

# **SINOTRANS LIMITED**

## **ARTICLES OF ASSOCIATION**

**(Adopted at the 1st Shareholders' Extraordinary General Meeting of Sinotrans Limited held on 20 November 2002)**

**(Approved by the State Economic and Trade Commission on 21 November 2002)**

**(Revised by Shareholders' Annual General Meeting of 2002 held on 18 June 2003)**

**(Revised by Shareholders' Annual General Meeting of 2003 held on 2 June 2004)**

**(Revised by Shareholders' Extraordinary General Meeting of 2004 held on 27 September 2004)**

**(Revised by Shareholders' Annual General Meeting of 2004 held on 6 June 2005)**

**(Revised by Shareholders' Extraordinary General Meeting of 2005 held on 24 October 2005) (Revised by**

**Shareholders' Extraordinary General Meeting of 2009 held on 23 December 2009) (Revised by**

**Shareholders' Extraordinary General Meeting of 2011 held on 30 December 2011) (Revised by**

**Shareholders' Extraordinary General Meeting of 2012 held on 28 December 2012) (Revised by**

**Shareholders' Extraordinary General Meeting of 2014 held on 31 March 2014)**

**(Revised by Shareholders' Extraordinary General Meeting of 2014 held on 24 October 2014) (Revised by**

**Shareholders' Annual General Meeting of 2015 held on 18 May 2016)**

**(Revised by Shareholders' Annual General Meeting of 2016 held on 12 May 2017)**

**(Revised by Shareholders' Extraordinary General Meeting of 2017 held on 28 December 2017)**

**(Revised by Shareholders' Extraordinary General Meeting of 2018 held on 31 May 2018)**

**(Revised by First Shareholders' Extraordinary General Meeting of 2019 held on 7 March 2019)**

**(Revised by First Shareholders' Extraordinary General Meeting of 2020 held on 1 June 2020)**

**(Revised by 2020 Annual General Meeting held on 10 June 2021)**

**(Revised by Third Shareholders' Extraordinary General Meeting of 2022 held on 28 September 2022)**

**(Revised by 2022 Annual General Meeting held on 12 May 2023)**

**(Revised by 2023 Annual General Meeting held on 7 June 2024)**

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*Note:* In the annotations of these Articles of Association, the “**Listing Rules**” refer to the Listing Rules issued by the Stock Exchange of Hong Kong Limited; the “**Opinions**” refer to the Opinions of the State Economic and Trade Committee and China Securities Regulatory Commission on the “Further Promotion of the Compliance of the Companies Listed Overseas and the Deepening of the Reform”; the “**Guidelines on Articles of Association**” refer to the “Guidelines on Articles of Association of Listed Companies” issued by China Securities Regulatory Commission; the “**Adjusted Reply**” refer to the Official Reply of the State Council on Adjusting the Notice Period for the General Meeting of Shareholders and Other Matters Applicable to Companies Listed Abroad (Guo Han [2019] No. 97), “**Trial Measures**” refer to the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Companies.

**SINOTRANS LIMITED**  
**ARTICLES OF ASSOCIATION**  
**Chapter 1**  
**General**

Article 1	<p>To safeguard the legitimate rights and interests of Sinotrans Limited (the “Company”), its shareholders and creditors, and to regulate the organization and activities of the Company, the Company formulated the Articles of Association 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 “Securities Law”), the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Companies, the Guidelines on Articles of Association of Listed Companies (the “Guidelines”) and other relevant requirements under the laws, administrative rules and regulations.</p>	Article 1 of the Guidelines
Article 2	<p>The Company is a joint stock limited company incorporated in accordance with the Company Law, the Securities Law and other applicable laws and administrative rules of the People’s Republic of China (the “PRC”).</p> <p>The Company was approved by the State Economic and Trade Commission on 20 November 2002 to be established by way of promotion and was registered with the State Administration for Industry and Commerce of the PRC and a business license was obtained. The unified social credit code of the Company being 911100007109305601. The reference number of the approval is Guo Jing Mao Qi Gai [2002] No. 863.</p> <p>The promoter of the Company is SINOTRANS &amp; CSC Holdings Co., Ltd. (formerly known as China National Foreign Trade Transportation (Group) Corporation)</p>	Articles 2 and 19 of the Guidelines
Article 3	<p>The registered name of the Company:</p> <p>(in Chinese) 中國外運股份有限公司</p> <p>(abbreviation in Chinese) 中國外運</p> <p>(in English) Sinotrans Limited</p>	Article 4 of the Guidelines
Article 4	<p>Address of the Company: 1101, 11th Floor of 101, 1st to 22nd Floor, Building 10, No. 5 Anding Road, Chaoyang District, Beijing, the PRC</p> <p>Postal Code: 100029</p>	Article 5 of the Guidelines
Article 5	<p>The legal representative of the Company shall be the chairman of the Company.</p>	Article 8 of the Guidelines
Article 6	<p>The Company is a joint stock limited company existing in perpetuity.</p> <p>The entire capital of the Company is divided into shares of equal value and shareholders shall be liable to the Company to the extent of the shares held by them. The Company is liable for its debts to the extent of all its assets.</p> <p>The Company is an independent legal person. Its activities shall be governed and protected by the laws and the administrative regulations of the People’s</p>	Articles 7 and 9 of the Guidelines

Republic of China.

- Article 7 In accordance with the Company Law, the Securities Law and other laws and administrative regulations of the State, these Articles of Association of the Company (the “Articles of Association”) were formulated.
- Article 8 In accordance with the relevant provisions under the Constitution of the Communist Party of China, the Company established the organization of the Communist Party of China and carries out activities of the Party. The Party Committee shall play the leading functions, provide the directions, manage the situation and ensure the implementation. Meanwhile, the Company shall provide necessary facilitations for the activities of the Party Organization, set up a working agency for the Party, allocate sufficient personnel to handle Party affairs and guarantee working funds for the Party Committee. Article 12 of the Guidelines
- Article 9 These Articles of Association shall become effective upon being adopted at the shareholders’ general meeting of the Company by way of a special resolution.
- From the date on which the Articles of Association come into effect, the Articles of Association constitute the legally binding document regulating the Company’s organisation and activities, and the rights and obligations between the Company and each shareholder and among the shareholders. Article 10 of the Guidelines
- The Articles of Association are binding on the Company and its shareholders, directors, supervisors, president and other senior management; all of whom may, according to the Articles of Association, assert their rights in respect of the affairs of the Company.
- A shareholder may take legal action against other shareholders, the Company, directors, supervisors, president and other senior management of the Company pursuant to these Articles of Association. The Company may take action against a shareholder, directors, supervisors, president and other senior management of the Company pursuant to these Articles of Association.
- Article 10 “Other senior management” referred to in these Articles of Association mean the Company’s vice presidents, chief financial officer, chief digital officer, board secretary, general counsel (chief compliance officer) and other senior management appointed by the Board. Article 11 of the Guidelines
- Article 11 Subject to the laws and the administrative regulations of the PRC, the Company shall have the right to raise finance or make borrowings, including but not limited to the issuance of any debenture. It shall also have the right to create a mortgage or grant a pledge over any of its assets.

## **Chapter 2**

### **Objectives and Scope of Operation**

- Article 12 The operation objectives of the Company are: customers oriented, by adopting the market-oriented approach, and in reliance on the network and the information technology, to provide safe, fast, accurate, economic, convenient and satisfactory integrated logistic service and supply chain management service, thereby maximizing the shareholders’ interests. Article 13 of the Guidelines

The Company has implemented the development concepts of innovation, coordination, green, openness and sharing, so as to safeguard the legitimate

rights of shareholders and ensure they are treated fairly, proactively fulfill its social responsibility, respect the basic rights and interests of stakeholders and effectively enhance the overall value of the enterprise. The Company is active in practicing the concept of green development to integrate ecological and environmental protection requirements into the development strategy and corporate governance process, and proactively participate in ecological civilization construction, thereby play a demonstrating and leading role in pollution prevention, resource conservation, ecological protection and other aspects.

The Company has implemented the strategy of administering the country according to laws, strengthened the legal construction and compliance management of enterprises, and established the general counsel system, in order to guarantee the Company operates in compliance with laws and regulations and maintains the sustainable and healthy development.

Article 13	The scope of business of the Company shall be its scope of business as approved by the approval authorities and the administration and management authorities for industry and commerce. After being registered in accordance with the law, the Company's scope of business shall include: non-vessel shipping business; ordinary freight; domestic waterway shipping & forwarding agents and passenger and freight transportation agent services; international transportation agent services for import and export products transported by sea, land and air, international exhibition items, private items and transit cargo, including booking, warehousing, transit, container assembly and unpacking, freight & charge settlement, customs clearance, declaration, relevant short-distance transportation services and transportation consultation services; international intermodal transport services; ship leasing; IT services and authentication and consultation services; package services; import and export of goods; import and export agent services, organization of cultural and art exchange activities; hosting exhibition and display.	Article 14 of the Guidelines
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Article 14	The Company may, pursuant to the needs of its business development, establish such branch organizations as subsidiaries, representative offices, etc.  The Company may, pursuant to the needs of its business development, adjust the scope and the method of operation and establish branch organizations (whether wholly-owned or not) and/or offices in Hong Kong SAR, Macao SAR and Taiwan in due course, subject to approvals from the relevant government authorities.
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### **Chapter 3**

#### **Shares and Registered Capital**

Article 15	The share of the Company is in the form of stock. The shares issued by the Company are shares with a par value at Renminbi 1.00 per share.  The aforesaid Renminbi means the legal tender of the PRC.	Articles 15 and 17 of the Guidelines
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Article 16	The issuance of shares by the Company shall adhere to the principles of openness, fairness and justice. Each share in the same class shall have the same rights.  Shares of the same class issued at the same time shall have the same terms of issuance and issue price; any entity or person shall pay the same amount for each of the same class of shares subscribed for.	Article 16 of the Guidelines
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Article 17	<p>Subject to registration or filing with China Securities Regulatory Commission (the “CSRC”) and approval of the competent state-owned regulatory authorities, the Company may issue shares to Domestic Investors and Foreign Investors.</p> <p>The overseas investors aforementioned refer to investors from the overseas, Hong Kong, Macau and Taiwan who subscribe for the shares issued by the Company; Domestic investors are investors within the territory of the PRC, except for those from the aforementioned regions who subscribe for the shares issued by the Company.</p>	
Article 18	<p>Shares issued by the Company to domestic investors and other qualified investors for subscription in RMB shall be referred to as “domestic shares”. Domestic shares listed within the territory of the PRC shall be referred to as “domestic listed shares” (A shares). Shares issued by the Company to foreign investors for subscription in foreign currencies shall be referred to as “foreign shares”. Foreign shares listed overseas shall be referred to as “overseas listed foreign shares”. The shareholders of domestic listed shares and overseas listed foreign shares shall be the shareholders of ordinary shares and they shall have equal rights and obligations.</p> <p>The aforesaid foreign currencies refer to the legal currency of other countries or territories other than RMB. Such legal tender shall be recognized by the administration of foreign exchange of the PRC and can be used to pay the subscription money to the Company.</p>	
Article 19	<p>The foreign shares issued by the Company and listed in Hong Kong shall be referred to as “H Shares.” H Shares mean the shares the listing of which are approved by the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and which are denominated in RMB and subscribed for and traded in Hong Kong Dollars.</p>	
Article 20	<p>Upon approval by the examination and approval departments authorized by the State Council, the total number of ordinary shares that the Company issued as at the date hereof is 7,294,216,875 shares, including 5,255,916,875 domestic listed shares (A shares), accounting for 72.06% of total share capital, and 2,038,300,000 overseas listed foreign shares (H shares) representing 27.94% of total share capital.</p>	Article 20 of the Guidelines
Article 21	<p>China National Foreign Trade Transportation (Group) Corporation (as the promoter of the Company) injected part of the transportation and logistics business into the Company through asset injection on 20 November 2002, accordingly the Company issued 2,624,087,200 shares (all of which were domestic shares) to China National Foreign Trade Transportation (Group) Corporation. After the incorporation, the Company made an issue of 1,787,406,000 overseas listed foreign shares (H shares) (including 162,491,000 H shares placed by the promoters), all of which were H shares and listed on the Stock Exchange on February 2003. In November 2018, with the approval of the CSRC, the Company launched an initial public offering, through which 1,351,637,231 shares of domestically listed domestic shares (A shares) were issued and listed on Shanghai Stock Exchange on January 2019.</p>	Articles 3 and 19 of the Guidelines
Article 22	<p>All of the domestic listed shares issued by the Company are deposited with China Securities Depository and Clearing Corporation Limited.</p>	Article 18 of the Guidelines

Article 23	<p>The registered capital of the Company shall be RMB7,294,216,875. Upon the new issue, the registered capital of the Company will be adjusted correspondingly according to the actual number of shares in issue and the Company shall complete the registration procedures for the change in registered capital.</p>	Articles 6 and 178 of the Guidelines
Article 24	<p>The Company or its subsidiaries (including the affiliates of the Company) shall not provide any assistance in the form of gift, fund, guarantee, compensation, loan or others to any person who purchases or intends to purchase shares of the Company.</p>	Article 21 of the Guidelines
Article 25	<p>According to the needs of its operation and development, The Company may increase its capital by the following means in accordance with laws, regulations and these Articles of Association, subject to resolutions of shareholders' general meetings:</p> <ul style="list-style-type: none"> <li>(i) public offer of shares;</li> <li>(ii) non-public offer of shares;</li> <li>(iii) distribute bonus shares to the existing shareholders;</li> <li>(iv) increase in capital by transfers from reserves;</li> <li>(v) in such other manners as permitted by laws, administrative regulations and the relevant competent authorities.</li> </ul> <p>Upon obtaining an approval in line with the provisions of these Articles of Association, the capital enlargement and the new issue of the Company shall be handled in accordance with relevant laws and administrative regulations of the State.</p>	Article 22 of the Guidelines
Article 26	<p>Unless otherwise provided by laws and administrative regulations, shares in the Company may be transferred freely.</p>	Article 27 of the Guidelines
Article 27	<p>The Company does not accept the shares of the Company as the subject matter of any pledge.</p>	Article 28 of the Guidelines
Article 28	<p>Any shares held by any promoter of the Company shall not be transferred within one year upon the establishment of the Company. Any shares that have been issued before the Company's initial public listing shall not be transferred within one year from the date on which the Company's shares are listed in the stock exchange(s)</p> <p>The directors, supervisors and senior management of the Company shall declare to the Company their holdings in the Company's shares and inform the same if there are any changes in their holdings subsequently. During their terms of office, shares being transferred every year must not exceed twenty-five percent of their holdings in the Company's shares in the same class. No transfer of their holdings shall be made within one year after the Company's ordinary shares were listed. No transfer of their holdings in the Company's shares shall be made within six months after they cease to hold their respective offices.</p>	Article 29 of the Guidelines
Article 29	<p>When directors, supervisors or senior management of the Company or shareholders holding more than 5% of the shares of the Company sell their ordinary shares or other equity securities within six months from the</p>	Article 30 of the Guidelines

acquisition of such shares, or purchase shares within six months from the disposal of such shares, the Board of the Company shall repatriate any profits derived from such dealings and the profits derived shall be vested in the Company; except for securities companies holding over five percent of the ordinary shares of the Company as a result of acquiring remaining ordinary shares as an underwriter, and other circumstances stipulated by the CSRC.

The above-mentioned shares or other equity securities held by directors, supervisors, senior management and individual shareholders include shares or other equity securities held by their spouses, parents and children or held through using others' accounts.

Shareholders may require the Board to comply with the requirement set out in the first clause of this article within thirty days if the Board fails to do so. In the event the Board fails to rectify the situation within the said timeline, shareholders may file a lawsuit to the court in their own name for safeguarding the interests of the Company.

If the Board of the Company fails to comply with the first clause of this article, the Directors responsible shall bear joint liability.

#### **Chapter 4**

### **Reduction of Capital and Repurchase of Shares**

Article 30 Pursuant to these Articles of Association, the Company may reduce its registered capital. The Company shall comply with the procedures set out in the Company Law and other applicable regulations and the Articles of Association. Article 23 of the Guidelines

Article 31 In reducing its registered capital, the Company shall prepare a balance sheet and an inventory of its assets. Article 177 of the Guidelines

The Company shall inform its creditors of the reduction in registered capital within 10 days from the date of the resolution and publish an announcement of the reduction in newspapers within 30 days. Creditors shall within 30 days upon the receipt of the notice or for creditors who have not received the notice shall within 45 days since the date of the first announcement of any reduction in capital, request the Company to repay any debts or to provide any relevant guarantee against any such debts.

The amount of registered capital after the reduction in capital shall not be lower than the authorized minimum capital required by law.

Article 32 The Company may in accordance with provisions of laws, administrative regulations, departmental rules, listing rules of the place where the Company is listed and the Articles of Association repurchase its shares in the following circumstances: Article 24 of the Guidelines

- (i) reducing the registered capital of the Company;
- (ii) merging with another company or other companies which holds the shares of the Company;
- (iii) utilizing shares in employee stock ownership plan or as equity incentives;
- (iv) repurchasing the shares upon request of its shareholders who vote against resolutions at a general meeting in connection with a merger



and division of the Company;

- (v) utilizing shares for conversion of convertible bonds issued by the Company which are convertible into shares; and
- (vi) as required for maintenance of the Company's value and shareholders' rights and interests.

Save for the abovementioned circumstances, the Company may not purchase its own shares.

Article 33

The Company may purchase its own shares by way of public and centralized transaction(s), or other ways allowed by the laws, administrative regulations, listing rules of the place where the Company is listed or the relevant securities regulators.

Article  
25 of the  
Guidelines

If the Company repurchases its own shares due to the reasons as stated in (iii), (v) and (vi) of paragraph one of Article 32 hereof, the transaction(s) shall be carried out in a public and centralized manner.

The Company shall perform its information disclosure obligation according to the provisions of the relevant laws and administration regulations in repurchasing its own shares.

Article 34

In the event that the Company purchases its shares due to the reasons stated in (i) to (ii) of paragraph one of Article 32 hereof, a resolution thereon shall be made at a shareholders' general meeting. Any acquisition of domestic shares of the Company due to reasons as stated in (iii), (v) and (vi) of paragraph one of Article 32 hereof shall be subject to a resolution of the Board meeting where over two-thirds of the directors are present, but shall be exempt from approval of general meetings.

Article  
26 of the  
Guidelines

In the event that the Company purchases its ordinary shares in accordance with Article 32 of the Articles of Association due to the reason stated in (i), the shares shall be cancelled within ten days from the date of purchase; in the event that it is due to the reason stated in (ii) or (iv), the shares shall be transferred or cancelled within six months; in the event due to the reasons stated in (iii), (v) and (vi) the number of shares of the Company held by the Company itself in aggregate shall not exceed 10% of its total shares in issue and shall be transferred or cancelled within 3 years.

In the event of share cancellation, the Company shall apply to the relevant authority for registration of the change in its registered capital.

The registered capital of the Company shall be reduced by the amount of the aggregate par value of the cancelled shares.

If there are other provisions in the laws and regulations, normative rules and relevant regulations as prescribed by the securities regulatory authorities located at the places where the Company's shares are listed on the aforesaid relevant matters in respect of share repurchase, such provisions shall prevail.

## Chapter 5 Rights and Obligations of Shareholders

Article 35 The Company shall keep a shareholders' register according to the vouchers provided by the securities registration authority, and the shareholders' register shall be adequate proof of the shareholders' holding of the Company's shares. Shareholders enjoy rights and assume obligations according to the class and amount of shares held by them. Shareholders holding shares of the same class enjoy the same rights and assume the same obligations.

Article  
31 of the  
Guidelines

The Company shall protect the rights of shareholders according to the laws, and pay attention to protect the legitimate rights and interests of minority shareholders. The Articles of Association of the Company, resolutions of shareholders' general meeting or resolutions of the Board meeting shall be in compliance with relevant regulations and laws, and shall not deprive or restrict any legal rights of shareholders. The Company shall establish an unimpeded and effective communication channel with shareholders to guarantee shareholders' rights to be aware of major matters of the Company and participate in decision-making and supervision. Shareholders shall have the right to safeguard their legitimate rights and interests through civil proceedings or other legal means in accordance with the relevant laws and administrative regulations.

Institutional investors shall, in accordance with laws and regulations and the Articles of Association of the Company, exercise the right of voting, the right of inquiry, the right of recommendation and other relevant shareholder rights, and participate in corporate governance reasonably and play an active role in corporate governance by participating in decision-making for major issues, recommending candidates for directors and supervisors, and monitoring the performance of directors and supervisors.

In the event of joint holders, on the death of any one of such joint holders, the survivor(s) shall be the only person or persons recognized by the Company as having the title to any such shares, but the board of directors may require the existing joint holders to supply such evidence of death as it may deem fit for the purpose of making amendments to the particulars in the register of shareholders. Only the person whose name stands first in the register of shareholders as one of the joint holders of any share shall be entitled to the delivery of the certificate relating to such share, to receive notices from the Company, to attend and exercise all the voting powers attached to such shares at general meetings of the Company, and any notice given to such person shall be deemed notice to all the joint holders.

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Opinions

Article 36 The board of directors or the convenor the shareholders' general meeting shall specify a particular date (the record date) for ascertaining the share title of shareholders when the Company decides to hold shareholders' general meeting, distribute dividends, liquidate the Company and do other acts which require the determination of the title to shares. At the close of business of such date, the shareholder whose name appears on the shareholders' register shall be a deemed shareholder of the Company.

Article 32 of  
the Guidelines  
Paragraph 20  
of Appendix  
A1 of the  
Listing Rules

If the laws, administrative regulations, rules of regulatory authorities, other normative rules and the securities regulatory authorities located at the places where the Company's shares are listed stipulate the period of closure of the register of shareholders prior to a shareholders' general meeting or the reference date set by the Company for the purpose of distribution of dividends, such provisions shall apply. Upon receipt of an application for inquiry of the

register of shareholders during the aforesaid period, the Company shall issue the certificate signed by the company secretary to the applicant to specify the approval authority and duration of the abovementioned period of closure.

Article 37 Each holder of ordinary shares in the Company has the following rights:

- (i) to receive dividends and other forms of distributions in accordance with the amount of his shareholding;
- (ii) to request, convene, chair, attend, or appoint a proxy to attend a shareholders' meeting, and to exercise his speaking and voting rights;
- (iii) to supervise the management of, and to make proposals or inquiries, relating to the business activities of the Company;
- (iv) to transfer, give or pledge the shares held in accordance with laws, administrative regulations and the Articles of Association;
- (v) to review and obtain relevant information according to the provisions of the Articles of Association, including:
  - (1) to obtain a copy of the Articles of Association after payment of a charge to cover cost;
  - (2) after paying a reasonable fee, to peruse and photocopy:
    - (aa) all parts of the shareholders' register;
    - (bb) the personal particulars of the Directors, Supervisors, President, and other senior officers, including:
      - 1. their present and former names and aliases;
      - 2. principal address (residence);
      - 3. nationality;
      - 4. full time and all other part time occupations and duties;
      - 5. their identification documents and numbers.
    - (cc) the status of the share capital of the Company;
    - (dd) a report on the aggregate par value, number, highest price and lowest price at which the Company repurchased each type of shares since the previous financial year and the amount of fees and expenses incurred by the Company for this purpose;
    - (ee) the minutes of shareholders' meetings and the resolutions of the meetings of the board of directors and the supervisory committee;

Article  
33 of the  
Guidelines  
Paragraph 14  
of Appendix  
A1 of the  
Listing Rules

Paragraph 20  
of Appendix  
A1 of the  
Listing Rules

- (ff) receipts of the debenture and financial reports of the Company.
  - (vi) where the Company is being wound-up or liquidated, to participate in the distribution of the remaining assets of the Company according to the amount of his shareholding;
  - (vii) to request the Company to purchase shares held by him if such shareholder vote against resolution of the shareholders' general meeting concerning the merger or division of the Company;
  - (viii) other rights conferred by the laws, administrative regulations, rules of regulatory authorities and these Articles of Association.
- Article 38 If a shareholder proposes to inspect such relevant information and request such materials as described in the preceding Article, he or she shall provide the Company with written documents certifying the class and number of the Shares held and the Company shall provide the relevant information and materials upon the request of the shareholder after verifying his or her identity. Article 34 of the Guidelines
- Article 39 In the event that any resolution of the shareholders' general meeting or the board of directors violates any laws and administrative regulations, the shareholders shall have the right to request the court to invalidate the resolution. Article 35 of the Guidelines
- In the event that convening procedures or voting methods of the shareholders' general meeting or the board of directors' meeting violate any laws, administrative regulations or these Articles of Association, or if the resolution violates these Articles of Association, the shareholders may request the court to revoke the resolution within 60 days from the date on which the resolution is passed.
- Article 40 In the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or these Articles of Association by the directors or senior management when performing their duties, shareholders who holds more than 1% of the Shares, individually or jointly, for more than 180 consecutive days shall have the right to request the supervisory committee in writing to initiate litigation before the court; in the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or these Articles of Association by the supervisory committee when performing its duties, the shareholders may request the board of directors in writing to initiate litigation before the court. Article 36 of the Guidelines
- In the event that the supervisory committee or the board of directors refuses to initiate litigation after receiving a written request of the shareholders as specified in the preceding paragraph, or fails to institute litigation within 30 days upon the receipt of the request, or if failure to institute litigation immediately may cause irreparable damage to the interest of the Company under urgent circumstances, the shareholders as mentioned in the preceding paragraph shall have the right to directly initiate litigation before the court in his name for the interest of the Company.
- In the event that some other persons infringe the legitimate rights and interests of the Company, thus causing losses to the Company, the shareholders prescribed in the first paragraph of this Article may bring legal action before a court in accordance with the provisions of the preceding two paragraphs.
- Article 41 In the event that directors or senior management violate laws, administrative regulations or these Articles of Association to the detriment of the interests of the shareholders, the shareholders may initiate litigation before the court pursuant to Article 37 of the Guidelines

these Articles of Association.

Article 42 Holders of ordinary shares of the Company shall have the following obligations:

Article  
38 of the  
Guidelines

- (i) to comply with laws, administrative regulations and these Articles of Association;
- (ii) to pay subscription monies according to the amount of shares subscribed by them and the method of subscription;
- (iii) not to demand the return of capital unless under situations otherwise specified under laws and regulations;
- (iv) to refrain from causing damages to the interest of the Company or other shareholders by abusing the rights of shareholders and causing damages to the interest of the creditors of the Company by abusing its legal person status and the limited liability of the shareholders;
- (v) to undertake other obligations imposed by laws, administrative regulations and the Articles of Association.

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

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

Article 43 Where any shareholder holding more than 5% of the shares with voting rights pledge his shares, he shall immediately inform the Company in writing on the date of such pledge of shares.

Article  
39 of the  
Guidelines

Article 44 The controlling shareholders and de facto controllers of the Company shall not prejudice the Company's interests by taking advantage of their connections. They shall be liable for compensation for losses caused to the Company as a result of their violation.

Article  
40 of the  
Guidelines

The controlling shareholders and de facto controllers of the Company shall have an obligation of good faith towards the Company and public shareholders and shall respect the independence of the Company. The controlling shareholders shall exercise the rights of an investor in strict compliance with the law. They may not prejudice the legitimate rights and interests of the Company and public shareholders by means of the distribution of profits, restructuring of assets, foreign investment, appropriation of funds, offering security for loans and other means, and they may not prejudice the interests of the Company and public shareholders by taking advantage of their controlling position.

The controlling shareholders, de facto controllers and their related parties shall not interfere with normal decision-making procedure of the Company in contravention of laws, administrative regulations, departmental rules, normative rules and Articles of Association. Any controlling shareholders intending to nominate candidates to be directors and supervisors shall in strict compliance with conditions and procedures as required by laws, regulations and Articles of Association. Any candidates for the directors and supervisors nominated by the controlling shareholders shall be equipped with the relevant professional knowledge and decision-making and supervision capacity.

If there are any changes in control over the Company, all parties concerned shall take effective actions to maintain stable operation of the Company during the transition period. If any material issues arise, the Company shall report to CSRC and its representative office and the stock exchange.

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

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

## **Chapter 6**

### **Shareholders' General Meetings**

Article 45 The shareholders' general meetings shall be the Company's organ of authority and may lawfully exercise the following duties and powers:

Article  
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Guidelines

- (i) to decide on the business policies and investment plans of the Company;
- (ii) to elect and replace Directors who are not staff representatives and to decide on matters relating to the remuneration of the Directors;
- (iii) to elect and replace Supervisors who are not staff representatives and to decide on matters relating to the remuneration of Supervisors;
- (iv) to consider and approve the report of the Board;
- (v) to consider and approve the report of the supervisory committee;
- (vi) to consider and approve the Company's annual financial budget and final accounts;
- (vii) to consider and approve the Company's profit distribution proposals and proposals for making up losses;
- (viii) to resolve on an increase or reduction of the registered capital of the Company;
- (ix) to resolve on matters such as the merger, division, dissolution, liquidation

or form change of the Company;

- (x) to resolve on the issuance of debentures of the Company;
- (xi) to resolve on the appointment, termination or non-renewal of the appointment of auditors of the Company;
- (xii) to amend the Articles of Association;
- (xiii) to consider proposals from shareholders who individually or collectively hold 3% or more of the Company's shares with voting rights;
- (xiv) to consider and approve matters relating to guarantee as provided in Article 46;
- (xv) to consider the purchase or sale of material assets within one year which exceeds 30% of the audited total assets of the period most recently audited;
- (xvi) to consider and approve the change of use of proceeds;
- (xvii) to consider the share option scheme and employee stock ownership plan;
- (xviii) other matters which are to be decided by the shareholders' general meetings according to the laws, administrative regulations, rules of regulatory authorities, the Articles of Association and the listing rules of the place where the Company is listed.

The abovementioned powers of the shareholders' general meeting may not be exercised by the board of directors or other bodies and individuals on its behalf by delegation.

Article 46

The following external guarantees of the Company must be considered and approved by the shareholders' general meeting:

Article  
42 of the  
Guidelines

- (i) any guarantee given by the Company and its controlling subsidiaries, the total amount of which exceeds 50% of its latest audited net assets;
- (ii) any guarantee given by the Company, the total amount of which exceeds 30% of its latest audited total assets;
- (iii) any guarantee given by the Company, the amount of which within one year exceeds 30% of its latest audited total assets;
- (iv) guarantees provided to any guaranteed party whose gearing ratio exceeds 70%;
- (v) guarantees of which a single guarantee amount exceeds 10% of its latest audited net assets;
- (vi) guarantees provided to the shareholders, actual controlling person and their related parties;
- (vii) other guarantees that shall be considered at a shareholders' general meeting as required by the regulators or the stock exchange of the place of listing of the Company's shares.

Article 47	The Company shall not, without the prior approval of shareholders in general meeting, enter into any contract with any person other than a Director, Supervisor, president or other senior officers whereby the management of the whole or any substantial part of the business of the Company is to be handed over to such person.	Article 81 of the Guidelines
Article 48	<p>Shareholders' general meetings are divided into annual general meetings (i.e. annual general meeting, similarly hereinafter) and extraordinary general meetings. Shareholders' general meetings shall be convened by the Board. Shareholders' general meetings are required to be held once every year within six months after the end of the previous accounting year.</p> <p>In any of the following circumstances, the Board shall convene an extraordinary general meeting within two months from the date thereof:</p> <ul style="list-style-type: none"> <li>(i) when the number of Directors is less than the number of directors required by the Company Law or two-thirds of the number of directors specified in the Articles of Association;</li> <li>(ii) when the unrecovered losses of the Company amount to one third of the total amount of its share capital;</li> <li>(iii) the shareholders individually or jointly holding more than ten percent (inclusive) of total voting shares issued of the Company make a written request of convening an extraordinary general meeting in writing;</li> <li>(iv) when deemed necessary by the Board or as requested by the supervisory committee;</li> <li>(v) more than half of the independent directors, which shall not be less than two, propose the convening of such meeting.</li> <li>(vi) other cases as required by laws, administrative regulations, rules of regulatory authorities, listing rules where the Company is listed or these Articles of Association.</li> </ul>	<p>Articles 43 and 44 of the Guidelines</p> <p>Paragraph 14 of Appendix A1 of the Listing Rules</p> <p>Article 6 of Opinions</p>
Article 49	A shareholders' general meeting of the Company shall be convened at the domicile of the Company or other specific locations notified by the convener of the shareholders' general meeting. A venue shall be available for a shareholders' general meeting which shall be held as an on-site meeting. The Company shall also provide a network or otherwise to facilitate the attendance of shareholders at the shareholders' general meeting. Shareholders attending a shareholders' general meeting in the above methods shall be deemed to have been present that meeting.	Article 45 of the Guidelines
Article 50	<p>When the Company holds a shareholders' general meeting, a lawyer shall be engaged to present a legal opinion on the following matters and make an announcement:</p> <ul style="list-style-type: none"> <li>(i) whether or not the procedures for convening and holding the meeting are in compliance with laws, administrative regulations and these Articles of Association;</li> <li>(ii) whether or not the qualifications of the attendees present at the meeting, and of the convener are lawful and valid;</li> <li>(iii) whether or not the voting procedures at the meeting and the voting results are lawful and valid;</li> </ul>	Article 46 of the Guidelines



- (iv) other legal opinions to be presented on other relevant matters at the request of the Company.

Article 51 Independent directors shall have the right to propose to the Board of Directors the convening of an extraordinary general meeting. With respect to this proposal, the Board of Directors shall, in accordance with laws, administrative regulations and these Articles of Association, bring forward a feedback opinion in writing, within ten days of receiving the proposal, on agreeing or disagreeing with convening the extraordinary general meeting. Article 47 of the Guidelines

In the event that the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of convening a shareholders' general meeting within five days of making a resolution. In the event that the Board of Directors does not agree to convene the extraordinary general meeting, it shall explain the reasons and make an announcement.

Article 52 The Supervisory Committee shall have the right to propose to the Board of Directors the convening of an extraordinary general meeting and shall do so in writing. The Board of Directors shall, in accordance with laws, administrative regulations and these Articles of Association, bring forward a feedback opinion in writing, within ten days of receiving the proposal, on agreeing or disagreeing with convening the extraordinary general meeting. Article 48 of the Guidelines

In the event that the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of convening a shareholders' general meeting within five days of making a resolution. Any changes in the original proposal in the notice shall be approved by the Supervisory Committee.

In the event that the Board of Directors does not agree to convene the extraordinary general meeting or does not make any feedback within ten days of receiving the proposal, the Board of Directors shall be deemed as being unable to or as being not to perform the duty of convening the shareholders' general meeting. The Supervisory Committee may convene and preside over a meeting on their own.

Article 53 Shareholders individually or jointly holding more than ten percent of voting shares of the Company shall have the right to request the Board of Director for convening an extraordinary general meeting, and shall do so in writing. The Board of Directors shall, in accordance with laws, administrative regulations and these Articles of Association, bring forward a feedback opinion in writing, within ten days of receiving the request, on agreeing or disagreeing with convening the extraordinary general meeting. Article 49 of the Guidelines

In the event that the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of convening a shareholders' general meeting within five days of making a resolution. Any changes in the original request in the notice shall be approved by the relevant shareholders.

In the event that the Board of Directors does not agree to convene the extraordinary general meeting or does not make any feedback within ten days of receiving the request, shareholders individually or jointly holding more than ten percent of voting shares of the Company shall have the right to propose to the Supervisory Committee the convening of an extraordinary general meeting, and shall do so in writing.

In the event that the Supervisory Committee agrees to convene the extraordinary general meeting, it shall issue a notice of convening a shareholders' general meeting within five days of receiving the request. Any changes in the original

proposal in the notice shall be approved by the relevant shareholders.

In the event that the Supervisory Committee does not issue a notice of extraordinary general meeting within the prescribed time limit, it shall be deemed as being not to convene and preside over the meeting. Shareholders who individually or jointly have been holding more than ten percent of voting shares of the Company for consecutive ninety days may convene and preside over a meeting on their own.

Article 54 In the event that the Supervisory Committee or shareholders decide(s) to convene a shareholders' general meeting on its/their own, it or they shall notify the Board of Directors in writing and report the same to the stock exchange for record. Article 50 of the Guidelines

Before making an announcement on a resolution made at the shareholders' general meeting, the percentage of voting shares held by the convening shareholders may not be less than ten percent.

The Supervisory Committee or the convening shareholders shall submit relevant evidence to the stock exchange when giving a notice of shareholders' general meeting and making an announcement on the resolutions made at such meeting.

Article 55 For a shareholders' general meeting convened by the Supervisory Committee or shareholders at its or their own discretion, the Board of Directors and the secretary of the Board of Directors shall cooperate accordingly. The Board of Directors shall provide the register of shareholders as at the record date, failing which the convenor may, with the relevant notice or announcement on convening such shareholders' general meeting. The register obtained by the convenor may not be used for purposes other than convening the shareholders' general meeting, apply to the securities registration and clearing institution or agency for obtaining the register. Article 51 of the Guidelines

Article 56 The Company shall bear the expenses necessary for a shareholders' general meeting convened by the Supervisory Committee or the shareholders on its or their own. Article 52 of the Guidelines

Article 57 The proposals for general meeting shall be subject to the functions and power of the general meeting. They shall contain specific issues and matters for resolution, and comply with the applicable laws, administrative regulations and the Articles of Association. Article 53 of the Guidelines

The proposals for general meeting shall be in written form.

Article 58 When the Company holds the general meeting, the Board of Directors, the Supervisory Committee and shareholders who individually or jointly hold more than 3% of the voting shares of the Company are qualified to make proposals to the Company. Article 54 of the Guidelines

Shareholders individually or jointly holding more than three percent of voting shares of the Company may bring forward provisional proposals and submit the same in writing to the convenor ten days prior to the shareholders' general meeting. The convenor shall issue a supplementary notice of shareholders' general meeting within two days of receiving the proposals to publish particulars of the provisional proposals.

Unless otherwise provided in the preceding paragraph, the convenor may not amend the proposals set out in the notice of shareholders' general meeting, or add new proposals after issuing an announcement on the notice of shareholders' general meeting.

No voting may take place and no resolutions may be made at the shareholders' general meeting on proposals which are not set out in the notice of shareholders' general meeting or do not meet the requirements of Article 57 hereof.

Article 59

When the Company convenes a shareholders' annual general meeting, written notice of the meeting shall be given 20 days before the date of the meeting; when the Company convenes an extraordinary general meeting, written notice of the meeting shall be given 15 days before the date of the meeting. Such notice shall notify all of the shareholders in the shareholders' register of the matters to be considered at the meeting and the date and the place of the meeting. A shareholder who intends to attend the meeting shall deliver his written reply concerning the attendance of the meeting to the Company within the time limits specified in the notice.

Article 55 of the Guidelines Adjusted Reply Paragraph 14 of Appendix A1 of the Listing Rules

In calculating the notice period, the date of issue of notice and date of meeting shall be excluded.

Article 60

A notice for a shareholders' meeting shall comply with the following requirements:

Article 56 of the Guidelines

- (i) be in writing;
- (ii) specifying the place, the time and the duration of the meeting;
- (iii) stating the matters and proposals to be discussed at the meeting;
- (iv) containing conspicuously a statement that all shareholders are entitled to attend the general meeting. The shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on behalf of him and that a proxy need not be a shareholder; and
- (v) specifying the time and place for lodging proxy forms for the relevant meeting.
- (vi) containing the record date on which shareholders have the right to attend the shareholders' general meeting;
- (vii) containing the names and telephone numbers of permanent contact persons for the affairs of the meeting;
- (viii) the voting time and voting procedures through the network or by other means.

The notice and supplementary notice of the general meeting shall fully and completely cover all the details of the proposals to be disclosed at the meeting.

In the event that independent directors are required to express their opinions on the matters to be discussed, a notice of shareholders' general meeting or a supplementary notice shall, when given, also disclose the opinions and reasons of the independent directors.

Voting at the shareholders' general meeting on the network or otherwise shall commence not earlier than 3:00 pm on the day prior to an on-site shareholders' general meeting, and not later than 9:30 am on the day of the on-site shareholders' general meeting, and shall finish not earlier than 3:00 pm on the day of closing the on-site shareholders' general meeting.

- Article 61 Notices of shareholders' general meeting shall be sent to the shareholders (whether or not entitled to vote at the meeting) by the means of notice as provided in the Articles of Association or other means as permitted by the stock exchange(s) where the shares of the Company are listed.
- Article 62 In the event that the election of directors and supervisors is to be discussed at a shareholders' general meetings, the notice of shareholders' general meetings shall fully disclose details of candidates for the directors and supervisors, and shall at least include the following particulars: Article 57 of the Guidelines
- (i) their educational background, work experience, part-time jobs and other personal details;
  - (ii) whether or not they have any connections with the Company or the Company's controlling shareholders and de facto controllers;
  - (iii) the disclosed number of shares of the Company they hold;
  - (iv) whether or not they have penalized by the CSRC and other relevant departments, and disciplined by the stock exchange.
- In addition to adopting the cumulative voting system to elect directors and supervisors, a single proposal on each of the candidates for directors and supervisors shall be submitted.
- Article 63 After a notice of shareholders' general meeting is given, the shareholders' general meeting shall not be postponed or cancelled, and the proposals set out in the notice of shareholders' general meeting shall not be cancelled, without due reason. Once the meeting is postponed or cancelled, the convenor shall make an announcement and explain the reasons at least two working days prior to the scheduled meeting date. In the event that the listing rules in the place of listing of the Company's shares provide for the above matter otherwise, such provisions shall be followed. Article 58 of the Guidelines
- Article 64 The Board of Directors of the Company and other convenors shall take necessary measures to ensure the normal order of a shareholders' general meeting. They shall take measures to prevent and promptly report to the relevant departments for investigating any interference with the shareholders' general meeting, disturbance and violation of the legitimate rights and interests of shareholders. Article 59 of the Guidelines
- Article 65 Shareholders who hold the voting shares and recorded in the register on the record date or their proxies shall have the right to attend shareholders' general meetings and exercise the rights to vote in accordance with relevant laws, regulations and these Articles of Association. Shareholders may attend a shareholders' general meeting in person, and also may appoint a proxy to attend and vote on their behalf. Article 60 of the Guidelines

Article 66 In the event that an individual shareholder attends a shareholders' general meeting, he shall produce his own identity card or other valid documents or proof capable of identifying himself, and the stock account card; in the event that a proxy is appointed to attend the meeting for someone else, he shall produce his own valid identity documents and the power of attorney from the shareholder.

Article  
61 of the  
Guidelines

For a corporate shareholder, his legal representative or the proxy appointed by such legal representative shall attend the meeting. In the event that the legal representative attends the meeting, he shall produce his own identity card or valid proof capable of proving that he has the status of a legal representative; in the event that the appointed proxy attends the meeting, he shall produce his own identity card and the written power of attorney issued by the legal representative of the corporate shareholder according to law.

Article 67 Any shareholder entitled to attend and vote at a shareholders' general meeting of the Company shall be entitled to appoint one or more other persons (whether a shareholder or not) as his or her proxies to attend and vote on behalf of him or her.

If the shareholder is the recognized clearing house as defined by the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (or its nominees), he may authorize corporate representatives or one or more than one representative as he may deem fit to attend any shareholders' general meeting or any meeting of the shareholders of any class or creditors' meetings on his behalf and those proxies or corporate representatives shall enjoy rights equivalent to the rights of other shareholders, including the right to speak and vote. However, if more than one representative is appointed, the power of attorney shall specify the number and the type of the shares in respect of which each representative is authorized. An authorized representative may act on behalf of the recognized clearing house (or any of its nominees) as if he were an individual shareholder of the Company.

Paragraphs 18,  
19 of  
Appendix  
A1 of  
the  
Listing  
Rules

Article 68 A shareholder should appoint a proxy in writing under the hand of the appointer or his attorney duly authorize in writing, the appointer is a legal person, either under seal of the legal person or under the hand of a director or a senior officer or a duly authorized attorney. The power of attorney issued by a shareholder to appoint another party to attend a shareholders' general meeting shall contain the following particular:

Article  
62 of the  
Guidelines

- (i) the name of the principal and the name of his proxy;
- (ii) whether the proxy has the right to vote;
- (iii) the instructions to vote in favour of or against, or to abstain from voting on, each matter set out on the agenda of the shareholders' general meeting;
- (iv) the date and validity of the power of attorney;
- (v) the signature (or seal) of the principal. In case the principal is a corporate shareholder, it shall be affixed with the seal of the legal entity.

Article 69	<p>If the instrument appointing a proxy is signed by a person authorized by the appointer, the power of attorney and other authorizing documents shall be notarized. Both the notarized letter of the power of attorney and other authorizing documents and the instrument appointing a proxy shall be kept at the address of the Company or at such other place as is specified in the notice convening the meeting.</p>	Article 64 of the Guidelines
<p>Where the appointer is a legal person, its legal representative or Board or other person authorized by a decision-making body shall be entitled as a representative to attend the shareholders' meeting of the Company.</p>		
Article 70	<p>A form for appointing a proxy shall contain a statement that in default of instructions, whether the proxy may vote as he thinks fit.</p>	Article 63 of the Guidelines
Article 71	<p>A meeting attendance register of attendants at a meeting shall be compiled by the Company. The meeting attendance register shall state the names (or names of work units), identity card numbers and home addresses of attendants, number of shares held or representing voting shares, the names of principals (or names of work units) and so on.</p>	Article 65 of the Guidelines
Article 72	<p>The convenor and the lawyers engaged by the Company shall jointly verify the legitimacy of the qualifications of shareholders based on the register of shareholders provided by a securities registration and clearing institution, and record the names of shareholders and the type and number of voting shares held by them. Meeting registration shall be terminated before the chairman of the meeting announces the number of shareholders and proxies physically present at the meeting as well as the type and total number of voting shares held.</p>	Article 66 of the Guidelines
Article 73	<p>During a shareholders' general meeting, all the directors and supervisors of the Company and secretary of the Board of Directors shall attend the meeting. The president and other senior officers shall sit in on the meeting.</p>	Article 67 of the Guidelines
Article 74	<p>A shareholders' general meeting shall be convened and chaired by the chairman of the Board of Directors, in the event that the general meeting is convened by the Board of Directors. In case that the chairman is unable to or fails to perform his duties, the vice-chairman shall convene and chair the meeting. In the event that both of the chairman and the vice-chairman are unable to or fail to perform their duties, a director of the Company jointly elected by more than half of the Directors shall convene and chair the meeting on his behalf.</p> <p>A shareholders' general meeting convened by the Supervisory Committee on its own shall be chaired by the chairman of the Supervisory Committee. In the event that the chairman is unable to or fails to perform his duties, a supervisor jointly elected by more than half of the supervisors shall chair the meeting.</p> <p>A shareholders' general meeting convened by shareholders on their own shall be chaired by a representative elected by the convenor.</p>	Article 68 of the Guidelines

During a shareholders' general meeting, in the event that the chairman of the meeting violates the rules of procedure so that the shareholders' general meeting cannot proceed, a person may be elected as the chairman of the meeting thereat to proceed with the meeting with the consent of the shareholders with a majority of the voting rights present at the meeting. If for any reason the shareholders cannot elect a chairman of the meeting, the shareholder (including proxy) with the largest number of the voting shares present at the meeting shall chair the meeting.

Article 75	The Company shall establish rules of procedure for general meeting to govern in detail various particulars of the procedures for convening a shareholders' general meeting and voting thereat, such as notice, registration, review of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, meeting minutes and the signing thereof and the announcement thereon, as well as the principles of authorizing the Board of Directors by a shareholders' general meeting. The rules of procedure for general meeting shall form an annex hereto and be prepared by the Board of Directors and approved at a shareholders' general meeting.	Article 69 of the Guidelines
Article 76	In an annual general meeting, the Board of Directors and the Supervisory Committee shall report to the meeting on their work over the past one year. Each of the independent directors shall also make their personal work reports.	Article 70 of the Guidelines
Article 77	Directors, supervisors and senior officers shall explain and illustrate the questions and suggestions made by shareholders at a shareholders' general meeting, except for national secrets or trade secrets of the Company that cannot be disclosed at a shareholders' general meeting.	Article 71 of the Guidelines
Article 78	The chairman of a meeting shall announce, before voting takes place, the number of shareholders and proxies physically present at the meeting as well as the total number of all kinds of voting shares held. The total number of voting shares held by shareholders and proxies physically present at the meeting shall be based on the registration at the meeting.	Article 72 of the Guidelines
Article 79	Minutes shall be prepared for a shareholders' general meeting by the Secretary of the Board of Directors. The minutes of a meeting shall record the following particulars:  (i) the time, place, agenda and name of the convenor of the meeting;  (ii) the names of the chairman of the meeting and the directors, supervisors, president and other senior officers attending or sitting in on the meeting;  (iii) the number of domestic shareholders (including proxies) and shareholders of overseas-listed foreign shares (including proxies) attending the shareholders' general meetings, the total number of voting shares held by them and their respective percentages of total number of shares of the Company;  (iv) the process of considering each proposal, main points of remarks and voting results of each resolution by the holders of domestic listed shares and holders of overseas-listed foreign shares;	Article 73 of the Guidelines

- (v) questions, comments or suggestions by shareholders, and the replies thereto or explanations thereof;
- (vi) the names of lawyers, counters and scrutineers of votes;
- (vii) other particulars that shall be recorded into the meeting minutes as prescribed hereunder.

Article 80 A convenor shall ensure that the particulars of meeting minutes are true, accurate and complete. Directors, supervisors, secretary of the Board of Directors, convenor or his representative and the chairman of the meeting who attended the meeting shall sign the minutes of the meeting. The minutes of the meeting shall be kept together with the valid data on the signature book of shareholders physically present at the meeting, powers of attorney of proxies present, details of voting on the network and other voting methods shall be kept permanently. Article 74 of the Guidelines

Article 81 A convenor shall ensure that a shareholders' general meeting shall be held consecutively until a final resolution is formed. In the event that a shareholders' general meeting is suspended or no resolutions can be made thereat due to special reasons such as force majeure, the convenor shall take necessary measures to restore the meeting as soon as possible or directly terminate the meeting, and make an announcement promptly. Meanwhile, the convenor shall report to the local representative office of CSRC and the stock exchange of the place where the Company is located. Article 75 of the Guidelines

Article 82 Resolutions of shareholders' general meetings shall be divided into ordinary resolutions and special resolutions.

To adopt an ordinary resolution, votes representing a majority of the voting rights represented by the shareholders (including proxies) present at the meeting in favour of the resolution are required. Article 76 of the Guidelines

To adopt a special resolution, votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting in favour of the resolution are required.

Article 83 A shareholder (including proxy) when voting at a shareholders' general meeting may exercise his voting rights in accordance with the number of voting shares and each share shall have one vote. Article 79 of the Guidelines

Where material issues affecting the interests of small and medium investors are being considered in the shareholders' general meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be publicly disclosed.

The shares of the Company held by the Company shall not have voting rights, and these shares shall not be included in the total number of voting shares at a shareholders' general meeting. Shareholders who purchase the voting shares of the Company in violation of Clause 1 and Clause 2 of Article 63 of the Securities Law shall not exercise the voting right of the shares that exceed the prescribed ratio within 36 months after purchasing them, and such number shall not be counted in the total number of voting shares represented by shareholders attending a general meeting.



The Board of Directors, independent directors and shareholders holding more than one percent of voting shares, or investor protection institutions established according to laws, administrative regulations or rules of the CSRC may publicly collect the voting rights from shareholders. Information including the specific voting preference shall be fully disclosed to the shareholders for whom voting rights are being collected. Consideration or de facto consideration for collecting shareholders' voting rights is prohibited. Except for statutory conditions, the Company shall not impose any minimum shareholding limitation for collecting voting rights.

In accordance with related regulations of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, in the event that any shareholder (including proxies) is required to abstain from voting on or may only vote for or against any resolution, such voting made in violation of relevant requirements or by imposition of restrictions on shareholders (or their proxies) shall not be included into the total number of valid votes.

Paragraph 14  
of Appendix  
A1 of the  
Listing Rules

Article 84 Voting at a shareholders' general meeting shall take place by open ballot or other methods required under the listing rules of the place of listing. Article 86 of the Guidelines

Article 85 The following matters shall be resolved by an ordinary resolution at a shareholders' general meeting:

- (i) work reports of the Board and the supervisory committee; Article 77 of the Guidelines
- (ii) plans formulated by the Board for the distribution of profits and for making up losses; Paragraph 17 of Appendix A1 of the Listing Rules
- (iii) appointment and removal of the members of the Board and members of the supervisory committee, their remuneration and method of payment of their remuneration; Listing Rules
- (iv) annual budget and final accounts reports, balance sheets and profit and loss accounts and other financial statements of the Company; annual report of the Company;
- (v) the appointment, removal and remuneration of accounting firm;
- (vi) matters other than those required by the laws, administrative regulations, the listing rules where the Company is listed or by the Articles of Association to be adopted by special resolutions.

Article 86 The following matters shall be resolved by a special resolution at a shareholders' general meeting: Article 78 of the Guidelines

- (i) the increase or decrease of share capital/registered capital and the issue of shares of any class, warrants and other similar securities;
- (ii) the issuance of debentures of the Company;

- (iii) the division, split, merger, dissolution and liquidation; Paragraph 21 of Appendix A1 of the Listing Rules
- (iv) amendments to the Articles of Association; Paragraph 16 of Appendix A1 of the Listing Rules
- (v) Company's purchase or sale of major assets or guaranteed amounts within one year in excess of thirty percent of the latest audited total assets of the Company;
- (vi) equity incentive plans;
- (vii) other matters which are required to be passed by special resolution under laws, administrative regulations, the listing rules where the Company is listed or these Articles of Association, which are supposed to have a significant impact on the Company if they are passed by ordinary resolution at a shareholders' general meeting, and which are required to be passed by special resolution.

Article 87 Interested shareholders shall not take part in voting when related party transactions are being considered at a shareholders' general meeting. The number of shares with voting rights represented by them shall not be included in the total number of valid votes; the announcement on the resolutions made at a shareholders' general meeting shall fully disclose details of voting by non-interested shareholders. Article 80 of the Guidelines

Article 88 A list of candidates for directors and supervisors shall be submitted as a proposal to a shareholders' general meeting for voting. The election of directors and supervisors shall fully reflect opinions of minority shareholders. Article 82 of the Guidelines

If the number of shares of the Company which the sole shareholder and its concerted parties are interested in accounts for 30% or more, the cumulative voting system shall be implemented for voting on the election of directors and supervisors at a shareholders' general meeting. The Board of directors shall announce to shareholders the biographical details and general information on the candidates for directors and supervisors. Article 17 of Code of Corporate Governance for Listed Companies

For the purpose of the preceding paragraph, the term "cumulative voting system" shall mean that when two or more directors or supervisors are elected at a shareholders' general meeting, each of the voting rights equivalent to the number of directors or supervisors to be elected may be used in a pool.

The implementation details of the cumulative voting system are as follows:

Prior to voting with respect to the election for director or supervisor at the shareholders' general meeting, the chairperson of the meeting shall inform the attending shareholders expressly that the cumulative voting is applied for the candidates for director or supervisor and the Boards of directors must prepare votes suitable for applying the cumulative voting. The secretary of the Board of directors shall describe and explain the cumulative voting method and vote filling method to ensure that the shareholders correctly exercise their rights to cast votes.

At the time of the application of cumulative voting to the election of directors, independent directors and other directors shall be elected separately, so as to ensure the proportion of independent directors in the Board of directors of the Company.

Shareholders may freely allot their voting rights among the candidates for directors and supervisors and may vote for several candidates separately or only one candidate. Where a shareholder exercises more voting rights than all the voting rights he holds, such voting shall be invalid; if a shareholder exercises less voting rights than all the voting rights he holds, such voting shall be valid and the difference shall be regard as abstention. Where the last two or more candidates have the same number of votes and all of them being elected would result in the number of directors or supervisors elected exceeding the number of candidates that should be elected, such candidates shall be re-elected in accordance with the prescribed procedures in the Articles of Association. If the number of directors or supervisors elected is less than the number specified in the Articles of Association, the Company shall restart the cumulative voting procedure for the vacancy.

Article 89 The methods and procedures for nominating a director and a supervisor shall be:

- (i) shareholders who hold or jointly hold more than three percent of the Company's total outstanding voting shares may, by written proposals, propose to a shareholders' general meeting non-employees' representatives as candidates for directors and supervisors, but the number of nominations shall be in compliance with the Articles of Association, and shall not be more than the number of persons to be elected. The proposal shall be served to the Company fourteen days prior to the shareholders' general meeting.
- (ii) the Board of Directors and the Supervisory Committee may submit a proposed list of candidates for directors and supervisors within the number of persons prescribed hereunder according to the number of persons to be elected, and submit the list to the Board of Directors and the Supervisory Committee for review. The Board of Directors and the Supervisory Committee shall conduct a review and pass a resolution to determine the candidates for directors and supervisors, and shall submit a written proposal to the shareholders' general meeting.
- (iii) nomination of independent directors shall be in compliance with a separate special policy established by the Company for independent directors.
- (iv) the intention to nominate candidates for directors and supervisors, the written notice indicating the nominees' willingness to accept the nominations, and the relevant written materials about details of the nominees shall be sent to the Company not less than seven days prior to the date of a shareholders' general meeting. The Board of Directors and the Supervisory Committee shall provide shareholders with the biographical notes and general information on the candidates for directors and supervisors.
- (v) the period given by the Company to nominators and for nominees to submit the aforesaid notice and documents (such period shall commence from the date after the date of giving the notice of shareholders' general meeting) shall not be less than seven days.

Article  
82 of the  
Guidelines

	(vi) each of the candidates for directors and supervisors shall be voted one by one at the shareholder's general meeting, except for cases where the cumulative voting system applies.	
	(vii) any provisional additional election of directors and supervisors shall be proposed by the Board of Directors and the Supervisory Committee and recommended to the shareholders' general meeting for election or replacement.	
Article 90	Except the cumulative voting system, all proposals shall be voted one by one at a shareholders' general meeting. In the event that there are different proposals on the same matter, they shall be voted in the chronological order of proposing such proposals. Except for special reasons such as force majeure that result in suspending a shareholders' general meeting or failing to make any resolution, no proposals may be shelved or may not be voted at a shareholders' general meeting.	Article 83 of the Guidelines
Article 91	When a proposal is being considered at a shareholders' general meeting, no modifications may be made to the proposal, otherwise the modifications shall be deemed as a new proposal and shall not be voted at the shareholders' general meeting.	Article 84 of the Guidelines
Article 92	The same voting right may only be exercised at either an on-site meeting, on the network or in another voting method. In the event that the same voting right is repeated, the result of the first vote shall prevail.	Article 85 of the Guidelines
Article 93	Before voting takes place on a proposal at a shareholders' general meeting, two shareholders' representatives shall be elected to participate in vote counting and scrutinizing. In the event that a shareholder has a relationship with a matter to be considered, the relevant shareholder and his proxy shall not participate in the vote counting and scrutinizing.	Article 87 of the Guidelines
	When voting takes place on a proposal at a shareholders' general meeting, lawyers and representatives of shareholders and supervisors shall be jointly responsible for vote counting and scrutinizing, and shall announce the voting results on the spot. The voting results of resolutions shall be recorded in the minutes.	
	Shareholders of the Company or their proxies who cast their votes through the network or by another method shall have the right to inspect their own voting results through an appropriate voting system.	
Article 94	An on-site shareholders' general meeting shall not end earlier than the one held on the network or in another method. The chairman of the meeting shall announce details and results of the voting on each proposal, and announce whether a proposal is passed according to the voting results.	Article 88 of the Guidelines
	Before the formal announcement of voting results, the listed company, vote counters, vote scrutineers, substantial shareholders, network services providers and other related parties involved at the on-site shareholders' general meeting, on the network and in another voting method shall be under a confidentiality obligation for the details of the voting.	
Article 95	Shareholders present at a shareholders' general meeting shall express one of the following opinions on a proposal submitted for voting: being in favour of, being against or abstaining from voting, unless securities registration and settlement institutions, as the nominal holders of shares that can be traded through Shanghai-Hongkong stock connect, declare to report according to the intentions of actual holders.	Article 89 of the Guidelines

Uncompleted paper ballots, wrongly completed paper ballots, paper ballots with illegible characters and uncast paper ballots shall be deemed as voters abstaining from their voting rights. The voting results of the shares they hold shall be counted as “abstained”.

Article 96 Resolutions made at a shareholders’ general meeting shall be announced promptly in accordance with the listing rules of the place of listing of the Company’s shares. The announcement shall set out details on the number of shareholders and proxies present at the meeting, the total number of voting shares held and the percentage of the total number of voting shares of the Company, voting method, voting results of each proposal and the details of the resolutions passed. The announcement shall contain respective statistical figures on the holders of domestic and foreign shares shareholders with voting rights present at the meeting as well as their voting, and an announcement thereon shall be made. Article 91 of the Guidelines

Article 97 In the event that a proposal is not passed, or a resolution passed at a previous shareholders’ general meeting is modified at this shareholders’ general meeting, a special note shall be made in the announcement on the resolutions made at the shareholders’ general meeting. Article 92 of the Guidelines

Article 98 In the event that a proposal on the election of directors and supervisors is passed at a shareholders’ general meeting, the new directors and supervisors shall assume office at the time of passing the relevant election proposal at the shareholders’ general meeting. Article 93 of the Guidelines

Article 99 In the event that a proposal on the distribution of cash dividends or bonus shares or on share capital increase with transfers from the capital reserves is passed at a shareholders’ general meeting, the Company shall implement a specific scheme thereon within two months after the end of the shareholders’ general meeting. Article 94 of the Guidelines

Article 100 Shareholders may request to convene a class meeting in accordance with the following procedures:

(i) Two or more shareholders holding in aggregate at 10 per cent(inclusive) or more of the shares with voting rights at a meeting may request the Board of Directors to convene a class meeting by signing and submitting to the Board of Directors one or more counterpart written request(s) to convene such a meeting. The written request must state the matters to be considered at that meeting. The Board of Directors shall convene the class meeting as soon as possible after receiving such written request(s). The shareholdings referred to above shall be calculated as at the date of delivery of the written request(s) submitted by the shareholders.

(ii) If the Board of Directors fails to issue a notice to convene a meeting within 30 days after receiving the written request from the shareholders, the shareholders requesting the meeting may convene the meeting themselves within 4 months from the date on which the Board of Directors received the written request. The procedure for convening such meeting shall, so far as is possible, be the same as the procedure of the Board of Directors to convene a general meeting.

The Company shall be responsible for the reasonable fees incurred by the shareholders in convening a meeting due to the failure of the Board of Directors to convene the meeting. The Company shall deduct such fees from the amount owed by the Company to the Directors who have neglected their duties.

Article 101 Votes casted on each matter proposed at the general meeting shall be counted on the spot and the voting result shall be announced on the spot as well.

Article 102 If the chairman of the meeting has any doubts about the result of a resolution put to the vote, a counting of votes may be conducted. If the chairman fails to conduct a counting of votes, shareholders present at the meeting or proxies of shareholders who do not agree with the voting result announced by the chairman may request a counting of votes immediately after the declaration of voting results, and the chairman of the meeting shall immediately count the votes.

Article  
90 of the  
Guidelines

**Chapter 7**  
**Special Procedures for Voting by Class Shareholders**

Article 103 Shareholders who hold different classes of shares are called class shareholders.  
  
Class shareholders shall enjoy rights and undertake obligations as stipulated under laws, administrative regulations and the Articles of Association of the Company.

Other than the shareholders of other classes of shares, holders of domestic shares and overseas listed foreign shares shall be deemed as shareholders of different classes.

Article 104 Any proposal by the Company to change or cancel the rights of class shareholders shall be approved by a special resolution at a general meeting of shareholders and by affected class shareholders at a meeting held in accordance with Articles 106 to 110.

Paragraph 15 of  
Appendix A1 of  
the Listing  
Rules

Article 105 The following circumstances shall be deemed to be a change or cancellation of the rights of a class shareholder:

- (i) the increase or decrease in the number of shares of a particular class, or the increase or decrease in the number of other class shares having the same or more voting rights, distribution rights, and other privileges;
- (ii) the conversion of all or part of one class of shares into another class of shares or the granting of the right to convert one class of shares into another;
- (iii) the cancellation or reduction in share profit or the rights to accrued or cumulative share profit attached to such class of shares;
- (iv) the reduction or cancellation of the priority in profit sharing of asset distribution upon liquidation attached to such class of shares;
- (v) the increase in or the cancellation or reduction of conversion privileges, options, voting rights, transfer or pre-emptive rights, or rights to acquire securities of the Company attached to such class of shares;
- (vi) the cancellation or reduction of rights to receive payment payable by the Company in particular currencies attached to such class of shares;
- (vii) the establishment of a new class of shares having the same or more voting

rights, distribution rights and other privileges as such class of shares;

(viii) the restriction or increase in the restriction on the transfer or ownership of such particular class of shares;

(ix) the issuance of options or conversion rights for that particular or another class of shares;

(x) the increase to the rights or privileges of another class of shares;

(xi) the disproportionate distribution of liabilities amongst the different classes of shareholders as a result of any reorganization plan of the Company; and

(xii) the modification or annulment of any provisions in this chapter.

Article 106 The affected class shareholders, whether or not otherwise having the right to vote at shareholders' general meetings, shall nevertheless have the right to vote at class meetings in respect of matter concerning Articles 105 (ii) to (viii), (xi) and (xii) above, but interested shareholder(s) shall not be entitled to vote at class meetings.

The aforesaid interested shareholders shall be defined as follows:

(i) Where there is a repurchase offer by the Company to its shareholders as a whole in the same proportion pursuant to Article 33 herein, or there is repurchase of its shares through public trading at the appropriate securities exchange, the "interested shareholders" shall mean the controlling shareholders as defined in Article 64 herein;

(ii) Where there is repurchase by the Company of its shares pursuant to an agreement outside the appropriate securities exchange as stipulated in Article 33 herein, the "interested shareholders" shall mean the shareholders related to that agreement;

(iii) In a reorganization plan of the Company, the "interested shareholders" shall mean the shareholders who undertake a lesser responsibility in proportion to that of other shareholders in the same class, or shareholders who have different interests from other shareholders in the same class.

Article 107 Resolutions of a class shareholders' meeting shall be adopted by shareholders with more than two-thirds of the voting rights of the shareholders attending such meeting pursuant to Article 106.

Article 108 A written notice of a class shareholders' meeting shall be sent out in accordance with the time limits for notice of an extraordinary general meeting as stipulated in Article 59 of the Articles of Association to notify all of the relevant class shareholders on the register of the matters to be considered, the date and the place of such meeting. A shareholder who intends to attend such meeting shall deliver his written reply concerning his attendance at such meeting to the Company within the time limits specified in the notice.

Article 109 Notice of class shareholders' meetings need only be served on shareholders entitled to vote thereat.

Class shareholders' meetings shall be conducted in a manner as similar as possible to that of shareholders' general meetings. The provisions of the Articles of Association relating to the procedures of shareholders' general meeting shall apply to class shareholders' meetings.

Article 110 Except shareholders of other classes, holders of domestic shares and overseas listed foreign shares are deemed to be shareholders of different classes.

Special voting procedure of class shareholders shall not apply in the following circumstances:

(i) where the Company issues domestic shares and overseas-listed foreign shares, upon the approval by a special resolution of its shareholders in a general meeting, either separately or concurrently once every twelve months, and the number of the domestic shares, overseas-listed foreign shares proposed to be issued does not exceed 20 per cent of the number of the outstanding shares of such class; or

(ii) where the Company’s plan to issue domestic shares and overseas-listed foreign Shares at the time of its establishment is completed within fifteen (15) months from the date of approval of the CSRC.

**Chapter 8  
Board of Directors**

Article 111 The directors shall be elected or replaced at a shareholders’ general meeting, and can be dismissed by the general meeting of shareholders before expiry of the current term of office. The directors serve a term of 3 years, and may serve consecutive terms if re-elected.

Article 96 of the Guidelines

The term of office of a Director commences on the date of assuming office and ends at the expiry of the current term of office of the Board of Directors. Where a director has not been timely re-elected at the expiry of the term of office or where a director has resigned during the term of office resulting that the number of the members in the board falls below the quorum, the original director shall perform his/her duties as a director, prior to the assumption by the re-elected director, in accordance with the laws, administrative regulations and rules of regulatory authorities as well as the provisions of these Articles of Association.

The general meeting may remove any director by an ordinary resolution (but without prejudice to any claim for damages that such director may have under any contract) before the end of his term of office subject to relevant laws and administrative regulations.

Paragraph 4(3) of Appendix A1 of the Listing Rules

The chairman and the vice chairman of the Board shall be elected or removed by a majority of the board directors. The chairman and the vice chairman shall serve a term of 3 years, and may serve consecutive terms if re-elected.

The external directors shall have sufficient time and the necessary knowledge and ability to perform their duties. When the external directors perform their duties, the Company must provide the necessary information. The independent directors may directly report any matter to the shareholders’ general meetings, the securities regulatory authority of the State Council and other relevant authorities.

Article 6 of the Opinions

The president and other senior officers may concurrently serve as directors provided that the total number of directors concurrently serving as president and other senior officers shall not exceed one-half of the total number of directors of the Company.

The executive directors shall handle such matters as entrusted by the Board.



Directors shall not necessarily hold any shares of the Company.

Article 112 A director who cannot attend the meetings of the Board in person twice consecutively nor appoint any other directors to attend on his behalf is deemed as failure in performing the duties, and shall be subject to replacement as recommended by the Board at the general meeting. Article 99 of the Guidelines

Article 113 Directors may request to resign before expiry of their terms of office. The directors to resign shall submit to the Board a written report in relation to their resignation. The Board shall disclose the relevant information within two (2) days. Article 100 of the Guidelines

In the event that the resignation of any director results in the number of members of the Board falling below the quorum, the existing director shall continue to perform his duties in accordance with the laws, administrative regulations, rules of regulatory authorities and the provisions of the Articles of Association until the re-elected director assumes office. His resignation report shall take into effect only upon the new director taking up the vacancy. Other than the circumstances referred to in the preceding paragraph, the resignation of a director shall become effective upon submission of his resignation report to the Board.

Upon a director's resignation becoming effective or at the expiry of his office, the director shall complete all handover procedures to the Board, and his fiduciary obligations to the Company and the shareholders shall not necessarily cease after the termination of tenure and shall remain effective within six (6) months after his departure from office. Article 101 of the Guidelines

The director's obligation to maintain the confidentiality of the Company's trade secrets shall survive the end of his or her term, until such secrets enter the public domain. The term of survival of his or her other obligations shall be decided upon according to the principle of fairness, the time elapsed between the director's departure from office and the occurrence of the event, and the circumstances and conditions of the termination of his or her relationship with the Company.

Article 114 No directors shall act, in their personal capacity, on behalf of the Company or the Board if not provided in the Articles of Association or appropriately authorised by the Board. A director shall, when acting in his personal capacity, state his standing and identity in advance whenever a third party may reasonably believe that the said director is acting on behalf of the Company or the Board. Article 102 of the Guidelines

Article 115 The Company shall enter into contracts with the directors to clarify the rights and obligations between the Company and the directors, the term of office of the directors, the liability of the directors for any breach of the laws and regulations and the Articles of Association, and the compensation if such contracts are terminated by the Company in advance for reasons. Article 103 of the Guidelines

The members in the Board of directors shall be equipped with the knowledge, skills and qualities required for carrying out their duties. Directors shall comply with the relevant requirements of the laws and regulations and the Articles of Association, be faithful, diligent, discreet and fulfill their promises. A director who violates any laws, administrative regulations, rules of regulatory authorities or the Articles of Association during the course of performing his duties shall be liable for indemnification to any loss so caused to the Company.

Article 116 The Company shall have independent directors who shall act in accordance with laws, administrative regulations, and rules of regulatory authorities. Article 104 of the Guidelines

Independent director of the Company refers to a director who holds no position other than as a director of the Company, has no direct or indirect relationship or any other connection with the Company and its substantial shareholders (defined as shareholders holding 5% or more interests in shares of the listed Company, or a shareholder who holds less than five percent of the shares but has significant influence on the listed Company), its de facto controller which might affect his independent and objective judgment, and complies with the requirements on independence as stipulated in the rules of the stock exchange(s) on which the Company's shares are listed. Article 18 of the Administrative Rules for Independent Directors of Listed Companies

Independent directors are subject to provisions regarding the qualifications and obligations of directors as set out in these articles of association and the relevant provisions of the regulations of the jurisdiction where the Company is listed.

The Company's Board of Directors shall consist of at least one third of independent directors, and shall have at least three independent directors, including at least one accounting professional. Where independent directors are unqualified for being independent or other circumstances arise making them unqualified for performing duties, resulting in insufficient independent directors of the Company as required by the Articles of Association, the Company shall add additional independent directors in accordance with applicable regulations.

Independent directors shall have the following special powers in addition to those vested to directors of the Company by the Company Law and other laws, administrative regulations, rules of regulatory authorities and the Articles of Association:

- (i) independently engaging intermediary to audit, consult or review on specific matters of the listed company;
- (ii) proposing to the Board the calling of an extraordinary general meeting;
- (iii) proposing the calling of meetings of the Board;
- (iv) openly soliciting shareholders' rights in accordance with the laws;
- (v) expressing independent opinions on matters that may damage the rights and interests of the listed company or minority shareholders;
- (vi) other functions and powers set out in the laws, administrative regulations, rules of China Securities Regulatory Commission and the Articles of Association.

Independent directors shall seek the consent of more than half of all the independent directors before exercising the powers under (i) to (iii) above. If the independent directors exercise the powers in paragraph 1, the Company shall promptly disclose it in a timely manner. If the above powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

Article 117 The Company establishes the Board of Directors, which is accountable to the general meeting. Board of directors consists of eleven (11) directors, of which Article 6 of the Opinions

external directors (referring to directors who do not hold a post in the Company, the same below) shall account for over half of the total directors and there shall be at least 3 independent directors which shall account for no less than one third of the total directors.

Articles 105, 106, 107 and 111 of the Guidelines Article 2 of the Administrative Rules for Independent Directors of Listed Companies

The Board of Directors consists of one chairman and one vice chairman, all of which shall be elected by a simple majority of votes of all directors.

Administrative Rules for Independent Directors of Listed Companies

The Board of Directors shall set up the audit committee, the remuneration committee and the nomination committee, and to meet needs, the strategy committee and relevant specialized committees. The specialized committees shall be responsible to the Board of Directors and shall perform their duties as stipulated in the Articles of Association and as authorized by the Board of Directors. Proposals shall be submitted to the Board of Directors for consideration and approval. All members of the specialized committees shall be directors, and independent directors shall account for the majority of members of the audit committee, the nomination committee and the remuneration committee, and shall serve as the chairmen. The members of the audit committee shall be directors who are not the senior officers of the listed company, and the convener shall be an accounting professional. The Board of Directors shall be responsible for formulating the rules of procedures for the specialized committees to regulate their operations.

Article 5 of the Administrative Rules for Independent Directors of Listed Companies

Article 118 The Board is accountable to the shareholders' general meeting and shall exercise the following powers:

Article 107 of the Guidelines

- (i) to be responsible for the convening of the shareholders' general meeting and to report on its work to the shareholders' general meeting;
- (ii) to implement the resolutions of the shareholders' general meetings;
- (iii) to decide on the Company's business plans and investment plans;
- (iv) to formulate the Company's annual budget and final financial accounts;
- (v) to formulate the Company's profit distribution plan and plan for making up losses;
- (vi) to formulate plans for the Company's proposals for increases or reductions of its registered capital and the issue of and listing of corporate debentures or other securities;
- (vii) to draft plans for material acquisition, share repurchase, merger, division, dissolution or change in corporate form;
- (viii) to determine matters relating to the Company's external investment, asset acquisition and disposal, asset pledge, asset management mandate, related party transactions, external guarantee and external donation within the authorisation of the general meeting;
- (ix) to determine the establishment of the Company's internal management structure;

- (x) to determine the appointment or dismissal of the Company's president and the secretary of the Board and other senior officers and decide on their remunerations, rewards and penalties; and pursuant to the president's nominations to determine the appointment or dismissal of the vice presidents, the chief financial officer, the chief digital officer, the general counsel (chief compliance officer) and other senior officers of the Company and decide on their remuneration rewards and penalties;
- (xi) to establish the Company's basic management system, including basic compliance management system;
- (xii) to formulate proposals for any amendment to the Company's Articles of Association;
- (xiii) to deal with information disclosure of the Company;
- (xiv) to propose to the general meeting for appointment or replacement of the accounting firms serving as the auditors of the Company;
- (xv) to receive work report submitted by the president, to review his performance and to appraise effectiveness of the compliance management of the Company;
- (xvi) to exercise other duties and powers specified in the laws, administrative regulations, rules of regulatory authorities, listing rules of the stock exchange(s) on which the Company is listed or the Articles of Association and conferred by the shareholders at general meetings.

Matters beyond the scope authorized by the general meeting shall be submitted to the general meeting for consideration.

Except the Board's resolutions in respect of the matters specified in the above items (vi), (vii) and (xii), which shall be passed by two-thirds or more of all Directors, the Board resolutions in respect of all other matters may be passed by more than half of all Directors unless otherwise expressly specified in the listing rules of the jurisdiction where the Company is listed or the Articles of Association. The resolution in respect of the external guarantees shall be approved by more than half of all members of the Board and signed by more than two-thirds of all Directors present at the meeting of the Board of Directors.

Article 119	Prior to making decisions on material issues of the Company, the Board shall first seek the opinions of the Party Committee.	
Article 120	The Board of Directors shall give explanations to the general meeting in respect of non-standard audit opinions issued by certified public accountants regarding financial reports of the Company.	Article 108 of the Guidelines
Article 121	The Board shall formulate the rules of procedure for Board of Directors to ensure its implementation of the resolutions passed at the general meeting to enhance efficiency and to ensure scientific decision-making. Such rules of procedure, as one of the appendices to the Articles of Association defining the convening and voting procedure of board meetings, shall be formulated by the Board and subject to approval by the general meeting.	Article 109 of the Guidelines
Article 122	In making decisions on issues such as external investment, asset acquisition and disposal, asset mortgage or pledge, external guarantee, asset management	Article 4 of the Opinions

mandate, related party transactions and external donation, the Board shall establish strict examination and decision making procedures; and organise relevant experts and professionals to make assessments on major investment projects. The aforesaid matters, if subject to consideration at the general meeting under relevant laws and regulations or the regulations of the jurisdiction where the shares are listed, shall be approved by the Board before submitting to the general meeting for approval.

Articles  
42 and  
110  
of the  
Guidelines

Directors and senior management of the Company shall prudently treat and strictly control the risks of debt arising from the external guarantee. If the Company suffers losses due to violation of the approval authority and review procedures for the external guarantee by directors and senior management of the Company, the responsible directors and senior management shall be liable for compensation for the losses arising from the violation or improper external guarantee in accordance with the laws. The Supervisory Committee or eligible shareholders of the Company may file a lawsuit in accordance with the requirements under the Articles of Association; if it is suspected of violation of laws, the case shall be referred to the judicial authorities.

Article 123 The chairman of the Board shall exercise the following powers:

- (i) to preside over shareholders' general meetings and to convene and preside over meetings of the Board of directors;
- (ii) to supervise and review the implementation of the Board resolutions;
- (iii) to exercise other powers as granted by the Board.

Articles  
112 and  
113 of the  
Guidelines

The Vice Chairman shall assist the Chairman in performing his duties. If the Chairman is unable or fails to perform his duties, such duties shall be performed by the Vice Chairman. If the Vice Chairman is unable or fails to perform his duties, a director shall be elected jointly by half or more of all directors to perform such duties.

Article 124 Board meetings include regular meetings and extraordinary meetings. Meetings of the Board shall be held at least four times every year and convened by the chairman of the Board. Notice of the regular Board meeting shall be served on all of the Directors fourteen (14) days before the date of the meeting.

Articles  
114 and  
115 of the  
Guidelines

The Chairman of the Board shall convene an extraordinary board meeting within ten (10) days if:

- (i) it is proposed by shareholders representing more than one-tenth of the Company's voting shares;
- (ii) it is proposed by more than one-third of the Directors;
- (iii) it is proposed by the Supervisory Committee;
- (iv) the Chairman of the Board deems it necessary;
- (v) it is proposed by the president;
- (vi) other circumstance specified in laws, administrative regulations and these Articles of Association arises.

The Board Meetings shall be conducted in Chinese. If necessary, a translator may be present at the meeting to translate the Chinese language into the English language, or vice versa.

Article 125 The Board may vote by means of written resolution when holding an extraordinary board meeting, and the time limit for notice may not be subject to fourteen (14) days in advance, but the notice must be delivered to the directors and supervisors in a timely and effective manner. Except for force majeure factors, major business management matters shall not be voted by means of written resolution. Article 116 of the Guidelines

Where the circumstance is urgent and it is necessary to hold an extraordinary meeting of the Board of Directors, the notice on the meeting may be circulated at any time by phone or any other oral means, but the convener shall make explanations at the meeting and relevant matters shall be recorded in the minutes of the meeting.

Article 126 A written notice of board meeting shall include: Article 117 of the Guidelines

- (i) time and venue of the meeting;
- (ii) the form of the meeting;
- (iii) duration of the meeting;
- (iv) the reasons for holding the meeting and the topics to be discussed thereat;
- (v) date on which the notice is sent, contact person and means of contact.

A notice given orally shall, at minimum, include the particulars set forth in items (1) and (2) above and an explanation to the effect that circumstances are urgent and an extraordinary board meeting needs to be held as soon as possible.

Article 127 In strict compliance with the required procedures, all directors shall be notified about the material matters that shall be decided by the Board of Directors as stipulated in Article 124 and 125, and sufficient materials shall be provided at the same time. Directors may request for supplementary information. If more than one-fourth of the directors or more than two external directors consider that the information provided is not sufficient or the supporting arguments are not clear, they may jointly propose to postpone the meeting or postpone the discussion of certain matters on the agenda of the meeting and the Board of Directors shall accept such proposal. The directors who advise postponing the vote shall put forward clear requirements of the conditions for resubmitting such proposal for review. Article 3 of the Opinions

Article 128 Meetings of the Board of Directors shall be held only if more than half of the Directors (including the directors who are appointed in writing as the proxies of other directors pursuant to Article 129 herein) are present. Each Director shall have one vote. The Board may pass resolutions only upon a majority vote of all the Directors attended in the meeting unless otherwise provided in the Articles of Association. Where the number of votes cast for and against a resolution is equal, the chairman of the Board of Directors shall have a casting vote. Article 118 of the Guidelines

The supervisors may attend the meetings of the Board of Directors as non-voting participants, and the president and the secretary of the Board of Directors who do not hold the concurrent post of the director shall attend the meetings of the Board of Directors as non-voting participants. The general counsel shall attend the meeting as a non-voting participant and give legal opinions in case of any legal issues involved in the deliberation of the board of directors. When the Chairman of the Board of Directors deems necessary, other relevant persons may be notified to attend the meetings of the Board of Directors as non-voting participants.

Article 129 Any Board meeting shall be attended in person by its chairman. Where he is unable to attend any Board meeting in person for any reasons, the chairman may in writing ask another director to attend the meeting on his behalf. The proxy form shall specify the scope of such authorization. The power of attorney shall indicate the names of the principal and the proxy, matters delegated, the scope of authority and valid term, the directions for the voting intentions of proposal by the principal, and the signature by the principal, the date, etc.

Article  
121 of the  
Guidelines

The director attending the meeting on behalf of the chairman shall exercise the rights of a director within the scope of the authorization. Any director failing to attend a board meeting and failing to appoint a proxy to attend in his stead shall be deemed as having abstained from voting in the meeting.

All the costs and expense incurred by the directors for attending the Board meetings shall be reimbursed by the Company. Those costs and expense shall include the expense for traveling to the venue of the meeting from the places where the directors are located and the expense on meals and accommodation during the period of the meeting. The rent of the venue of the meeting, the local traveling expense and other miscellaneous costs and expense shall be borne by the Company.

Article 130 The chairperson of the meeting shall call directors participating in the meeting to make decisions promptly after the full discussion of each proposal. The decisions on the meetings shall be made by “one person, one vote” in the form of disclosed ballot or in writing. The voting intentions of the directors shall be classified as agreement, disagreement and abstention. The participating directors shall choose one of the above intentions; failing to make choice or choosing more than two intentions simultaneously, the relevant directors shall be required by the Chairman of the meeting to make a choice again; and the relevant director who refuses to make a choice shall be regarded as an abstainer. The director who leaves the meeting place halfway without making a choice shall be regarded as an abstainer.

Article  
120 of the  
Guidelines  
Article  
119 of the  
Guidelines

Meetings of Board of Directors (including video conferences) shall be voted through disclosed ballot. Where directors attend meeting through teleconference or telecommunication equipment, as long as all directors participating in the meeting can hear and communicate with each other clearly, all such directors shall be deemed to be present in person at the meeting. Provided that the directors have fully expressed their views, the extraordinary meeting of Board of Directors may be convened by means of communication and resolution(s) may be made at such meeting, and the directors attending the meeting shall sign accordingly.

When the Board votes by written resolution, the draft of the resolution shall be delivered to each director by hand, by mail, by cable, by fax or by email. If the Board has circulated the resolution to all directors and the number of directors who have signed the resolution to show their agreement has reached the quorum for making a decision, the resolution so passed shall, upon being delivered to the secretary of the Board, become a resolution of the Board.

Where a director is related to a company involved in a resolution at the meeting of Board of Directors or shall avoid voting in accordance with the listing rules of the stock exchange where the Company is listed, the director may not exercise his or her voting right for the resolution or exercise voting right on behalf of other directors and the Board of Directors may not resolve matters by way of written resolution. The meetings of the Board of Directors may be convened with the attendances of the majority of the unrelated directors, and the formed resolutions shall be passed by more than half of the unrelated directors. If the unrelated directors attending the meeting are less than three (3), such matters shall be submitted to the general meeting for review.

Article 131 The Board of Directors shall keep minutes of all decisions on matters considered by the convened and the unconvened board meetings in the Chinese language. The opinions of the independent directors shall be specified in the resolutions of the Board meetings. The minutes of each Board meeting shall be delivered to all directors for their comments as soon as possible. Directors who wish to amend or supplement the minutes shall, within one week upon receipt of the minutes, deliver their proposed amendments to the Chairman. After the minutes have been finalized, directors who were present at the relevant meeting, secretary of the Board and the person who recorded the proceedings of the relevant meeting shall sign the minutes. The minutes of the Board meetings shall be kept at the address of the Company in the PRC. A full copy of the minutes of shall be delivered to each director as soon as possible.

Article 6 of  
the Opinions  
Articles 122,  
and 123 of  
the  
Guidelines

Minutes of meetings of the Board of Directors shall contain the following particulars:

- (i) the date and venue of the meeting and the name of the convener;
- (ii) the names of the attending directors and the names of the directors (proxies) attending the meeting upon appointment by other directors;
- (iii) the meeting agenda;
- (iv) the gist of the statements;
- (v) the voting method for, and outcome of, each matter that was the subject of a resolution (the results of the vote shall state the number of votes for, votes against and abstentions).

The Directors shall accept responsibility for the Board resolutions. Where the Board resolutions are in breach of laws, administrative rules or the Articles of Association and resolutions of shareholders' general meetings, resulting in heavy losses to the Company, the Directors involved in the resolutions shall keep the Company indemnified, unless they have been proved to have raised objection to such resolutions, and this has been noted in the minutes.

Minutes of board meetings shall be kept as the Company's archives permanently.

## **Chapter 9**

### **The Secretary of the Board**

Article 132 The Company shall have one secretary of the Board, who shall be responsible for the preparation and the preservation of documents of the shareholders'

Article  
133 of the



general meeting and the meeting of the board of directors, the management of the shareholders' information, and the handling of matters in relation to the information disclosure. The secretary of the Board shall be a senior officer of the Company. Guidelines

The Board may, pursuant to its needs, establish the secretariat of the Board.

Article 133 The secretary of the Company's Board shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed and dismissed by the Board. Article 124 of the Guidelines

Article 134 A Director or any other senior management of the Company may concurrently act as secretary to the Board. The accountant whose firm is engaged by the Company shall not act as secretary to the Board.

In the case of the secretary to the Board being a director, this person shall not act in both capacities when it requires to be done by a director and a secretary as separate roles.

Article 135 The secretary of the Board shall comply with the laws, administrative regulations, departmental rules and the relevant provisions of these Articles of Association. Article 133 of the Guidelines

The secretary of the Board shall assist the Company in complying with the relevant laws of the PRC and the rules of the stock exchanges on which the shares of the Company are listed.

## **Chapter 10 Party Committee**

Article 136 The Company shall set up the Party Committee, which shall consist of one secretary, and several members of the Party Committee. The Chairman (President) and the party secretary shall be held by the same person in principle. Eligible Party members are allowed to serve as members of the Board, the supervisors committee and management through legal procedures. The eligible Party Committee members in the Board, the supervisors committee and management are allowed to join the Party Committee in accordance with relevant provisions and procedures. At the same time, the Company shall establish the Discipline Committee according to the provisions.

Article 137 The Party Committee shall discharge its duties in accordance with the provisions under the Constitution of the Communist Party of China.

(i) To guarantee and supervise the implementation of policies and guidelines of the Party and the state in the Company, implement material strategic decisions of the Party Central Committee and the State Council and make deployment for the relevant material works of the Party Committee of State-owned Assets Supervision and Administration Commission of the State Council and superior Party organisation.

(ii) To insist on the combination of the principles of management of cadres by the Party and the selection of operation managers by the Board according to laws and execution of the right of employment by the operation managers. The Party Committee shall consider and propose opinions and suggestions on the candidates as nominated by the Board or president, or nominate candidates to the Board or president, and,

together with the Board, conduct investigation on the candidates to be appointed and collective research to raise opinions and suggestions.

- (iii) To study and discuss reform, development and stability, material operation and management issues and other material issues involving staff's immediate interests of the Company, and propose opinions and suggestions thereon.
- (iv) To shoulder the main responsibility for the overall strictness in administering the party, lead the Company in terms of ideological and political work, united front work, spiritual civilization construction, enterprise cultural construction and the work of labour union, the Communist Youth League and other groups, and lead the construction of the Party conduct and of an honest and clean government and support the Discipline Committee in its performance of supervision responsibility.

## **Chapter 11 President and Other Senior Officers**

Article 138 The Company shall have one president, who shall be appointed or dismissed by the Board.

The Company shall have certain vice presidents, a chief financial officer, a chief digital officer, a general counsel (chief compliance officer) and certain senior officers (based on the needs of work), who shall assist the president in his work. The vice presidents, the chief financial officer, the chief digital officer, the general counsel (chief compliance officer) and other senior officers shall be nominated by the president and appointed or dismissed by the Board.

Articles 124,  
126, 127  
and 132 of  
the  
Guidelines

The senior officers of the Company include the president, vice president, chief financial officer, secretary of the Board, chief digital officer, general counsel (chief compliance officer) and other senior officers.

The term of office of the president is three (3) years, renewable upon re-election.

Persons assuming administrative offices other than director and supervisor in the controlling shareholder of the Company shall not serve as senior officers of the Company.

The senior officers of the Company shall only receive remuneration from the Company, not from the controlling shareholders on behalf of the Company.

The Company shall enter into engagement contracts with the senior officers to clarify the rights and obligations between both parties. The appointment and dismissal of senior officers shall comply with the statutory procedures, and be disclosed in a timely manner.

Article 139 The president shall be accountable to the Board and exercise the following powers:

- (i) to be in charge of the Company's operation and management and to organize the implementation of the resolutions of the Board, and to report to the Board;
- (ii) to organize the implementation of the Company's annual business plan and investment plan;

Article  
128 of the  
Guidelines

	(iii) to sign contracts and agreements on the Company’s behalf and to sign off the documents in connection with the routine administrative work;	
	(iv) to draft plans for the establishment of an internal management organization in the Company; and pursuant to the needs of the operation, to decide on the general adjustments to the internal structure of the Company;	
	(v) to draft the Company’s basic management system;	
	(vi) to formulate basic rules and regulations for the Company;	
	(vii) to propose the appointment or dismissal of the Company’s vice president(s), the chief financial officer, the chief digital officer, the general counsel (chief compliance officer) and other senior officers;	
	(viii) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board; and	
	(ix) to exercise other powers conferred by the Articles of Association and the Board.	
Article 140	The president may attend the Board meetings and shall have the right to receive the notices and the relevant documents of the meetings. If the president is not a director, he shall have no right to vote in the Board meetings.	Article 128 of the Guidelines
Article 141	The president shall formulate the work rules, subject to the approval by the Board before implementation.  The work rules for the president shall include the following:	
	(i) conditions, procedures and participants of the president’s meetings;	Articles 129 and 130 of the Guidelines
	(ii) specific duties and the assignment of responsibility for the president and other senior officers;	
	(iii) usage of capital and assets, authorities to enter into major contracts, and the systems for reporting to the Board and the supervisory committee;	
	(iv) other matters deemed as necessary by the Board.	
Article 142	The president may request to resign before expiry of his term of office. The procedures and formalities of such resignation shall be governed by the employment contract between the president and the Company.	Article 131 of the Guidelines
Article 143	The president, the vice president, the chief financial officer, the board secretary, the chief digital officer, the general counsel (chief compliance officer) and other senior officers, in performing their functions and powers, shall act honestly and diligently and in accordance with laws, administrative regulations and these Articles of Association. If the senior officers of the Company violates the laws or breaches the Articles of Association in the course of performing duties, which causes losses to the Company, the senior officers shall be liable for damages.	Article 134 of the Guidelines
Article 144	Senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If any senior officers of the Company causes damage to the interests of the Company and its	Article 135 of the Guidelines

public shareholders due to failure in faithfully performing his/her duties or violation of his/her fiduciary duties, he/she shall be liable for compensation in accordance with the laws.

## **Chapter 12 Supervisory Committee**

- |             |  |   |
|-------------|--|---|
| Article 145 | Directors, president, vice president, chief financial officer, the board secretary, the chief digital officer, the general counsel (chief compliance officer) and other senior officers of the Company shall not serve concurrently as supervisors.  | Article 136 of the Guidelines                           |
| Article 146 | The term of office of supervisors is three years, renewable upon re- election at its expiry. In the event that the term of a supervisor falls upon maturity whereas new member of the supervisory committee is not re-elected in time or the resignation of any supervisor results in the number of members of the supervisory committee falling below the quorum, the existing supervisor shall continue to perform his duties in accordance with laws, administrative regulations and the Articles of Association until the re-elected supervisor assumes office.  | Articles 138 and 139 of the Guidelines                  |
| Article 147 | Supervisors shall ensure the truthfulness, accuracy and completeness of the information disclosed by the Company, and shall sign a written confirmation of the periodic report.  | Articles 140, 141, 142and 143 of the Guidelines         |
|             | Supervisors may attend board meetings as non-voting participants, and make enquiry or suggestion regarding matters to be resolved thereat.   |   |
|             | Supervisors shall not use their relationship to prejudice the Company’s interests, and shall be liable for indemnification to any loss so caused to the Company.   |   |
|             | A supervisor who violates any laws, administrative regulations, rules of regulatory authorities or the Articles of Association during the course of performing his duties shall be liable for indemnification to any loss so caused to the Company.  |   |
| Article 148 | The supervisory committee shall be composed of 5 members, of which 1 shall be the shareholder representative, 2 employee representatives of the Company and 2 independent supervisors. The employee representative supervisors shall account for at least one third of the total members of the supervisory committee, and the external supervisors (which shall refer to the supervisors who do not take any office in the Company, including independent supervisors) shall account for at least half of the members of the supervisory committee. The supervisory committee shall have one chairman, and the supervisor shall have the term of office of three years and may be re-elected if re-appointed. | Article 7 of the Opinions Article 144 of the Guidelines |
|             | The appointment or the dismissal of the chairman of the Supervisory Committee shall be passed by more than half of the members of the Supervisory Committee.   |   |
| Article 149 | Appointment and removal of supervisors who are not appointed from employee representatives shall be subject to election at the general meeting, while appointment and removal of employee representatives in the supervisory committee shall be subject to democratic election of the staff through employee representatives’ meeting, staff meeting or otherwise by democratic election.  | Article 7 of Opinions Article 144 of the Guidelines     |
| Article 150 | The chairman of the supervisory committee shall be responsible for the   | Articles  |

execution of duties of the Board. The chairman of the supervisory committee shall convene and preside over the supervisory committee meetings; where the chairman is unable or fails to fulfill his duties, one supervisor jointly appointed by more than half of supervisors shall convene and preside over the supervisory committee meeting.

144 and  
146 of the  
Guidelines

The supervisory committee meetings are categorized into regular meetings and interim meetings. The supervisory committee shall hold at least one regular meeting in the first and the second half of each year respectively, which shall be convened by the chairman of the supervisory committee. Upon the nomination of any supervisor, interim supervisory committee meeting may be held.

No supervisory committee meeting may be held unless attended by more than half of supervisors. Where any supervisor refuses to or fails to attend the meeting, which results in the failure of existence of a statutory quorum in such meeting, other supervisors shall timely report the same to the general meeting or applicable state regulatory organs.

Article 151 The supervisory committee shall exercise the following powers according to law:

Article  
145 of the  
Guidelines

- (i) to review and provide written opinions on the regular reports of the Company prepared by the Board;
- (ii) to examine the Company's financial situation;
- (iii) to supervise the work of directors and senior management and to propose removal of directors and senior management who have violated laws, administrative regulations, the Articles of Association or resolutions of general meetings;
- (iv) to demand rectification from a director and a senior officer when the acts of such persons are harmful to the Company's interest;
- (v) to conduct investigation on any abnormality identified in the Company's business operation or any doubt in financial information such as financial report, business report and profit distribution plan to be submitted by the Board to the general meetings; to engage experts including accounting firm and law office to provide professional assistance, when necessary, at costs of the Company;
- (vi) to propose the convening of an extraordinary general meeting, and to convene and preside over the general meeting when the Board fails to perform such duties as specified by the Company Law;
- (vii) to deal with and sue directors on the behalf of the Company; and sue directors, senior management pursuant to Article 149 of the Company Law;
- (viii) to put forward proposals to general meetings;
- (ix) other duties and powers specified by the Articles of Association.

The Company shall bear the expenses necessary for the supervisory committee to perform the above duties.

Article 152 The supervisory committee shall formulate the rules of procedure for supervisory committee, specifying the consideration method and voting

Article  
147 of the  
Guidelines

procedures of meetings in order to ensure its work efficiency and proper decision making. Such rules of procedure, as one of the appendices to the Articles of Association defining the convening and voting procedure of meetings of the supervisory committee, shall be formulated by the supervisory committee, subject to approval by the general meeting.

Article 153      The supervisory committee shall keep minutes of the decisions on matters discussed at the meetings and supervisors who attended the meeting shall sign the minutes of the meeting. The meeting minutes shall include the following:      Article 148 of the Guidelines

- (i) numbering and session, time and venue of the meeting;
- (ii) convener and chair of the meeting;
- (iii) attendance of the meeting;
- (iv) agenda of the meeting;
- (v) the proposals considered at the meeting; the gist of speech, key opinions on relevant matters and voting intents for the proposals of supervisors;
- (vi) voting method and result in respect of each proposal (provide the number of votes of “for”, “against” and “abstain” respectively);
- (vii) other matters to be recorded in the opinion of the attending supervisors.

Meetings minutes shall be signed and confirmed by the attending supervisors. Supervisors shall have the right to request a certain statement in respect of his or her speech at the meeting recorded in the minutes. Where a supervisor holds different opinions on the minutes, written explanation may be made upon signing. If necessary, it shall be timely reported to regulatory authorities or announced through public statements.

Where a supervisor neither signs as required by the preceding paragraph nor provides the written explanation for his different opinions or reports to regulatory authorities or gives public statement, the said supervisor shall be deemed as agreeing with the minutes.

Meetings minutes of the supervisory committee shall be kept as the archives of the Company permanently.

Article 154      The notice of a meeting of the supervisory committee shall contain the following:      Article 149 of the Guidelines

- (i) the date, venue and duration of the meeting;
- (ii) subjects and the matters proposed to be considered;
- (iii) the date of issuing the notice.

Article 155      The onsite meetings of the supervisory committee (including video meetings) may conduct voting by a show of hands or disclosed ballot. If a Supervisor participates in the onsite meeting through telephone or similar communication equipment, as long as he can make himself heard by the other participants at

the meeting and can communicate with them, the Supervisor shall be deemed to be present at the meeting in person. Subject to the protection of supervisors' rights to sufficiently express their views, the voting on supervisory committee meetings shall be conducted and resolutions made via communication devices, which shall be signed by participating supervisors. The voting procedures via communication devices shall provide for the valid period of voting, and any supervisor failing to express his view within such specified period shall be deemed to have waived his right.

"One person one vote" principle shall be observed in the voting on the supervisory committee meetings, which voting shall be conducted via the means of vote of record or in writing or otherwise. The voting of a supervisor shall be categorized into assent, dissent and abstention. Every participating supervisor shall vote by choosing one of those options, and in the absence of such choice or in the case of choosing two or more options, the meeting chairman shall request such supervisor to make a choice again. If such supervisor refuses to do so as required, he shall be deemed to have waived his right in that regard; any participating supervisor withdrawing from the meeting without returning and without choosing any option shall be deemed to have waived his right.

Any supervisory committee meeting resolution shall be adopted by the affirmative vote of more than half of all supervisors.

Article 156 Supervisors shall faithfully and diligently carry out their duties as supervisors in accordance with the laws, administrative regulations and provisions of these Articles of Association. Article 137 of the Guidelines

### **Chapter 13**

## **Qualification and Obligations of Directors, Supervisors, Presidents and Other Senior Officers of the Company**

Article 157 None of the following persons may serve as a director, supervisor, Presidents, or senior officers of the Company: Articles 125, 136 and 137 of the Guidelines

- (i) a person without civil or with restricted capacity for civil conduct;
- (ii) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging of the social economic order and has been punished because of committing such criminal offence; or who has been deprived of his political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation;
- (iii) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation because of mismanagement and he is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of the Company or enterprise;
- (iv) a person who is a former legal representative of a company or enterprise

Article 95 of the Guidelines

which had its business licence revoked or is ordered to close down due to a violation of the law and who incurred personal liability, where less than three (3) years has elapsed since the date of the revocation of the business licence;

- (v) a person who has a relatively large amount of personal debts due and outstanding;
- (vi) a person who is under criminal investigation or prosecution by judicial organs for violation of the criminal law, which is not yet concluded;
- (vii) a person who is not eligible for enterprise leadership according to laws and administrative regulations;
- (viii) a non-natural person; or
- (ix) a person convicted of the contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five (5) years has elapsed since the date of the conviction;
- (x) the person is currently subject to the measure of being prohibited from participating in securities market by the CSRC and such barring period has not elapsed;
- (xi) other circumstances specified by the laws, administrative regulations and rules of regulatory authorities or required by the applicable securities regulators and stock exchange(s).

For any election of a director, supervisors, or appointment of president or other senior officers in contravention of the provisions prescribed by this Article, such election or appointment shall be void and null. Where a director, supervisors, president or other senior officers falls into any of the aforesaid circumstances in his term of office, he shall be removed from office.

Article 158

Directors, supervisors, presidents and other senior officers of the Company shall be in compliance with the laws and administrative regulations and shall owe the following duties of care to the Company:

Article  
98 of the  
Guidelines

- (i) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the state's laws, administrative regulations and economic policies, not going beyond the scope of business specified in the Company's business license;
- (ii) to treat all shareholders impartially;
- (iii) to keep informed of the business operations and management of the Company;
- (iv) to sign the written confirmation with respect to the periodic reports of the Company and to ensure the information disclosed by the Company is true, accurate and complete;
- (v) to honestly provide the supervisory committee with relevant



information, and not to interfere with the supervisory committee or supervisors in performing their duties and powers;

- (vi) to fulfill other fiduciary obligations stipulated by the laws, administrative regulations, rules of regulatory authorities and these Articles of Association.

Article 159

Each of the Company's directors, supervisors, presidents and other senior officers shall bear the following obligations of loyalty towards the Company when exercise his powers or perform his duties :

Article  
97 of the  
Guidelines

- (i) not to enter into contracts or conduct transactions with the Company in violation of the Articles of Association or without the approval of the shareholders' general meeting ;
- (ii) not to exploit his position to accept bribes or other illegal income or seize the Company's property by any means;
- (iii) not to accept commissions in connection with the Company's transactions;
- (iv) not to exploit his position to advance his own or any other person's private benefits from those business opportunities advantageous to the Company, not to self-execute or execute for others the similar business activities, not to compete with the Company in any form unless with the informed consent of shareholders given in general meeting;
- (v) not to misappropriate the Company's funds and not to open accounts in his own name or other names for the deposit of the Company's assets or funds;
- (vi) not to lend the Company's funds to others or provide a guarantee to a shareholder of the Company or other individuals with the Company's assets in violation of the Articles of Association or without consent of the general meetings or the Board;
- (vii) not to prejudice the Company's interests with its connected relationship;
- (viii) not to disclose the Company's secrets without authorization; and
- (ix) to fulfill other fiduciary duty stipulated by the laws, administrative regulations, rules of regulatory authorities and the Articles of Association.

Gains obtained by the directors, supervisors, the president and other senior officers of the Company in violation of this Article shall be counted in the interest of the Company and any loss incurred to the Company shall be compensated.

## **Chapter 14**

### **Financial and Accounting System and Profit Distribution**

Article 160

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.

Article 150  
of the  
Guidelines

- Article 161 The Company adopts the calendar year as its financial year, being from the 1st January to 31st December of each calendar year.
- The Company shall adopt Renminbi as the reporting currency. The accounts shall be prepared in the Chinese language.
- The Company shall prepare its financial report at the end of each fiscal year and audit the accounts in accordance with the laws.
- Article 162 Financial statements of the Company may be prepared in accordance with the PRC accounting principles or accounting principles of the place where the shares of the Company are listed overseas. In the case of any material inconsistency between financial statements prepared in accordance with the two kinds of accounting principles, the same shall be indicated in such financial statements. In distributing the after-tax profits by the Company for any accounting year, the after-tax profits in such financial statements which are less shall prevail.
- Article 163 The Company shall publish financial reports or other financial information in accordance with the regulatory rules in the place where its shares are listed. The interim results or financial information published or disclosed by the Company may be prepared pursuant to PRC accounting principles or accounting principles of the place where the shares of the Company are listed overseas.
- Article 164 The Company shall deliver and disclose its annual reports to or on the CSRC and the stock exchange within four months from the conclusion of each accounting year. It shall deliver and disclose its interim reports to the branch organizations of the CSRC and the stock exchange within two months from conclusion of the first half of each accounting year. And it shall disclose its quarterly reports in accordance with the time specified by the stock exchange. The Company shall follow other regulations as required by the listing rules in the jurisdiction where its shares are listed. The above periodic reports shall be prepared in accordance with applicable laws. Article 151 of the Guidelines
- Article 165 Save for the statutory books of account, the Company will not maintain other books of account. Assets of the Company shall not be maintained by any account opened in the name of an individual. Article 152 of the Guidelines
- Article 166 The Company shall allocate 10% of its profits to the statutory reserve of the Company when distributing its after-tax profits for the year, provided that no further appropriation is required if the accumulated statutory reserve exceeds 50% of the registered capital of the Company. Article 153 of the Guidelines
- If the Company's statutory common reserve fund is not sufficient to make up the Company's loss for the preceding year, before making allocations to the statutory common reserve fund pursuant to the foregoing paragraph, the profits for the relevant year shall be used to make up the loss first.
- Upon making an allocation to the statutory common reserve fund from the after-tax profits and upon being resolved by the shareholders in the general meeting, the Company may allocate part of the after-tax profits to the discretionary reserve.
- Upon making up for the losses incurred and allocating to the statutory reserve, the balance of the profits shall be distributed to the shareholders in proportion to their respective shareholding, save for distribution which is not made in proportion to shareholding as specified in these Articles of Association.

If the aforementioned regulations are violated at the general meeting where the Company distributes profits to the shareholders prior to making up for losses and allocating to the statutory reserve, the shareholders shall return to the Company the profits distributed as a result of violation of the regulations.

The shares of the Company owned by the Company shall not form part of the profits distribution.

Article 167 No dividend shall be distributed and no other distribution in the form of bonus shall be made prior to making up for the losses and allocating to the statutory reserve by the Company.

Article 168 The capital reserve fund of the Company includes the following monies:

- (i) the premium from the issue of the Company's shares at a price exceeding the face value of the shares;
- (ii) other such income as classified by the financial competent authority of the State Council as capital reserve.

Article 169 The common reserve funds can only be used to make up the loss of the Company, to expand the scale of operation of the Company or to enlarge the Company's capital. However, capital reserve shall not be applied to make up for the losses of the Company. Article 154 of the Guidelines

When the statutory common reserve fund is transferred to the Company's capital, the amount of the statutory common reserve fund to be retained shall not be less than 25% of the Company's registered capital before the transfer.

Article 170 The Company's policies on profit distribution are set out below: Articles 153 and 156 of the Guidelines

- (i) Principle of profit distribution:
  - 1. The Company will place an emphasis on the return to investors, and will pay shareholders dividends based on a percentage of distributable profits realized in the current year of the parent company;
  - 2. The sustainability and stability of the Company's profit distribution policies will be maintained, with an eye towards the long-term interests, overall shareholders' interests and sustainability of the Company;
  - 3. The Company will place a priority on the profit distribution in the form of bonus payment;
  - 4. In the event of any of the following circumstances, the Company may not distribute profits: (1) when the Company's audit report for the latest year is not an unqualified opinion or is a qualified opinion with a significant uncertainty paragraph related to the going concern; (2) the gearing ratio is higher than 70%; (3) the operating cash flow is negative.
- (ii) The details of policies for profit distribution:
  - 1. Forms of profit distribution: the Company may make profit

distribution in the forms of cash payment of dividend, distribution of dividend in the form of shares or a combination of the two forms; where permitted, the Company may make interim profit distribution;

2. Details of conditions and proportions of the Company's cash dividends: Except in the case of special circumstances, the Company may distribute dividend in cash, provided that the Company is profitable in that year and the aggregate undistributed profit is positive. The profits distributed in cash for each year shall not be less than 10% of the distributable realized profit in that year.

The "special circumstances" referred to above shall mean:

- (1) The net cash flow generated from the operation in that year is negative, and dividend payment in cash will have an adverse effect on the subsequent existence of the Company as a going concern;
- (2) The auditors have not issued an audit report with standard and unreserved opinion regarding the financial reports for that year;
- (3) The Company has major investment plans or other major cash expenditures or otherwise (other than any fund raising projects).

The "major investment plans" or "major cash expenditures" mentioned above shall mean where the aggregate expenditures for any proposed investments or asset acquisition by the Company in next twelve months are equal to or exceed 30% of the audited total assets in the most recent audit of the Company.

3. The details of conditions of dividend payment in shares: the Company's operation is satisfactory, the board of directors believes that the share price of the Company is disproportionate to the share capital size of the Company, and dividend payment in shares is in the best interests of all shareholders of the Company. Subject to satisfaction of the above dividend payment conditions, the Company may put forward a proposal for dividend payment in shares.

(iii) The policy for differentiated cash dividend distribution

In connection with the dividend payment, the Company's Board of Directors shall take into account the features of the industry where the Company operates, development stage, operation model, profitability, solvency, the existence of major capital expenditures and investors' return and other factors, and put forward a policy of differentiated cash dividend distribution according to the following different circumstances, pursuant to the procedures set forth in these Articles of Association:

1. If the Company's development is in the phase of maturity and no material capital expenditure has been arranged, the minimum ratio of cash dividend in that profit distribution shall be 80%;

2. If the Company's development is in the phase of maturity and material capital expenditure has been arranged, the minimum ratio of cash dividend in that profit distribution shall be 40%;
3. If the Company's development is in the phase of growth and material capital expenditure has been arranged, the minimum ratio of cash dividend in that profit distribution shall be 20%.

When the Company conducts profit distribution, it should be determined by the Board according to specific circumstances.

(iv) Decision-making Procedures and Mechanism for Profit Distribution

1. The profit distribution plan shall, after formulated by the management of the Company, be submitted for consideration and approval to the Board of Directors and supervisory committee. The Board shall conduct sufficient discussions on the reasonableness of the profit distribution plan and form a specific proposal, which shall be submitted to the general meeting for its consideration and approval. Where the Company is profitable in the previous accounting year, however the Board determines not to conduct dividend payment in cash or the profit distribution is made less than the cash dividend payment percentage set forth in the Articles of Association. The Company shall arrange the online voting mechanism to facilitate the participation by social shareholders in the voting at the general meeting.
2. During the formulation of the Company's details of cash bonus scheme, the Board of Directors shall earnestly study and demonstrate the timing, condition, lowest proportion, adjustment condition and its decision-making program requirement for the cash bonus of the Company. Where independent directors consider that the detailed cash dividend plan might jeopardize the listed Company's or its minority shareholders' interests, they have the right to publish independent opinions. If the Board of Directors does not adopt or fully adopt the recommendations of the independent directors, the independent directors' opinions and specific reasons for not adopting them shall be recorded in the Board's resolution and disclosed.
3. Prior to the consideration of a details of cash dividend proposal at the general meeting, active communication and exchange with shareholders, especially medium-sized and minority shareholders, through various channels (including but not limited to via telephone, fax, email and acceptance onsite) are encouraged in order to fully collect views and demands of medium-sized and minority shareholders. The concerns of medium-sized and minority shareholders shall also be addressed and replied to promptly;
4. Where the Company determines not to conduct the cash dividend payment due to any special circumstances, the Board of Directors shall provide special explanation on the details of causes for no cash dividend payment, the accurate use of the retained profits,

estimated investment return, etc., which shall be submitted to the general meeting, and be disclosed in such media designated by the Company.

(v) The policy adjustment for profit distribution

In the case of any material effect on the production and operation of the Company as a result of any war, natural disaster and other force majeure event or any change to the environment in which the Company operates (such as any change to the state policies, or regulations), or in the case of any substantial change to the operation conditions of the Company, the Company may make an adjustment to the profit distribution policies of the Company.

The Board of Directors shall give a special explanation on the adjustment of the Company's profit distribution policy. The Board of Directors shall explain the reasons for the adjustment in details, prepare a written explanation report, and after the deliberation of independent directors, submit the report to the shareholders' meeting for approval by special resolution. In the deliberation of the profit distribution policy, the Company shall provide online voting for the shareholders.

- Article 171 Cash dividends or other payments declared by the Company to be payable to holders of domestic shares shall be declared in RMB. Cash dividends and other amounts payable to holders of foreign shares can be calculated and declared in RMB, and paid in Hong Kong Dollars, or paid in RMB. For payments in foreign currencies to holders of foreign shares, the amount of foreign currency needed shall be obtained in accordance with the State's provisions in relation to foreign exchange. Article 11 of the Trial Measures
- Article 172 Unless the pertinent laws and administrative rules otherwise provide, the dividend and other sums to be distributed in Hong Kong Dollars shall adopt the central parity rate quoted from the People's Bank of China on the trading day before the date of the declaration of the dividend and the distribution of other monies.
- Article 173 Subject to the satisfaction of the above conditions for cash dividend payment, the Company shall distribute dividends in cash once each year in principle, and under the authorization of the shareholders' general meeting, the Board of the Company may submit a proposal for interim cash dividend payment to the Company based on the profitability and capital needs of the Company.
- Article 174 When the Company distributes dividend to the shareholders, it shall, pursuant to the taxation laws of the PRC, deduct and withhold the taxes payable by the shareholders from the dividend.
- Article 175 The Company shall appoint receiving agents on behalf of the overseas listed foreign Shares to receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of their shares, and hold such payment on behalf of the Shareholders pending payment to them.
- The receiving agent appointed by the Company shall comply with the laws of the place of listing or the relevant requirements of the relevant stock exchange.
- Article 176 The Directors of the Company shall complete the distribution of dividends (or shares) within two months after a resolution on the profit distribution proposal is passed at the general meeting or the formulation by the Board of Directors of Article 155 of the Guidelines

a specific plan based on the next year's interim dividend conditions and cap considered and approved at the annual general meeting.

Article 177	The Company maintains an internal audit system, with professional audit personnel performing internal audit on the financial income and expenses and economic activities of the Company.  The internal audit system and the responsibilities of the audit personnel shall be implemented upon the approval of the Board. The head of audit shall be accountable and report to the Board.	Articles 157 and 158 of the Guidelines
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## **Chapter 15 Appointment of Accountants' Accounting Firm**

Article 178	The Company shall appoint an accounting firm which is qualified under the relevant provisions of the Securities Law to conduct the auditing of the financial statements, examination of net assets and other relevant consultation services. Their period of appointment is one year which can be renewed.	Article 159 of the Guidelines
Article 179	The appointment of accountants' by the Company shall be determined at a shareholders' general meeting, and the Board shall not engage an accounting firm before any resolution adopted at a shareholders' general meeting.	Article 160 of the Guidelines
Article 180	The Company shall ensure the provision of true and complete accounting evidence, books of account, financial and accounting reports and other accounting data to the accounting firm engaged by it, and no refusal, withholding and false information are allowed.	Article 161 of the Guidelines
Article 181	The audit fee for the accounting firm shall be determined by the shareholders' general meeting.	Article 162 of the Guidelines
Article 182	Where the accounting firm is removed or not re-appointed, prior notice should be given to the accounting firm fifteen days in advance, and the accounting firm is entitled to state its opinion at the shareholders' general meeting. Where the accounting firm resigns, it shall make clear to the shareholders' meeting whether there has been any impropriety on the part of the Company.	Article 163 of the Guidelines

## **Chapter 16 Merger and Division of the Company**

Article 183	The Company may conduct merger or division by means of absorption merger or the establishment of a new entity. Absorption means a company absorbs another company and the absorbed company will be dissolved. Otherwise, two or more companies will combine together for the establishment of a new company, and the original companies will be dissolved.  In a merger, parties to the merger shall sign a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days, and make an announcement on the merger on the newspapers prescribed by the stock exchange(s) on which shares of the Company are listed within thirty days, from the date of passage of the resolution on the merger.	Articles 172, 173 and 174 of the Guidelines
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Creditors may, within thirty days upon receipt of the notification, (or for creditors who have not received such notification, within forty-five days after the date of announcement), request the Company to make repayments or provide corresponding guarantees in respect of its indebtedness.

The claims and the liabilities of all the parties after the merger shall be assumed by the surviving company after the merger or the newly established company.

Article 184 In a division, the assets of the Company shall be divided accordingly. Articles 175 and 176 of the Guidelines

Upon division, the balance sheet and a list of property shall be prepared. The Company shall notify its creditors within ten days, and make an announcement on the division on the newspapers prescribed by the stock exchange(s) on which shares of the Company are listed within thirty days, from the date of passage of the resolution on the division.

The indebtedness of the Company prior to the division shall be borne by the demerged companies under the agreement reached unless otherwise agreed between the Company and its creditors under a written agreement in relation to the settlement of debts prior to the division.

Article 185 Whether for a merger or a division, any changes in the registration shall be submitted to the registration authority for such changes to be registered; upon the dissolution of the Company, cancellation of the Company's registration shall be carried out in accordance with the law; for any new companies to be established, new registration shall be carried out in accordance with the law. Article 178 of the Guidelines

## **Chapter 17 Dissolution and Liquidation of the Company**

Article 186 The Company shall be dissolved and liquidated upon the occurrence of any of the following events: Article 179 of the Guidelines

- (i) the term of operation of the Company expires or other dissolution reasons stipulated herein emerges;
- (ii) a resolution on dissolution has been passed at a shareholders' general meeting;
- (iii) the Company has to be dissolved as a result of its merger or division;
- (iv) the business license has been cancelled or the Company has been ordered to close down its operations, or it has been wound up;
- (v) a shareholder who holds more than 10% of the voting rights of all shareholders may petition the people's court to dissolve the Company on the basis that there are serious difficulties in the operation and management of the Company whose subsistence will significantly jeopardize the shareholders' interests and that such difficulties cannot be resolved by any other means.

Article 187 If the Company shall subsist by modifying the Articles of Association under the circumstance specified in paragraph (1) of Article 177 hereof. The Articles 179, 180 and 181 of the



amendment to the Articles of Association according to the requirements of the preceding Article shall be passed by over two thirds of voting rights held by shareholders who attended the Shareholders' general meeting. Guidelines

If the Company is dissolved pursuant to paragraphs (1), (2), (4) and (5) of Article 177 hereof, a liquidation team shall be formed to start the liquidation within fifteen days from the date on which the causes for dissolution arise. The liquidation team shall be composed of the personnel designated by directors or at a shareholders' general meeting. If no liquidation team is formed for the purpose of liquidation within the time limit, a creditor may lodge an application to the people's court for designating the relevant persons to form the liquidation team in respect of the liquidation.

Article 188 The liquidation committee shall notify the creditors within 10 days from its establishment, and shall make an announcement in the newspaper within 60 days. Creditors shall report its claims to the liquidation team within thirty days after the date of receipt of the notice, or within forty- five days after the date of the announcement if no notice is received. In reporting a claim, a creditor shall explain the relevant particulars of its claim and provide supporting materials. The liquidation committee shall proceed with the registration of creditors' rights. Article 183 of the Guidelines

During the period of reporting claims, the liquidation committee shall make no settlement with creditors.

Article 189 The liquidation committee shall exercise the following functions and powers during the liquidation: Article 182 of the Guidelines

- (i) to deal with the Company's assets and prepare a balance sheet and an inventory of assets;
- (ii) to notify the creditors or inform them by making a public announcement;
- (iii) to handle and liquidate the outstanding business of the Company;
- (iv) to pay all overdue taxes and taxes incurred during the course of liquidation;
- (v) to handle creditors' rights and liabilities;
- (vi) to dispose of the remaining assets after all repayments of the Company's debts have been made;
- (vii) to represent the Company in civil proceedings.

Article 190 Having dealt with the assets of the Company's assets, prepared a balance sheet and an inventory of assets, the liquidation committee shall prepare a liquidation plan and report to the shareholders' general meeting or the People's Court for confirmation. Article 184 of the Guidelines

The residual property after the respective settlement of the liquidation expenses, staff wages, social insurance expenses and statutory compensation and the payment of taxes in arrears shall be distributed according to shareholdings held by the shareholders.

During the period of liquidation, the Company shall subsist, but cannot carry

on any operating activities that are not related to the liquidation. The property of the Company shall not be distributed among the shareholders before the completion of the settlements as provided for in the preceding article.

Article 191 If it is found by the liquidation committee that the Company's assets are insufficient to cover the debts to be repaid after dealing with the Company's assets and preparation of a balance sheet and an inventory of assets, it should forthwith apply to the People's Court for the declaration of the Company's bankruptcy. Where the Company is declared bankrupt according to law, it shall carry out bankruptcy liquidation in accordance with relevant enterprise bankruptcy laws.

Articles 185 and 188 of the Guidelines

After the People's Court has ruled to declare the Company bankrupt, the liquidation committee should transfer the liquidation matters to the People's Court.

Article 192 After the liquidation of the Company, the liquidation committee should prepare a liquidation report and it shall be presented to the shareholders' general meeting or the People's Court for confirmation, deliver it for registration with the company registration authority for the cancellation of the registration of the Company, and make a public announcement concerning the termination of the Company.

Article 186 of the Guidelines

Article 193 The members of the liquidation team shall act diligently and perform their obligations of liquidation according to law. No member of the liquidation team shall accept any bribes or any other illegal income by making use of his functions and powers; neither could he seize any property of the Company.

Article 187 of the Guidelines

A member of the liquidation team shall be responsible for compensation should he, deliberately or due to major negligence, bring losses to the Company or to a creditor.

## **Chapter 18**

### **Procedures for Amending the Articles of Association of the Company**

Article 194 The Company may amend these Articles of Association in accordance with the provisions of laws, administrative regulations and these Articles of Association. The Company shall amend the Articles of Association under any of the following circumstances:

Article 189 of the Guidelines

- (i) Following amendments to the Company Law or the relevant laws or administrative regulations, any provisions of the Articles of Association contravene the amended laws or administrative regulations;
- (ii) Any changes in the Company are inconsistent with the provisions of the Articles of Association;
- (iii) Amendments to the Articles of Association are resolved at a shareholders' general meeting.

Article 195 Unless otherwise stipulated herein, the Articles of Association shall be amended according to the following procedures:

- (i) the Board shall pass a resolution pursuant to these Articles of Association and shall draft an amendment proposal;
- (ii) the amendment proposal shall be circulated to the shareholders and a shareholders' general meeting shall be convened to vote on the amendment proposal; and
- (iii) the amendment proposal tabled on the meeting shall be passed by a special resolution.

Article 196	Any amendments to the Articles of Association passed by a resolution at a shareholders' general meeting shall be filed with the competent authorities for approval if it is so required, and if an amendment involves any registration items of the Company, modifications of the registration shall be completed according to law. Amendments to the Articles of Association shall be made by the Board of Directors in accordance with a resolution tabled at a shareholders' general meeting on amendments to the Articles of Association and opinions of the relevant competent authorities on review and approval.	Articles 190 and 191 of the Guidelines
Article 197	Information on the amendments to the Articles of Association shall be disclosed as required by the laws and regulations and shall be announced in accordance with the rules.	Article 192 of the Guidelines

### **Chapter 19 Notice and Announcement**

Article 198	Notices of the Company may be issued by the following methods:	Articles 164, 165 and 171 of the Guidelines
	<ul style="list-style-type: none"> <li>(i) by hand;</li> <li>(ii) by post;</li> <li>(iii) by facsimile or email;</li> <li>(iv) subject to the laws, administrative regulations and the listing rules of the place of listing, by publishing on the websites designated by the Company and the regulatory authorities of the place of listing;</li> <li>(v) by announcement;</li> <li>(vi) by other means agreed by the Company and the recipients in advance or approved by the recipients upon receipt of the notices;</li> <li>(vii) by any other means approved by the relevant regulatory authorities of the place of listing or required by these Articles of Association.</li> </ul>	

Unless the context otherwise requires, "announcement(s)" referred to herein shall mean, as far as announcements to holders of domestic shares or announcements to be published in the PRC under the relevant provisions and the Articles of Association are concerned, such announcements published on the PRC newspapers designated under the PRC laws and regulations or by the securities regulatory authorities of the State Council; or, as far as announcements to shareholders of foreign shares or announcements to be published in Hong Kong as required by the relevant provisions and the Articles of Association are concerned, such announcements which must be published on

the designated websites or Hong Kong newspapers in accordance with the relevant requirements of the listing rules.

Regarding the requirements for the manners of provision and/or distribution of the Corporate Communication to holders of overseas listed foreign shares under the Hong Kong Listing Rules, the Company may, subject to the laws, regulations and relevant listing rules of the place of listing of the Company's shares, also issue and/or distribute the Corporate Communication to the holders of overseas listed foreign shares by electronic means or publication on the website of the Company in lieu of distributing the relevant information to the holders of overseas listed foreign shares by hand or by postage prepaid mail.

If the Corporate Communication is made or provided on the Company's website to holders of overseas listed foreign shares, such Corporate Communications shall be deemed to be made and served at the later of:

- (1) the date on which a notice that the Corporate Communication has already been published on the Company's website is given to holders of overseas listed foreign shares pursuant to the Hong Kong Listing Rules;
- (2) the date on which the Corporate Communication is first published on the Company's website (in the event that Corporate Communication is published on the website subsequent to the issuance of the said notice).
- (3) Any notices of the Company which are made in the form of a public announcement shall be deemed to have been received by all relevant persons once it is published.

Article 199	Unless otherwise stipulated herein, the manners by which notices are given as stipulated in the preceding article shall be applicable to notices of the Company regarding the convening of shareholders' general meetings and meetings of the Board of Directors and the Supervisory Committee.	Articles 166, 167 and 168 of the Guidelines
Article 200	For notices of the Company delivered by hand, an acknowledgement of receipt shall be signed (or stamped) by the recipient and the date of delivery shall be the date on which the acknowledgement is signed; for notices delivered by post, the date of delivery shall be the forty-eighth hour from the mail is delivered to the post office; for notices delivered by fax or email or published on the Company's website, the date of delivery shall be the date on which they are published; and for notices delivered by way of announcements, the date of delivery shall be the date of first publication. The relevant announcements shall be published on newspapers which comply with the relevant requirements.	Article 169 of the Guidelines
Article 201	The accidental omission due to a person entitled for the notices of meetings or those who have not received any notice of meetings. Meetings and resolution of meetings do not void under such circumstance.	Article 170 of the Guidelines

In the case the securities regulatory rules of the place where the Company's stocks are listed require the Company to send out, mail, deliver, distribute, announce or by other means provide relevant documents of the Company in both the Chinese and English language, if after the Company has made proper arrangement to determine whether its shareholders wish to receive either the English version or the Chinese version only, the Company may, within the scope permitted by applicable laws and regulations and according to such applicable laws and regulations, send to the relevant shareholders the English version or the Chinese version only (in accordance with the wishes as stated by the shareholders).

The Company shall establish and improve an information disclosure system of the Company pursuant to the laws, the relevant requirements of the securities regulatory authorities of the place of listing of the Company's shares and the relevant provisions of these Articles of Association, and disclose the information in a genuine, accurate, complete and timely manner.

Article 202	The Company designates the website of the Stock Exchange, the website of the Shanghai Stock Exchange, the Company's website and the media accredited by the CSRC and the Stock Exchange as the media to publish the Company announcements and other information that required to be disclosed.	Article 171 of the Guidelines
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## Chapter 20 Supplementary Provisions

Article 203	Any matters not covered in the Articles of Association shall be treated in accordance with the laws, administrative regulations and the listing rules of the place of listing by having regard to the actual situation of the Company. Should there be any contraventions between the Articles of Association and any newly-promulgated laws, administrative regulations or the listing rules prevailing at the place of listing, such newly-promulgated laws, administrative regulations or the listing rules of the place of listing shall prevail.
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Article 204	These Articles of Association shall be prepared in the Chinese and the English languages. Both versions shall be equally binding. In the event of any discrepancy between either versions or any other inconsistency, the Chinese language version shall prevail.	Article 195 of the Guidelines
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Article 205	The right to interpret these Articles of Association shall reside in the Board. The right to amend these Articles of Association shall reside in the shareholders' general meetings.	Articles 194, 197 and 198 of the Guidelines
	Supplementary provisions herein include the rules of procedure for general meeting, the rules of procedure for Board of Directors and the rules of procedure for the supervisory committee. The Board of Directors may formulate the Articles of Association according to the requirements of the Association. The Articles of Association shall not contravene the requirements of the Association.	

Article 206	“Controlling shareholder” referred to herein shall mean any person who is or group of persons who are together entitled to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the applicable regulations on the supervision of securities of the place where the Company is listed as being the level for triggering a mandatory general offer or for otherwise establishing legal or management control over the Company) or more of the voting power at general meetings of the Company or who is or are in a position to control the composition of a majority of the Board.	Rule 19A.14 of the Listing Rules, Article 84 of Measures for the Administration of the Takeover of Listed Companies
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	“Connected relationship” referred to herein shall mean the relationship between a controlling shareholder, de facto controller, director,	Article 193 of the Guidelines
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supervisor or senior officer of the Company and its directly or indirectly controlled enterprise and other relationships which may result in the transfer of the Company's interests. However, state-owned enterprises may have connected relationships not merely because they are under common control of the State.

"The above", "within", "the following" shall be inclusive of the stated figure; while "other than", "lower than", "more than" are not inclusive of the stated figure.

Article  
196 of the  
Guidelines