity and diligence.

**Article 93** Before the expiration of the term of office of an independent non-executive director, he/she shall not be removed without justified reasons.

If an independent non-executive director fails to attend the meeting of the Board of Directors in person for three consecutive times, the Board of Directors may request the general meeting of shareholders to replace him/her.

**Article 94** For anything related to the system of independent non-executive directors and not stipulated in this section, it shall be handled in accordance with relevant laws, administrative regulations, departmental rules and the listing rules of the stock exchange where the Company's shares are listed.



### **Section 3 Board of Directors**

**Article 95** The Company has a Board of Directors, which is responsible for the general meeting of shareholders. The Board of Directors consists of 11 directors, amongst, five are executive directors, including one chairman and one vice-chairman, one is non-executive director; and five are independent non-executive directors.

The chairman of the Board and the vice chairman of the Board shall be elected and removed by more than half of all directors. The chairman of the Board and the vice chairman of the Board shall serve terms of three years and may serve consecutive terms if re-elected.

**Article 96** The Board of Directors exercise the following functions and powers:

- (1) to convene the shareholders' general meeting, propose at the shareholders' general meeting to pass the relevant matters and report its work to the shareholders' general meeting;
- (2) to implement the resolutions of the shareholders' general meetings;
- (3) to determine the medium and long-term development strategy of the Company;
- (4) to decide on the Company's business plans and investment plans;
- (5) to formulate the Company's annual financial budgets and final accounts;
- (6) to formulate the Company's profit distribution plan and plan for recovery of losses;
- (7) to formulate proposals for increases or reductions of the Company's registered capital, and proposals for the issue of corporate debentures or other securities and listing;
- (8) to draft proposals for material asset acquisition or disposal, repurchase of the Company's shares, and merger, demerger, dissolution or change of corporate form of the Company;
- (9) to draw up a plan for the Company to repurchase its shares under the circumstances specified in Item (1) and Item (2) of Article 27 of the Articles of Association;
- (10) to make a resolution on repurchasing the Company's shares under the circumstances specified in Item (3), Item (5) or Item (6) of Article 27 of the Articles of Association;
- (11) to decide on the establishment of the Company's internal management structure;
- (12) to appoint or dismiss the Company's general manager and the secretary to the Board of Directors; and to appoint or dismiss other senior management officers, such as the vice general manager and the financial officer of the Company pursuant to the nominations of the general manager; appoint or dismiss the core management officers deemed appropriate by the Board of Directors;
- (13) to decide on the matters relating to the remuneration of the aforesaid senior management officers;

- (14) to formulate the Company's basic management system;
- (15) to formulate proposals for amendment to the Articles of Association;
- (16) to propose to the general meeting to consider and approve connected transactions, major transactions and other matters that shall be considered and approved by shareholders in accordance with the Hong Kong Listing Rules;
- (17) to consider and approve the following connected transactions:
  1. connected transactions that do not need to be considered and approved by shareholders at the general meeting but need to comply with announcement requirement according to the Hong Kong Listing Rules;
  2. connected transactions that are not fully exempted under the Hong Kong Listing Rules.
- (18) to consider and approve the following material transactions:
  1. material transaction(s) that do not need to be considered and approved by shareholders at the general meeting but need to comply with announcement requirement according to the Hong Kong Listing Rules;
  2. transaction(s), in respect of which, any of the asset ratio, profit ratio, revenue ratio, consideration ratio and equity ratio (if applicable) of such transaction(s) or (as required to be aggregated under the Hong Kong Listing Rules) such aggregated transactions (as specified in the Hong Kong Listing Rules, as amended from time to time) is or more than 5% but lower than 25% in accordance with the Hong Kong Listing Rules, as amended from time to time, or transaction(s) in respect of which all applicable ratio are not more than 5% but involves the issue of the Company's shares as consideration for the transaction(s).
- (19) managing the Company's information disclosure according to laws and regulations, the Hong Kong Listing Rules and the Company's internal rules and regulations;
- (20) to decide on other major affairs of the Company, save for matters to be resolved at general meetings as required by the Company Law and the Articles of Association;
- (21) within the scope permitted by relevant laws and regulations and the Hong Kong Listing Rules, the chairman is authorized to participate in reviewing the Company's important business management affairs and corresponding decisions;
- (22) to exercise other functions and powers conferred by the laws and regulations, the Hong Kong Listing Rules, the Articles of Association or the general meetings.

Except for the matters specified in Items (7), (8) and (15) which shall be passed by more than two-thirds of the directors, other aforesaid matters shall be passed by more than half of all directors, and the matters specified in Item (16) must be confirmed and passed by all independent non-executive Directors who do not have a material interest in the transaction(s).

**Article 97** The Board of Directors shall formulate rules of procedure for the Board of Directors to ensure that the Board can implement the resolutions of the general meeting, improve its work efficiency and ensure scientific decision-making. These rules provide for the convening and voting procedures of the Board of Directors, which shall be formulated by the Board of Directors and approved at the shareholders' general meeting of the Company.

**Article 98** The chairman of the Board of Directors is entitled to the following functions and powers:

- (1) to preside over general meetings and to convene and preside over the Board meetings;
- (2) to supervise and check on the implementation of resolutions passed at the meeting of the Board of Directors;
- (3) to sign share certificates, bonds and other marketable securities of the Company;
- (4) to sign important documents of the Board of Directors and other documents that should be signed by the legal representative of the Company, and exercise the powers of the legal representative;
- (5) in the event of force majeure or major emergencies, where the meeting of the Board of Directors cannot be held in a timely manner, exercising the special right of disposal on the Company's affairs in line with legal provisions and the Company's interests, and reporting to the Board of Directors in a timely manner afterwards;
- (6) organizing and formulating various systems for the operation of the Board of Directors, and coordinating the operation of the Board of Directors;
- (7) listening to the regular or irregular work reports of the Company's senior executives and give guidance on the implementation of the resolutions of the Board of Directors;
- (8) nominating candidates for the general manager and the secretary to the Board of Directors of the Company;
- (9) participating in the review of the Company's important business management affairs and corresponding decisions as authorized by the Board of Directors;
- (10) to exercise any other functions and powers conferred by laws, regulations, the Articles of Association or authorized by the Board of Directors.

The vice-chairman of the Board of Directors shall assist the chairman of the Board of Directors in his work. If the chairman of the Board of Directors fails or is unable to perform his duties, the vice-chairman of the Board of Directors shall perform such duties; If the vice chairman of the Board of Directors fails or is unable to perform his duties, a director jointly elected by half or more of all directors may perform such duties.

The Board of Directors may, if necessary, authorize the chairman of the Board of Directors to exercise part of the powers of the Board of Directors when it is in recess.

**Article 99** The Board of Directors shall hold meetings on a regular basis and meetings of the Board of Directors shall be convened at least four times every year, and convened by the chairman of the Board of Directors. A fourteen days' prior written notice for convening the meeting shall be given to all directors.

Under the following circumstances, an extraordinary meeting of the Board of Directors shall be held by the chairman within 5 days upon receipt of proposal:

- (1) when proposed by the shareholders representing one tenth or more of voting rights;
- (2) when proposed jointly by one third or more of the directors;
- (3) when proposed by the chairman of the Board of Directors;
- (4) when proposed by the Board of Supervisors;
- (5) other situations stipulated by laws, administrative regulations, departmental rules, relevant regulatory authorities and the Articles of Association.

**Article 100** Notice shall be given to all directors and supervisors fourteen days prior to the regular board meetings and three days or earlier prior to extraordinary board meetings. The responsible body of the Company shall serve a written notice convening the board meeting to each director and supervisor by hand, fax, express mail service or other means of electronic communication. Notices that are not served by hand shall be confirmed by telephone and record should be made accordingly.

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

**Article 101** The notice of meeting shall be deemed to have issued to a director if he is present at the meeting and does not raise the issue of non-receipt of such notice prior to or at the time of his arrival at the meeting.

Regular or extraordinary board meetings can be held by way of teleconference meeting or by virtue of other telecommunication device. In such meetings, so long as the participating directors can hear and communicate with each other, all participating directors are deemed as if they had participated in the meeting in person.

**Article 102** The board meeting may not be held unless half or more of the directors are present.

Each director has one vote. Except for provided in laws, administrative regulations and the Articles of Association, resolutions of the Board of Directors shall be passed by more than half of all directors.

In the case of an equality of votes, the chairman shall have a casting vote.

**Article 103** A director shall attend the board meetings in person. If a director is not able to attend the meeting for any reasons, he may appoint in writing other directors to attend the meeting on his behalf. The scope of authorization shall be specified in the power of attorney.

The appointed director attending the meeting shall only exercise the rights within the scope of authorization. Should a director neither attend a board meeting nor appoint representative to attend on his behalf, the said director shall be deemed to have waived his right to vote at the meeting.

**Article 104** The Board of Directors may approve the written proposals in lieu of convening meetings of the Board of Directors, but the draft of such proposals shall be delivered to each director through personal delivery, post, fax or e-mail. Such proposal will be passed as a resolution of the Board of Directors, only after it has been delivered to all directors by the Board of Directors, and signed and approved by the required quorum of the directors for decision-making and the signed document for approving such proposal has been delivered to the secretary to the Board of Directors by one of the aforesaid means. Such resolution shall be deemed to have the same legal effect as a resolution passed at a board meeting held in accordance with the procedures set out in the relevant provisions of the Articles of Association.

**Article 105** The Board of Directors shall keep minutes of resolutions on matters discussed at meetings. The attending directors and the minutes taker shall sign on the minutes of such meeting. Directors shall be liable for the resolutions of the Board of Directors. If a resolution of the Board of Directors violates laws, administrative regulations or the Articles of Association, thus causes the Company to suffer any material loss, the directors participating in the resolution are liable to indemnify the Company. However, directors who have proved to have cast a dissenting vote against the motion during the voting as recorded in the minutes shall be exempted from such liability.

#### **Section 4 Special Committees under the Board of Directors**

**Article 106** The Board of Directors may establish special committees (where necessary), and the duties, the personnel composition and rules of procedure of which shall be resolved separately by the Board of Directors. These special committees are ad hoc committees under the Board of Directors which provide advices or advisory opinions for the Board of Directors on material decisions. The special committees shall not make any decision in the name of the Board of Directors. However, the committees may exercise decision-making power in respect of the authorized matters in accordance with a special power given by the Board of Directors.

#### **Chapter 6 Secretary to the Board of Directors of the Company**

**Article 107** The Company shall have a secretary to the Board of Directors. The secretary to the Board of Directors is a senior management officer of the Company.

**Article 108** The secretary to the Board of Directors of the Company shall be a natural person with the requisite professional knowledge and experience, and shall be nominated by the chairman and appointed or removed by the Board of Directors. His/her primary duties include:

- (1) to ensure that the Company has complete organizational documents and records;

- (2) to ensure that the Company prepares and submits reports and documents required by competent authorities according to laws;
- (3) to ensure the proper maintenance of the Company's register of members, and to ensure the persons who are entitled to obtain the relevant records and documents of the Company are able to obtain the same on a timely basis.

**Article 109** A director or other senior management officers of the Company may concurrently act as the secretary to the Board of Directors. The accountant(s) of the accounting firm which has been appointed by the Company and the management officers of controlling shareholders shall not concurrently act as the secretary to the Board of Directors.

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

## **Chapter 7 The General Manager and Other Senior Management Officers**

**Article 110** The Company shall have one general manager, and a number of vice general managers, who shall be nominated by the general manager. A director may serve concurrently as the senior management officers.

**Article 111** The senior management officers shall be appointed or dismissed by the Board of Directors.

**Article 112** The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

- (1) to be in charge of the Company's production, operation and management, organize the implementation of resolutions of the Board of Directors, and report to the Board of Directors;
- (2) to organize the implementation of the Company's annual business plans and investment plans;
- (3) to draft the Company's the plan for the establishment of the internal management organization;
- (4) to draft the Company's basic management system;
- (5) to formulate the basic rules and specific rules of the Company;
- (6) to propose to the Board of Directors the employment and dismissal of the vice general manager and other senior management officers of the Company;
- (7) to decide to employ and dismiss the responsible management personnel other than those to be employed and dismissed by the Board of Directors;
- (8) other functions and powers granted by laws, administrative regulations, departmental rules, relevant regulatory authorities and the Articles of Association, as well as the Board of Directors.

**Article 113** The general manager shall attend the Board meetings and, if not a director, shall not have voting right thereat.

**Article 114** In the exercise of his powers, the general manager shall comply with the laws, administrative regulations and the Articles of Association, and fulfill his duties in good faith and diligence.

**Article 115** The Company shall have one chief financial officer, who shall be appointed or removed by the Board of Directors. The chief financial officer shall be accountable to the Board of Directors and the general manager.

## **Chapter 8 Board of Supervisors**

**Article 116** The Company shall have a Board of Supervisors, which shall exercise its supervisory powers in accordance with the provisions of the laws, administrative regulations and the Articles of Association.

**Article 117** The Board of Supervisors shall be composed of three supervisors, one of whom shall act as the chairman of the Board of Supervisors. The term of office of supervisors shall be three years, renewable upon re-election and re-appointment.

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

**Article 119** The directors and senior management officer of the Company shall not act concurrently as supervisors.

**Article 120** The Board of Supervisors shall be accountable to the shareholders' general meeting and exercise the following functions and powers:

- (1) to examine the financial affairs of the Company;
- (2) to monitor any acts of directors, managers and other senior management officers of the Company in their performance of duties that violate the laws, administrative regulations, the listing rules of the place where the Company's shares are listed or the Articles of Association, and to propose the removal of directors and senior management officers who have violated laws, administrative regulations, the listing rules of the place where the Company's shares are listed, the Articles of Association or resolutions of the general meeting;
- (3) to demand rectification from directors, managers and other senior management officers of the Company when the acts of such abovesaid persons prejudice the Company's interest;

- (4) to review financial information such as the financial reports, operation reports and profit distribution schemes to be submitted by the Board of Directors to the shareholders' general meetings; if there is any doubt, to engage certified public accountants and practicing auditors in the name of the Company to assist their review;
- (5) to propose to convene an extraordinary general meeting, and to convene and preside over general meetings when the Board of Directors fails to perform the duty of convening and presiding over general meetings under this Articles of Association;
- (6) to submit proposals to the shareholders' general meeting;
- (7) to initiate legal proceedings against directors and senior management officers on behalf of the Company;
- (8) to exercise other functions and powers specified in the Articles of Association.

Supervisors shall attend the board meetings as non-voting participants.

**Article 121** The Board of Supervisors shall convene at least one 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, one supervisor shall be elected jointly by half or more of the supervisors to convene and preside over the meeting of the Board of Supervisors.

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 staff member of the Board of Supervisors shall give a written notice of the meeting a reasonable period before the meeting date. The notice of meeting shall be given to all supervisors by hand, facsimile, email or other means. If a notice is not given 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 such meeting shall be given by telephone communication or other verbal means at any time provided that the convener of the meeting gives relevant explanation at the meeting.

**Article 122** The method for conducting businesses at the meetings of the Board of Supervisors: any voting at the Board of Supervisors shall be made on a one-person-one-vote basis in the manner of open and written ballot.

The voting procedure: a supervisor may cast an affirmative, a negative or an abstention vote. Each attending supervisor shall indicate his/her intention by choosing one of the above. The chairman of the meeting shall request each supervisor who fails to choose any of the above or has chosen two or more of the above to vote again, refusal to do so shall be regarded as having abstained from voting. 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 abstained from voting.



The Board of Supervisors shall record the decisions on matters discussed in the minutes, supervisors who attended the meeting shall sign the minutes of the meeting. A supervisor is entitled to request for some descriptive record to be made with regard to his speech in the meeting. The minutes of the meeting of the Board of Supervisors shall be kept in the domicile of the Company.

When voting by way of telecommunications, supervisors shall, after confirming their votes by signing a written opinion on the matter considered and his/her voting intention, fax the same to the office of the Board of Supervisors. Supervisors who cast votes by way of telecommunications shall submit the signed original copy of the voting paper to the Board of Supervisors within the period stipulated in the meeting notice.

**Article 123** In case that the Board of Supervisors discovers any unusual operation of the Company, the Board of Supervisors may investigate it and, when necessary, may engage professionals, such as lawyers and accounting firms, to assist in the work. Any reasonable expenses incurred thereby shall be borne by the Company.

**Article 124** A supervisor shall carry out his supervisory duties honestly and faithfully in accordance with laws, administrative regulations and the Articles of Association.

### **Chapter 9 Qualification and Obligations of Directors, Supervisors and Senior Management Officers of the Company**

**Article 125** The following persons may not serve as a director, supervisor or senior management officer of the Company:

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

- (6) persons who are imposed by the China Securities Regulatory Commission a ban from entering into the securities market for a period which has not yet expired;
- (7) other circumstances as stipulated by the Company Law, the Securities Law and other laws and regulations and the relevant laws and regulations of the place where the shares of the Company are listed.

**Article 126** Each of the directors, supervisors and senior management officers of the Company have the responsibility, in the exercise of his powers or discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise under the similar circumstances.

## **Chapter 10 Financial and Accounting System**

**Article 127** The Company shall establish its financial and accounting system in accordance with laws, administrative regulations and the provisions stipulated by the relevant PRC authorities.

**Article 128** The Company shall adopt the Gregorian calendar year for its accounting year, i.e., the accounting year shall be from 1 January to 31 December.

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

The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with international accounting standards or overseas accounting standards of the place where the Company's shares are listed. If there are any material differences between the financial statements prepared in accordance with the two accounting standards, such differences shall be stated in the notes to the financial statements. In distributing its after-tax profits of the relevant accounting year, the lower of the after-tax profits as shown in the different sets of financial statements shall be adopted.

The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations, and also in accordance with the international or overseas accounting standards of the place where the Company's shares are listed.

**Article 129** The Company's Board of Directors shall put in place before the shareholders at every annual general meeting such financial reports which the relevant laws, administrative regulations and regulatory documents promulgated by the local government and the competent governmental authorities require the Company to prepare.

**Article 130** The Company shall not maintain books of accounts other than those provided for by laws. The Company's assets shall not be deposited in an account maintained in the name of any individual.

**Article 131** The Company's financial reports shall be made available for shareholders' inspection at the Company at least 21 days before 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 include the directors' report and the balance sheet (including all other documents to be attached in accordance with the requirements of the PRC laws, other laws, and administrative regulations), the profit and loss statement (the profit statement) or the statement of income and expense (the statement of cash flow) or (under the condition of no violation of the PRC laws) financial highlights approved by the Hong Kong Stock Exchange.

The Company shall deliver or send such financial report to every holder of its overseas-listed shares by pre-paid post at the addresses of such shareholders as recorded in the register of members no less than 21 days before the date of the annual general meeting. The Company can proceed by way of announcements, including announcement via the Company's website, on condition that such announcements are in compliance with laws, administrative regulations, departmental rules, laws of the place where the Company's shares are listed and rules of the securities regulatory body.

**Article 132** The Company shall publish its financial reports prepared in accordance with international accounting standards or overseas accounting standards of the place where the Company's shares are listed, twice every financial year, that is, the interim financial report shall be published within three months after the end of the first six months of each accounting year and the annual financial report shall be published within four months after the end of each accounting year.

## **Chapter 11 Profit Distribution**

**Article 133** When distributing the after-tax profits of the current year, the Company shall allocate 10% of its profits into its statutory common reserve fund. When the accumulated amount of the statutory common reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.

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

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

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

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

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

**Article 134** Capital reserve fund includes the following items:

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

**Article 135** 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 capitalization for capital increase of the Company, but the capital reserve fund cannot be applied for making up for losses of the Company.

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

**Article 136** The Company may distribute dividends in the form of (or a combination of both):

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

**Article 137** A shareholder is entitled to the interest on the amount paid for shares before the call is made, but the shareholder shall not be entitled to the dividend declared subsequently in relation to the advance payment.

The payment receiving agent appointed by the Company shall satisfy the requirements under the laws of the place where the Company's shares are listed and the rules of securities regulatory authority.

**Article 138** The cash dividends and other amount paid by the Company to the holders of unlisted shares shall be paid in Renminbi. The Company shall pay cash dividends and other amount to the holders of H shares, which 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 shares shall be arranged in accordance with the provisions of the PRC in relation to foreign exchange administration.

## **Chapter 12 Appointment of Accounting Firms**

**Article 139** The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the PRC to audit the Company's annual financial reports and review the Company's other financial reports.

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

**Article 140** The appointment or removal of an accounting firm by the Company must be resolved by the shareholders' general meeting, and the Board of Directors shall not appoint an accounting firm before the resolution is passed by the shareholders' general meeting. The accounting firm appointed by the Company shall hold office from the conclusion of the annual general meeting at which the appointment is made until the conclusion of the next annual general meeting.

**Article 141** 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 142** The accounting firm appointed by the Company shall have the following rights:

- (1) the right to review the books, records and vouchers of the Company at any time, the right to require the directors or senior management officers of the Company to supply relevant information and explanations;
- (2) the right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the discharge of its duties; and
- (3) the right to attend general meetings and to receive all notices of, and other communications 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 143** The remuneration of an accounting firm or the manner in which such remuneration is determined shall be resolved by the shareholders' general meeting.

**Article 144** The shareholders in a general meeting may by ordinary resolution remove an accounting firm before the expiry of its term of office, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the firm's right to claim for damages in respect of such removal.

**Article 145** If the Company proposes to remove the accounting firm or not to renew the appointment thereof, it should notify the accounting firm 20 days in advance, and the latter has the right to state its opinions to the shareholders' general meeting. Where the accounting firm resigns its post, it shall make clear to the shareholders' general meeting whether there is any impropriety on the part of the Company.

The accounting firm may resign its office by depositing at the Company's legal address a written notice of resignation, which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following statements:

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

The Company shall, within fourteen days after receipt of the written notice referred to in this Article, send a copy of the notice to the relevant governing authority. If the notice contains a statement under subparagraph (2) of this Article, a copy of such statement shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of such statement by prepaid mail to every holder of overseas-listed shares (i.e., the shareholder who entitles to receive the financial report of the Company) at the address registered in the register of members.

Where the accounting firm's notice of resignation contains a statement under subparagraph (2) of this Article, the accounting firm may require the Board of Directors to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

## **Chapter 13 Notices**

**Article 146** Notices of the Company may be delivered by the following means:

- (1) by designated person;
- (2) by mail;
- (3) by fax or electronic mail;
- (4) 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 exchanges where the Company's shares are listed;
- (5) by way of announcement;
- (6) by any other means as agreed by the Company or the addressee or as accepted by the addressee after the notice is received;
- (7) by any other means as approved by securities regulatory authorities at the places where the Company's shares are listed or as specified in the Articles of Association.

Unless the context otherwise specifies, the "announcement" referred to in the Articles of Association shall mean, in respect of announcements made to the holders of unlisted shares or the announcements to be published in the PRC as required by the relevant requirements and the Articles of Association, the publication of an announcement in newspapers in the PRC, and such newspapers shall have been prescribed under the laws and administrative regulations of the PRC or by the securities authority of the State Council. For notices issued by the Company to the holders of overseas-listed shares by way of announcement, the Company shall on the same day submit an electronic version to the Hong Kong Stock Exchange through the Hong Kong Stock Exchange electronic publishing system for in-real-time 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 also be published on the Company's website at the same time.

Holders of the Company's overseas-listed shares shall select electronic version or mail in writing to receive corporate communication 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 want to prove that certain notices, documents, information or written statements have been served on the Company shall provide evidential materials showing the same has been served on the correct address by ordinary means or by prepaid mail within the designated periods.

Notwithstanding the aforesaid provision which specifies providing and/or dispatching written corporate communication to shareholders, for the purpose of 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 via its website. Corporate communication includes but not limited to circulars, annual reports, interim reports, quarterly reports (if applicable), notices of shareholders' general meetings, and other types of corporate communication as specified in the Hong Kong Listing Rules.

**Article 147** Unless otherwise stated in the Articles of Association, the various ways of sending notices specified in the preceding paragraph shall apply to the notices of the shareholders' general meetings, board meetings and the meetings of the Board of Supervisors convened by the Company.

**Article 148** In respect of the date of receiving a notice of the Company delivered by hand, the notice shall be deemed to be received upon signing (or affixing the seal) by the addressee on the note of receipt. If the notice is delivered by post, it shall be deemed to be 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 be received on the date it is sent or published. If the notice is delivered by way of announcement, it shall be deemed to be received on the date on which the announcement is first published. Such announcement shall be published on newspapers that satisfy the relevant requirements.

**Article 149** In the event that the listing rules of the stock exchange 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 intent stated by the shareholders) only send the English version or the Chinese version to the shareholders concerned to the extent permitted by the applicable laws and regulations and pursuant to the applicable laws and regulations.

## Chapter 14 Merger and Demerger of the Company

**Article 150** In the event of the merger or demerger of the Company, a plan shall be proposed by the Company's Board of Directors and shall be approved in accordance with the procedures stipulated in the Articles of Association. The Company shall then go through the relevant approval formality pursuant to laws. Shareholders who oppose the plan of merger or demerger 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 merger or demerger of the Company shall constitute special documents which shall be available for inspection by the shareholders.

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

**Article 151** The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

In the event of a merger, the parties to the merger shall enter into a merger agreement, and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on merger and shall publish announcements in the newspaper within 30 days from the date of such resolution.

The creditors shall, within 30 days from the date of receiving a written notice or within 45 days from the date of the announcement for those who have not received a written notice, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee.

Upon the merger, creditors' right or indebtedness 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 152** In the event of a demerger of the Company, its assets shall be divided up accordingly.

In the event of a demerger, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on demerger and shall publish public announcements in the newspaper within 30 days from the date of such resolution.

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

**Article 153** The Company shall, in accordance with laws, apply for change in its registration with the company registration authority where a change in any item in its registration arises 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 laws. Where a new company is established, the Company shall apply for registration thereof in accordance with laws.



## **Chapter 15 Dissolution and Liquidation of the Company**

**Article 154** In any of the following circumstances, the Company shall be dissolved:

- (1) the business term expires;
- (2) a resolution on dissolution is passed by shareholders' general meeting;
- (3) dissolution is necessary due to a merger or demerger of the Company;
- (4) the Company is declared bankruptcy according to laws due to its inability to pay off its debts as they fall due;
- (5) the Company's business license is revoked or it is ordered to close down or it is wound up according to laws;
- (6) where the Company's operations and management encounter serious difficulty, and its continuation will cause substantial loss to the interests of the shareholders and no solution can be found through any other channel, shareholders holding 10% or more of the total voting rights of the Company may make requisition to the people's court to dissolve the Company;
- (7) other circumstances under which the Company shall be dissolved as required by laws and regulations.

**Article 155** Where the Company is dissolved pursuant to previous subparagraphs (1) and (2), a liquidation committee shall be set up within 15 days from the date upon which the cause of dissolution arises, and its composition shall be determined by an ordinary resolution at the shareholders' general meeting.

Where the Company is dissolved pursuant to previous subparagraphs (4) and (6), a liquidation committee shall be set up to start the liquidation process by relevant shareholders, relevant authorities and relevant professionals, organized by the people's court in accordance with relevant laws, within 15 days from the date upon which the cause of dissolution arises.

Where the Company is dissolved pursuant to previous subparagraph (5), a liquidation committee shall be set up to start the liquidation process by relevant shareholders, relevant authorities and relevant professionals, organized by competent authority.

**Article 156** Where the Board of Directors decides to liquidate the Company due to causes other than where the Company has declared that it is insolvent, the Board of Directors shall include a statement in its notice convening the shareholders' general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the Board of Directors is of the opinion that the Company will be able to pay its debts in full within 12 months from the commencement of the liquidation.

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

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

**Article 157** During the liquidation period, the liquidation committee shall exercise the following functions and powers:

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

**Article 158** The liquidation committee shall within 10 days of its establishment send a notice to creditors, and within 60 days of its establishment make a public announcement on a newspaper. The creditors may declare their claims to the liquidation committee within 30 days from the date they receive such notice or within 45 days from the date of announcement if no such notice is received.

When declaring the claims, the creditors shall specify the relevant matters about the claims and provide evidences. 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 159** The liquidation committee shall, after examining the Company's assets and preparing the balance sheets and an inventory of assets, formulate a liquidation plan and present it to the shareholders' general meeting or the relevant governing authority for confirmation.

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

The remaining assets of the Company after repayment of its debts in accordance with the preceding provision shall be distributed to the shareholders of the Company according to the class of shares held by them and in proportion to their respective shareholdings.

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

**Article 160** If the liquidation committee, having examined the Company's assets and having prepared a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to pay its debts in full, it shall immediately apply to the people's court for a declaration of insolvency.

After the people's court has declared the Company insolvent, the liquidation committee shall turn over any matters regarding the liquidation to the people's court.

**Article 161** Following the completion of liquidation, the liquidation committee shall prepare a report on liquidation, submit it to the shareholders' general meeting or the people's court for confirmation, and submit it to the company registration authority and apply for cancellation of registration of the Company and publish an announcement relating to the termination of the Company.

## **Chapter 16 Amendments to the Articles of Association**

**Article 162** The Company may amend the Articles of Association according to the provisions of laws, administrative regulations and the Articles of Association.

**Article 163** The Articles of Association shall be amended under any of the following circumstances:

- (1) after the amendment of the Company Law or relevant laws and administrative regulations, the matters stipulated in the Articles of Association conflict with the provisions of the amended laws and administrative regulations;
- (2) the matters recorded in the Articles of Association have changed;
- (3) the Shareholders' general meeting decides to amend the Articles of Association.

**Article 164** Amendment to the Articles of Association which involves the registered particulars of the Company, application shall be made for alteration of registration in accordance with the laws.

If the amendments to the Articles of Association are information required to be disclosed by laws, regulations and the listing rules of the place where the Company's shares are listed, they shall be announced in accordance with such laws, regulations and rules.

## Chapter 17 Supplementary Provisions

**Article 165** In the Articles of Association, the meaning of an “accounting firm” is the same as that of “auditors”.

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.

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” does not include the underlying number.

**Article 166** The Articles of Association are written in Chinese. Should there be any discrepancies between the versions in other languages and the Chinese version, the Chinese version shall prevail.

**Article 167** The power of interpretation of the Articles of Association shall be vested in the Company’s Board of Directors. Any matters not contained in the Articles of Association shall be proposed by the Board of Directors at the shareholders’ general meeting for approval.