

**Articles of Association**

**of**

**Guangdong Join-Share Financing Guarantee Investment Co., Ltd.\***

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

**(applicable after the issuance of H shares)**

**approved by the first extraordinary general meeting of 2015 of the Company**

**modified by the extraordinary general meeting and class meetings  
of the Company convened on 17 November 2017**

**modified by the 2019 annual general meeting and class meetings  
of the Company convened on 29 June 2020**

**modified by the extraordinary general meeting of the Company  
convened on 4 June 2021**

**modified by the extraordinary general meeting of the Company  
convened on 18 June 2024**

\* *For identification purposes only*

## CONTENTS

<b>Chapter 1 General</b>	4
<b>Chapter 2 Operational Objectives and Scope</b>	6
<b>Chapter 3 Shares and Registered Capital</b>	6
<b>Chapter 4 Increase, Reduction and Repurchase of Shares</b>	10
<b>Chapter 5 Financial Assistance for Purchase of Company Shares</b>	14
<b>Chapter 6 Share Certificates and Register of Shareholders</b>	15
<b>Chapter 7 Rights and Obligations of Shareholders</b>	20
<b>Chapter 8 General Meeting</b>	24
<b>Chapter 9 Special Procedures for Voting at Class Meeting</b>	33
<b>Chapter 10 Board of Directors</b>	36
<b>Chapter 11 Executive Committee</b>	44
<b>Chapter 12 Secretary to the Board of Directors</b>	48
<b>Chapter 13 President and Other Senior Management</b>	50
<b>Chapter 14 Board of Supervisors</b>	51
<b>Chapter 15 Qualifications and Obligations of the Company’s Directors, Supervisors and Senior Management</b>	55
<b>Chapter 16 Financial Accounting System, Distribution of Profits and Auditing</b>	62
<b>Chapter 17 Appointment of an Accounting Firm</b>	66
<b>Chapter 18 Labour Union</b>	69
<b>Chapter 19 Merger and Division</b>	69
<b>Chapter 20 Dissolution and Liquidation</b>	70
<b>Chapter 21 Amendment to Articles of Association</b>	74
<b>Chapter 22 Notice</b>	74
<b>Chapter 23 Settlement of Disputes</b>	75
<b>Chapter 24 Supplementary Articles</b>	76

Notes: Terms used in the marginal notes of this Articles of Association shall have the following meanings:

1. **“Company Law”** refers to PRC Company Law (《中華人民共和國公司法》) and its amendments issued from time to time;
2. **“Mandatory Provisions”** refers to the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (《到境外上市公司章程必備條款》) (Zheng Wei Fa [1994] No. 21), jointly promulgated by the State Council Securities Commission and the State Restructuring Commission on 27 August 1994;
3. **“Circular of Supplemental Comments”** refers to the “Circular Regarding Comments on the Amendments to Articles of Association of Companies Listed in Hong Kong” (《關於到香港上市公司對公司章程作補充修改的意見的函》) (Zheng Jian Hai Han [1995] No.1) jointly issued by the Overseas-Listing Department of the CSRC and the Production System Department of the former State Commission for Restructuring and economic System dated April 3, 1995;

4. **“Opinions on Reforms”** refers to the Opinions on Further Standardizing Operations and Intensifying Reforms of Companies Listed Overseas (《關於進一步促進境外上市公司規範運作和深化改革的意見》) (Guo Jing Mao Qi Gai [1999] No. 230) which was jointly issued by the former National Economy and Trade Commission and the China Securities Regulatory Commission dated March 29, 1999;
5. **“Listing Rules”** refers to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and its amendments passed from time to time;
6. **“Guidelines for the Corporate Governance”** refers to the Guidelines for the Corporate Governance of Financing Guarantee (《融資性擔保公司公司治理指引》) (Yin Jian Fa [2010] No. 99) promulgated by the CBRC dated November 25, 2010;
7. **“Interim Measures”** refers to the Interim Measures for the Administration of Financing Guarantee Companies (《融資性擔保公司管理暫行辦法》), approved by the State Council and jointly issued by the CBRC, the NDRC, the Ministry of Industry and Information Technology, the Ministry of Finance, the Ministry of Commerce, the PBOC and the SAIC on March 8, 2010.

## Chapter 1 General

**Article 1** These Articles of Association are drawn up 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” (“Securities Law”), “Mandatory Provisions for these Articles of Association of the Companies to be Listed Overseas” (“Mandatory Provisions”), Circular Regarding Comments on the Amendments to Articles of Association of Companies Listed in Hong Kong, “The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (“Listing Rules”), the Interim Measures for the Administration of Financing Guarantee Companies, and other relevant laws and regulations to maintain the legitimate interests of Guangdong Join-Share Financing Guarantee Investment Co., Ltd. (the “Company”) and its shareholders and creditors, and to regulate the organisation and conducts of the Company.

Article 1 of the  
Mandatory  
Provisions  
Section 1(a) of  
Appendix 13 D to  
Listing Rules

The Company is a joint stock limited liability company established in accordance with the Company Law and other relevant laws and administrative regulations of the People’s Republic of China.

The Company was established on March 12, 2009 by way of promotion in the People’s Republic of China (the “PRC”, excluding, for the purpose of this Articles of Association and its appendices, the Special Administrative Region of Hong Kong, the Special Administrative Region of Macau and Taiwan) and registered at the Administration for Industry and Commerce of Foshan City of Guangdong Province with a business license for an enterprise as legal person granted. The registered number of the Company’s business license for an enterprise as legal person is 440600000001670.

The promoters of the Company are Guangdong Jinfa Iron and Steel Enterprise Co., Ltd. (廣東進發鋼鐵實業有限公司), Huang Guoshen (黃國深), Zhang Yubing (張玉冰), Shanghai Luodun Investment Consulting Co., Ltd. (上海羅頓投資諮詢有限公司), Wu Yanfen (吳艷芬), Foshan Fuside Infrastructure Investment Co., Ltd. (佛山市富思德基礎設施投資有限公司), Mai Caiqiong (麥彩瓊), Foshan Lijia Weiyu Co., Ltd. (佛山市立家衛浴有限公司), Liu Guanghong (劉廣洪), Foshan Venture Growth Investment Centre L.P. (佛山創業成長投資中心(有限合夥)), Zhou Weijie (周偉杰), Foshan Lisheng Trading Co., Ltd. (佛山市力繩經貿有限公司), Xie Chenhan (謝晨翰), Guangdong Huali Investment Group Co., Ltd. (廣東華立投資集團有限公司), Yuan Shaobin (原紹彬), Guangdong Guangyi Industry Trading Co., Ltd. (廣東廣億工貿有限公司), Guangdong Zhengye Appliance Co., Ltd. (廣東正野電器有限公司), Foshan Nanhai Dongxing Plastic Can Production Co., Ltd (佛山市南海東興塑料製罐有限公司), Long Guoan (龍國安), Yan Haobing (嚴浩冰), Li Qizhao (李啟照), Liang Huizhi (梁慧枝), Foshan Nanhai Zhujiang Power Development Co., Ltd. (佛山市南海珠江電業發展有限公司), Foshan Nanhai Dongfang Plastic Products Co., Ltd. (佛山市南海東方塑料製品有限公司), Jiangmen Kunlun Investment Co., Ltd. (江門市崑崙投資有限公司), Foshan Shiwan Nanxing Construction Machinery Factory (佛山市石灣南興建築機械廠), Hou Demei (侯德妹) and Liu Dieying (劉豐盈).

**Article 2** The registered name of the Company:

Article 2 of the  
Mandatory  
Provisions

In Chinese: 廣東中盈盛達融資擔保投資股份有限公司

In English: Guangdong Join-Share Financing Guarantee Investment Co., Ltd.

**Article 3** The address of the Company: Room 4101–4110, Block 1, Join-Share International Financing Center, No. 31 Fuhua Road, Dongping Community, Lecong Town, Shunde District, Foshan, Guangdong Province, the PRC

Article 95 of the  
Company Law  
Article 3 of the  
Mandatory  
Provisions

Zip: 528000

Telephone: 86–757–83303189

Fax: 86–757–83200228

**Article 4** The Company’s legal representative is the chairman of the board of directors of the Company.

Article 95 of the  
Company Law  
Article 4 of the  
Mandatory  
Provisions

**Article 5** The Company is a joint stock limited liability company which has perpetual existence.

Article 3 of the  
Company Law  
Article 5 of the  
Mandatory  
Provisions

**Article 6** These Articles of Association shall become effective as of the date on which the overseas-listed foreign-invested shares are listed on The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”); the original Articles of Association of the Company shall automatically expire on the effective date of these Articles of Association.

Article 5 of the  
Company Law  
Article 6 of the  
Mandatory  
Provisions  
Article 12 of the  
Interim Measures

From the date on which these Articles of Association come into effect, they shall constitute a legally binding document regulating the Company’s organization and activities, and the rights and obligations as between the Company and its shareholders and among the shareholders.

**Article 7** These Articles of Association are binding on the Company, its shareholders, directors, supervisors and senior management personnel; all of whom are entitled to make claims concerning the affairs of the Company in accordance with these Articles of Association.

Article 7 of the  
Mandatory  
Provisions

A shareholder may take legal action against the Company, other shareholders or directors, supervisors, and senior management personnel of the Company pursuant to these Articles of Association, and the Company may take legal action against shareholders or directors, supervisors, and senior management personnel of the Company pursuant to these Articles of Association.

The legal actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.

Unless otherwise defined, senior management personnel referred to in these Articles of Association refers to the president, vice president, chief financial officer, risk management director, and board secretary.

**Article 8** The Company may invest in other limited liability companies or joint stock limited liability companies. The Company's liability to any company invested in shall be limited to the amount of the investment.

Article 8 of the  
Mandatory  
Provisions,  
Article 14 of the  
Company Law

The Company may invest in other enterprises. If the law stipulates that a company shall not become liable for the debts of the enterprises in which it invests, it shall comply with such stipulation.

## Chapter 2 Operational Objectives and Scope

**Article 9** The operation objectives of the Company are: to act as a commercial guarantee company and provide for companies and individuals such services (principally guarantee; supplemented by investment management and management consultancy) with the major objective of obtaining economic benefits in accordance to the laws and regulations of the PRC and in promotion of the steady development of companies and individuals.

Article 9 of the  
Mandatory  
Provisions

**Article 10** The Company's scope of business shall be as approved by the authorities responsible for the registration of the Company.

Article 95 of the  
Company Law  
Article 10 of the  
Mandatory  
Provisions

The Company's scope of business includes: providing companies and individuals with such financial guarantees as loan guarantee, bill acceptance guarantee, trade financing guarantee, project financing guarantee, and unsecured guarantee, in addition to attachment bonds, contract bonds as well as agency services such as financing consultancy and financial advice, and investments with its own funds.

## Chapter 3 Shares and Registered Capital

**Article 11** There must, at all times, be ordinary shares in the Company. Subject to the approval of authorities authorized by the State Council, the Company may, according to its requirements, create different classes of shares.

Article 11 of the  
Mandatory  
Provisions  
Rule no. 9 of  
Appendix 3 to the  
Listing Rules

**Article 12** The shares issued by the Company shall each have a nominal value of Renminbi one yuan.

Article 12 of the  
Mandatory  
Provisions

**Article 13** Shares of the Company are in the form of share certificates. Subject to the approval of the securities regulatory authorities of the State Council, the Company may issue shares to Domestic Investors and Foreign Investors. The issue of shares by the Company shall adhere to the principle of equality and fairness. Shares of the same class shall have the same rights. Shares issued at the same time shall be equal in price and shall be subject to the same conditions. The price paid by any organization or individual for each share of the same class during the same share issue shall be the same.

Articles 142 and  
143 of the  
Company Law  
Article 13 of the  
Mandatory  
Provisions

Subject to the approval of the securities regulatory authorities of the State Council, the Company may issue shares to Domestic Investors and Foreign Investors.

“Foreign Investors” referred to in the preceding paragraph mean those investors who subscribe for the Company’s shares and who are located in foreign countries and in the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan. “Domestic Investors” mean those investors who subscribe for the Company’s shares and who are located within China.

**Articles 14** Shares which the Company issues to Domestic Investors for subscription in Renminbi are called “Domestic-Invested Shares”. Shares which the Company issues to Foreign Investors for subscription in foreign currencies are called “Foreign-Invested Shares”. Foreign-invested Shares which are listed overseas are called “Overseas-Listed Foreign-Invested Shares”.

Article 14 of the  
Mandatory  
Provisions

“Foreign currencies” referred to the lawful currencies freely convertible in other countries or regions (other than RMB), which are recognized by State’s foreign exchange authority and acceptable to pay for the shares to the Company.

The overseas-listed foreign shares of the Company listed in Hong Kong (referred to as H shares) shall refer to shares with a par value denominated in RMB, which are approved by the Hong Kong Stock Exchange for listing and will be subscribed for and traded in Hong Kong dollars.

**Article 15** 232,000,000 ordinary shares were issued to the promoters upon the establishment of the Company, all of which were subscribed and held by the promoters in such manners of contribution of each promoter as set out in the following table:

Article 95 (4)  
of the Company  
Law  
Article 15 of the  
Mandatory  
Provisions

Promoters	Number of shares subscribed (in ten thousands)	Proportion of capital contributed	Manner of contribution	Date of contribution
Guangdong Jinfa Steel Trading Co., Ltd.	1,680	7.24%	Net Asset to Share	2009.02.28
Huang Guoshen	1,680	7.24%	Net Asset to Share	2009.02.28
Zhang Yubing	1,680	7.24%	Net Asset to Share	2009.02.28
Foshan Fuside Infrastructure Investment Co., Ltd.	1,580	6.81%	Net Asset to Share	2009.02.28

<b>Promoters</b>	<b>Number of shares subscribed (in ten thousands)</b>	<b>Proportion of capital contributed</b>	<b>Manner of contribution</b>	<b>Date of contribution</b>
Shanghai Luodun Investment Consulting Co., Ltd.	1,580	6.81%	Net Asset to Share	2009.02.28
Wu Yanfen	1,580	6.81%	Net Asset to Share	2009.02.28
Mai Caiqiong	1,200	5.17%	Net Asset to Share	2009.02.28
Foshan Lijia Weiyu Co., Ltd.	1,100	4.74%	Net Asset to Share	2009.02.28
Liu Guanghong	1,030.25	4.44%	Net Asset to Share	2009.02.28
Foshan Venture Growth Investment Centre L.P.	1,019.75	4.40%	Net Asset to Share	2009.02.28
Zhou Weijie	1,000	4.31%	Net Asset to Share	2009.02.28
Foshan Lisheng Trading Co., Ltd.	850	3.66%	Net Asset to Share	2009.02.28
Xie Chenhan	800	3.45%	Net Asset to Share	2009.02.28
Guangdong Huali Investment Group Co., Ltd.	640	2.76%	Net Asset to Share	2009.02.28
Yuan Shaobin	600	2.59%	Net Asset to Share	2009.02.28
Guangdong Guangyi Industry Trading Co., Ltd	500	2.16%	Net Asset to Share	2009.02.28
Guangdong Zhengye Appliance Co., Ltd.	500	2.16%	Net Asset to Share	2009.02.28
Foshan Nanhai Dongxing Plastic Can Production Co., Ltd	500	2.16%	Net Asset to Share	2009.02.28
Long Guoan	500	2.16%	Net Asset to Share	2009.02.28
Yan Haobing	500	2.16%	Net Asset to Share	2009.02.28
Li Qizhao	500	2.16%	Net Asset to Share	2009.02.28



<b>Promoters</b>	<b>Number of shares subscribed (in ten thousands)</b>	<b>Proportion of capital contributed</b>	<b>Manner of contribution</b>	<b>Date of contribution</b>
Liang Huizhi	350	1.51%	Net Asset to Share	2009.02.28
Foshan Nanhai Zhujiang Power Development Co., Ltd.	330	1.42%	Net Asset to Share	2009.02.28
Foshan Nanhai Dongfang Plastic Products Co., Ltd.	300	1.29%	Net Asset to Share	2009.02.28
Jiangmen Kunlun Investment Co., Ltd.	300	1.29%	Net Asset to Share	2009.02.28
Foshan Shiwan Nanxing Construction Machinery Factory	300	1.29%	Net Asset to Share	2009.02.28
Hou Demei	300	1.29%	Net Asset to Share	2009.02.28
Liu Dieying	300	1.29%	Net Asset to Share	2009.02.28
<b>Total</b>	<b>23,200</b>	<b>100%</b>		

**Article 16** After the Company's establishment, 293,333,334 H shares were issued to the public, including the issuance of 266,666,667 new shares and the sale of 26,666,667 state-owned shares. The total share capital of the Company was 1,066,666,667 shares upon its initial public offering. The Company issued a total of 1,066,666,667 ordinary shares, comprising 773,333,333 domestic shares and 293,333,334 H shares.

Article 16 of the Mandatory Provisions Rule 8.08 of the Listing Rules

The existing structure of the share capital of the Company is as follows: the total number of ordinary shares in issue is 1,560,792,687 shares, where domestic shareholders hold 1,006,429,353 shares and H shareholders hold 554,363,334 shares.

**Article 17** The Company's board of directors may take all necessary actions for the separate issuance of the Overseas-Listed Foreign-Invested Shares and Domestic-Invested Shares after the proposals for the same have been approved by the securities regulatory authorities of the State Council.

Article 17 of the Mandatory Provisions

**Article 18** Where the Company separately issues Overseas-Listed Foreign- Invested Shares and Domestic-Invested Shares, and the total number of shares to be issued is within the issuance proposals, the shares should be fully allotted in one issuance. If this is not possible due to special circumstances, the shares may, subject to the approval of the securities regulatory authorities of the State Council, be issued on separate occasions.

Article 18 of the  
Mandatory  
Provisions

**Article 19** The registered capital of the Company is RMB1,560,792,687.

Article 19 of the  
Mandatory  
Provisions

Based on the actual situation regarding the issuance, the Company shall undergo formalities regarding the change of registration with the competent administration for industry and commerce in respect of the changes of registered capital, and shall file the same to the State Council authorities in charge of securities.

Article 95 (4) of  
the Company  
Law

**Article 20** Unless otherwise stipulated in the laws, administrative regulations, or listing rules of the place(s) in which the shares of the Company are listed, the shares of the Company, once fully paid, may be freely transferred without any lien. The transfer of Overseas-Listed Foreign-Invested Shares of the Company listed in Hong Kong shall be registered with the registration agency located in Hong Kong appointed by the Company.

Section 1(2) of  
Appendix 3 to the  
Listing Rules

#### **Chapter 4 Increase, Reduction and Repurchase of Shares**

**Article 21** The Company may, based on its operational and development needs, authorise the increase of its capital pursuant to these Articles of Association.

Article 20 of the  
Mandatory  
Provisions  
Article 214 of the  
Company Law

The Company may increase its capital in the following ways:

- (1) by offering new shares for subscription by specific or general investors;
- (2) by placement of new shares to existing shareholders;
- (3) by allotting bonus shares to existing shareholders;
- (4) by increasing the share capital out of the common reserve fund;
- (5) by any other means which is permitted by the laws, administrative regulations and authorized by the securities regulatory authorities of the State Council.

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

**Article 22** According to the provisions of these Articles of Association, the Company may reduce its registered capital. In doing so, it shall act according to the Company Law, other relevant regulations and these Articles of Association.

Article 22 of the  
Mandatory  
Provisions

**Article 23** The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

Article 23 of the  
Mandatory  
Provisions  
Articles 224 of the  
Company Law

The Company shall notify its creditors within 10 days of the date of the Company's resolution for reduction of capital and shall publish an announcement in newspaper(s) or the National Enterprise Credit Information Publicity System within 30 days. Creditors are entitled to request the Company to repay its debts or to provide a corresponding guarantee within 30 days of receipt of notice from the Company or, in the case of a creditor who does not receive such notice, within 45 days of the date of the announcement.

The Company's registered capital may not, after the reduction in capital, be less than the minimum amount prescribed by law.

The Company shall complete the registration of capital reduction with the authorities in accordance with the law.

**Article 24** The Company may not repurchase the shares of the Company, except for one of the below situations:

Article 162 of the  
Company Law  
Article 24 of the  
Mandatory  
Provisions

- (1) its registered capital is reduced;
- (2) merging with another company that holds shares of the Company takes place;
- (3) the shares are issued under the employee share scheme or equity incentive;
- (4) when requested by any shareholder to purchase his shares because this shareholder objects to any resolution of merger or division made by the Company at general meeting;
- (5) the shares are converted under the convertible bonds of the Company in issue;
- (6) any necessary action is taken to protect the company values and shareholders' equity interest;
- (7) other circumstances permitted by law, administrative regulations or competent authorities.

**Article 25** The Company may repurchase shares in one of the following ways, with the approval of the relevant competent authority:

Article 162 of the  
Company Law  
Article 25 of the  
Mandatory  
Provisions  
Rule 10.05 of the  
Listing Rules

- (1) by making an offer for the repurchase of shares to all its shareholders on a pro-rata basis;
- (2) by on-market repurchase;
- (3) by off-market repurchase through an agreement;

(4) by any other means which is permitted by competent authorities.

The company shall repurchase its shares in an open and concentrated manner if such repurchase is made due to reasons provided in Article 24(3), (5), and (6) pursuant to these Article of Association.

**Article 26** The Company must obtain the prior approval of the shareholders in a general meeting in the manner stipulated in these Articles of Association before it can effect an off-market repurchase through an agreement. The Company may, by obtaining the prior approval of the shareholders in a general meeting (in the same manner), rescind or vary any contract which has been so entered into or waive any right thereunder.

Article 26 of the  
Mandatory  
Provisions  
Section 8(1), 8(2)  
of Appendix 3 to  
the Listing Rules

A contract for the repurchase of shares referred to in the preceding paragraph includes (but is not limited to) an agreement which causes the Company to become entitled or obliged to repurchase its shares.

The Company may not assign any contract for the repurchase of its shares or any right contained in such contract.

Where the Company has the right to repurchase redeemable shares:

- (1) repurchases not made on-market or by tender shall be limited to a maximum price;
- (2) if repurchases are made by tender, tenders shall be made to all shareholders alike.

**Article 27** If the Company repurchases its shares due to reasons provided in Articles 24(1) and (2), such repurchase shall be approved by the shareholders in general meeting pursuant to these Articles of Association. If the Company repurchase its shares due to reasons provided in Article 24 (3), (5), and (6), such repurchase shall be approved by two-thirds of the directors attending the board meeting pursuant to these Articles of Association.

Article 162 of the  
Company Law  
Article 27 of the  
Mandatory  
Provisions

Where shares of the Company are repurchased in accordance with Article 24(1), they shall be canceled within 10 days of being repurchased; where shares of the Company are repurchased in accordance with Articles 24(2) or (4), they shall be transferred or canceled within 6 months of being repurchased; where shares of the Company are repurchased in accordance with Article 24(3), (5), and (6), the aggregate number of shares of the Company held by the Company shall not exceed 10% of the total issued shares of the Company and be transferred or canceled within three years.

The aggregate nominal value of the cancelled shares shall be deducted from the Company's registered capital, and registration of the change in its registered capital shall be submitted to the relevant authority.

**Article 28** Unless the Company is in liquidation, it must comply with the following provisions in relation to repurchase of its outstanding shares:

Article 28 of the  
Mandatory  
Provisions

- (1) where the Company repurchases shares at nominal value, payment shall be made out of the book balance of the distributable profits of the Company or out of the proceeds from a new issue of shares made for that purpose;
- (2) where the Company repurchases its shares of the Company at a premium, payment up to the nominal value may be made out of the book balance of the distributable profits of the Company or out of the proceeds from a new issue of shares made for that purpose. Payment of the premium shall be effected as follows:
  1. if the shares being repurchased were issued at nominal value, payment shall be made out of the book balance of the distributable profits of the Company;
  2. if the shares being repurchased were issued at a premium, payment shall be made out of the book balance of the distributable profits of the Company or out of the proceeds from a new issue of shares made for that purpose, provided that the amount paid out of the proceeds from the new issue shall not exceed the premium received by the Company on the issue of the repurchased shares nor shall it exceed the book value of the Company's capital common reserve fund account (including any premiums on the new issue) at the time of the repurchase;
- (3) the Company shall make any payment for the following purposes out of the Company's distributable profits:
  1. acquisition of the right to repurchase its own shares;
  2. variation of any contract for the repurchase of its shares;
  3. release of the Company's obligation(s) under any contract for the repurchase of shares;
- (4) after the Company's registered capital has been reduced by the aggregate nominal value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the nominal value of shares which have been repurchased shall be recorded in the Company's capital common reserve fund account.

## Chapter 5 Financial Assistance for Purchase of Company Shares

**Article 29** The Company and its subsidiaries shall not, at any time, provide any form of financial assistance to a person who is acquiring or is proposing to acquire shares in the Company. This includes any person who directly or indirectly incurs any obligations as a result of acquisition of shares in the Company. Article 29 of the Mandatory Provisions

The Company and its subsidiaries shall not, at any time, provide any form of financial assistance for the purposes of reducing or discharging the obligations assumed by any person as a result of acquisition of shares in the Company.

This Article shall not apply to the circumstances specified in Article 31 of these Articles of Association.

**Article 30** For the purposes of this Chapter, “financial assistance” includes (but is not limited to) the following: Article 30 of the Mandatory Provisions

- (1) gifts;
- (2) guarantee (including the assumption of obligations of another or provision of assets to secure the performance of obligations by another), compensation (other than compensation arising out of the Company’s own fault) or release or waiver of any right;
- (3) provision of a loan or the making of any other agreement under which the obligations of the Company are to be fulfilled before the obligations of another party, or the change in parties to, or the assignment of rights under, such loan or contract;
- (4) any other form of financial assistance given by the Company when the Company is unable to pay its debts, has no net assets or when its net assets would be reduced by a material extent.

For the purposes of this Chapter, assumption of obligations by a person includes the assumption of obligations by way of contract or other arrangement (irrespective of whether such contract or arrangement is enforceable or not and irrespective of whether such obligations are borne jointly with other persons) or by any other means which results in a change in his financial position.

**Article 31** The following acts shall not be deemed to be acts prohibited by Article 29 of these Articles of Association:

Article 31 of the  
Mandatory  
Provisions

- (1) the provision of financial assistance by the Company where the financial assistance is given in good faith and in the interests of the Company, and the principal purpose of which is not for the acquisition of shares in the Company, or the giving of the financial assistance is an incidental part of some larger purpose of the Company;
- (2) the lawful distribution of the Company's assets as dividends;
- (3) the distribution of dividends in the form of shares;
- (4) a reduction of registered capital, a repurchase of shares of the Company or a reorganization of the shareholding structure of the Company effected in accordance with these Articles of Association;
- (5) the provision of loans by the Company for its normal operations within its normal scope of business (provided that this does not reduce the net assets of the Company or that financial assistance is provided out of the distributable profits of the Company, if it does reduce the net assets of the Company);
- (6) contributions made by the Company to employee share schemes (provided that this does not reduce the net assets of the Company or that financial assistance is provided out of the distributable profits of the Company, if it does reduce the net assets of the Company).

### **Chapter 6 Share Certificates and Register of Shareholders**

**Article 32** Share certificates of the Company shall be in registered form.

Article 32 of the  
Mandatory  
Provisions  
Article 149 of the  
Company Law  
Section 2(2) of  
Appendix 3 to the  
Listing Rules

The share certificates of the Company shall bear the following main items:

- (1) name of the Company;
- (2) date of registration and establishment of the Company;
- (3) type of share, nominal value and the number of shares it represents;
- (4) number of the share certificate;
- (5) other matters as required by the Company Law and the stock exchange(s) on which the shares are listed.

To the extent that the Company is authorized to issue warranties to unregistered holders, no new warranties shall be issued in substitution for any lost original warranties unless the Company is certain with no reasonable doubts that the original warranties have been destroyed.

**Article 33** The share certificates of the Company may be transferred, gifted, inherited and pledged in accordance with relevant laws, administrative rules, regulations of competent authorities as well as these Articles of Association.

The assignment of transfer of shares shall be registered with the share registrar appointed by the Company.

**Article 34** The Company does not accept the pledging of its share certificates.

Article 162 of the Company Law

**Article 35** Share certificates of the Company shall be signed by the chairman of the board of directors. Where the stock exchange(s) on which the Company's shares are listed require other senior management personnel of the Company to sign, the share certificates shall also be signed by such officer(s). The share certificates become effective after being sealed with the seal of the Company, or with the seal sign in printed form. The share certificate shall only be sealed with the Company's seal under the authorisation of the board of directors. The signatures of the chairman of the board of directors or other senior management personnel of the Company may be in printed form.

Article 33 of the Mandatory Provisions, Article 1 of the Circular of Supplemental Comments Rule 2(1) of Appendix 3 of the Listing Rules

**Article 36** The Company shall keep a register of shareholders which shall contain the following particulars:

Article 34 of the Mandatory Provisions

- (1) the name and address (residence), the occupation or type of each shareholder;
- (2) the class and quantity of shares held by each shareholder;
- (3) the amount paid-up on or agreed to be paid-up on the shares held by each shareholder
- (4) the share certificate number(s) of the shares held by each shareholder;
- (5) the date on which each shareholder was registered as a shareholder;
- (6) the date on which any shareholder ceased to be a shareholder.

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

**Article 37** The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authorities of the State Council and overseas securities regulatory organisations, maintain the register of shareholders of overseas-listed foreign-invested shares overseas and appoint overseas agent(s) to manage such register of shareholders. The original register of shareholders for holders of overseas-listed foreign-invested shares listed in Hong Kong shall be maintained in Hong Kong.

Article 35 of the Mandatory Provisions Article 2 of the Circular of Supplemental Comments Section 1(b) of Appendix 13D of the Listing Rules



A duplicate register of shareholders for the holders of overseas-listed foreign-invested shares shall be maintained at the Company's residence. The appointed overseas agent(s) shall ensure consistency between the original and the duplicate registers of shareholders at all times.

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

**Article 38** The Company shall keep a complete register of shareholders.

Article 36 of the  
Mandatory  
Provisions

The register of shareholders shall comprise the following parts:

- (1) the register of shareholders which is maintained at the Company's residence (other than those share registers which are described in sub-paragraphs (2) and (3) of this Article);
- (2) the register of shareholders in respect of the holders of overseas-listed foreign-invested shares of the Company which is maintained in the same place as the overseas stock exchange on which the shares are listed; and
- (3) the register of shareholders which is maintained in such other place as the board of directors may consider necessary for the purposes of the listing of the Company's shares.

**Article 39** Different parts of the register of shareholders shall not overlap. While transferred shares continue to be registered in one part of the register of shareholders, they shall not be registered in another part of the register. Amendments or rectification of the register of shareholders shall be made in accordance with the laws of the place where the register of shareholders is maintained.

Article 37 of the  
Mandatory  
Provisions  
Article 12 of the  
Circular of  
Supplemental  
Comments  
Rules 1(1), 1(2),  
1(3), 19A.46 of  
Appendix 3 of the  
Listing Rules

All H Shares listed in Hong Kong which have been fully paid-up may be freely transferred in accordance with the Articles of Association. However, unless such transfer complies with the following requirements, the board of directors may refuse to recognise any document of transfer and would not need to provide any reason therefor:

- (1) transfer documents and other documents which relates to share ownership or may affect share ownership shall be registered, and a fee determined under the Listing Rules shall be paid to the Company for such registration;
- (2) the document of transfer only relates to H Shares listed in Hong Kong;
- (3) the stamp duty which is chargeable on the document of transfer has already been paid;

- (4) the relevant share certificate(s) and any other evidence which the board of directors may reasonably require to show that the transferor has the right to transfer the shares have been provided;
- (5) if it is intended that the shares be transferred to joint holders, the maximum number of joint holders shall not be more than four (4); and
- (6) the Company does not have any lien on the relevant shares.

If the Company refuses to register a share transfer, the Company shall send the transferor and the transferee a notice of refusal to register the said share transfer within two months from the date of submission of the application for transfer.

All overseas-listed foreign-invested shares shall be transferred by an instrument in writing in the usual or common form or any other form which the board of directors may accept. The instrument of transfer of any share may be executed by hand without seal, or if the assignor or the assignee is a recognised clearing house as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“recognised clearing house”) or its agent, the share transfer form may be executed by hand or in mechanically-printed form. All share transfer forms shall be maintained in the legal address of the Company or other places designated by the board of directors from time to time.

**Article 40** No change may be made in the register of shareholders as a result of a transfer of shares within 30 days prior to the date of a general meeting or within five days before the determination date for the Company’s distribution of dividends. Article 38 of the Mandatory Provisions

Despite the foregoing provision, the laws, administrative rules, departments regulations, normative documents and other requirements set by the relevant security exchange or regulatory body where the shares of the Company are listed shall prevail.

**Article 41** When the Company needs to convene a general meeting for the purposes of dividend distribution, liquidation or for any other purpose for which shareholdings need to be determined, the board of directors or the convenor of the general meeting shall determine a record date for the determination of shareholdings. The shareholders of the Company shall be such persons who appear in the register of shareholders at the close of such record date. Article 39 of the Mandatory Provisions

**Article 42** Any person who disputes the register of shareholders and asks for inclusion of his name in or removal of his name from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register. Article 40 of the Mandatory Provisions

**Article 43** For any person who is a registered shareholder or who claims to be entitled to have his name entered in the register of shareholders in respect of shares in the Company may, if his share certificate (the “original certificate”) relating to the shares is lost, apply to the Company for a replacement share certificate in respect of such shares (the “Relevant Shares”).

Application by a holder of domestic shares, who has lost his share certificate, for a replacement share certificate shall be dealt with in accordance with the relevant requirements of the Company Law.

Application by a holder of overseas-listed foreign-invested shares, who has lost his share certificate, for a replacement share certificate may be dealt with in accordance with laws of the place where the original register of shareholders of overseas-listed foreign-invested shares is maintained, the rules of the stock exchange or other relevant regulations.

The issuance of a replacement share certificate to a shareholder of H Shares, who has lost his share certificate, shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in a prescribed form accompanied by a notarial certificate or a statutory declaration, of which the contents shall include the grounds upon which the application is made and the circumstances and evidence of loss, and the declaration that no other person is entitled to have his name entered in the register of shareholders in respect of the Relevant Shares.
- (2) The Company has not received any declaration made by any person other than the applicant declaring that his name shall be entered in the register of shareholders in respect of such shares before it decides to issue a replacement share certificate to the applicant.
- (3) The Company shall, if it intends to issue a replacement share certificate, publish a notice of its intention to do so at least once every 30 days within a period of 90 consecutive days in such newspapers as may be prescribed by the board of directors.
- (4) The Company shall, prior to publication of its intention to issue a replacement share certificate, deliver to the stock exchange on which its shares are listed, a copy of the notice to be published and may publish the notice upon receipt of confirmation from such stock exchange that the notice has been exhibited in the premises of the stock exchange. Such notice shall be exhibited in the premises of the stock exchange for a period of 90 days. In the case of an application which is made without the consent of the registered shareholder of the Relevant Shares, the Company shall deliver by mail to such registered shareholder a copy of the notice to be published.

- (5) If, by the expiration of the 90-day period referred to in paragraphs (3) and (4) of this Article, the Company has not received any objection from any person in respect of the issuance of the replacement share certificate, it may issue a replacement share certificate to the applicant pursuant to his application.
- (6) Where the Company issues a replacement share certificate pursuant to this Article, it shall forthwith cancel the original share certificate and document the cancellation of the original share certificate and issuance of a replacement share certificate in the register of shareholders accordingly.
- (7) All expenses relating to the cancellation of an original share certificate and the issuance of a replacement share certificate shall be borne by the applicant and the Company is entitled to refuse to take any action until reasonable guarantee has been provided by the applicant.

**Article 44** Where the Company issues a replacement share certificate pursuant to the Articles of Association, a bona fide purchaser obtaining new share certificates referred to above or a shareholder registered as a holder of the shares (if he is a bona fide purchaser), his name shall not be removed from the register of shareholders.

Article 42 of the  
Mandatory  
Provisions

**Article 45** The Company shall not be liable for any damage sustained by any person by reason of the cancellation of the original share certificate or the issuance of the replacement share certificate unless the claimant is able to prove fraud on the part of the Company.

Article 43 of the  
Mandatory  
Provisions

## Chapter 7 Rights and Obligations of Shareholders

**Article 46** A shareholder of the Company is a person who lawfully holds shares in the Company and whose name is entered in the register of shareholders.

Article 44 of the  
Mandatory  
Provisions  
Rule 12 of  
Appendix 3 of the  
Listing Rules

A shareholder shall enjoy rights and assume obligations according to the class and amount of shares held by him; shareholders who hold shares of the same class shall enjoy equal rights and assume the same class of obligations.

No powers shall be taken to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who have direct or indirect interests therein have failed to disclose such to the Company.

For joint shareholders, upon the death of any joint shareholder, only the surviving shareholder(s) shall be deemed by the Company to have the ownership of the related shares, but the board of directors is entitled to request for the provision of a death certificate as it may deem fit for the purpose of revising the shareholders' register. For joint shareholders of any shares, only the first-named shareholder in the shareholders' register has the right to receive the share certificates for the relevant shares, receive notices from the Company, attend the general meeting and exercise voting rights; and any notice delivered to the said shareholder shall be deemed as if the notice has been delivered to all of the joint shareholders of the relevant shares.

**Article 47** The shareholders of ordinary shares of the Company enjoy the following rights:

Article 45 of the  
Mandatory  
Provisions  
Articles 110, 115  
of the Company  
Law  
Rule 19A.50 of  
the Listing Rules

- (1) to receive dividends and other forms of distributions of benefits in proportion to their shareholdings;
- (2) to lawfully request, convene, preside over and attend general meetings either in person or by proxy and exercise the corresponding voting right;
- (3) to supervise and manage the Company's business operations, to make proposals and to raise queries;
- (4) to transfer, gift or pledge shares in accordance with laws, administrative regulations and the provisions of the Articles of Association;
- (5) subject to production of the relevant documents evidencing the class and quantity of shares held and verification of their identities as shareholders by the Company, to obtain relevant information in accordance with laws, administrative regulations and the provisions of the Articles of Association, including:
  1. a copy of the Articles of Association, subject to payment of costs;
  2. the right to inspect and copy, subject to payment of a reasonable fee:
    - (1) all parts of the register of shareholders;
    - (2) personal particulars of each of the Company's directors, supervisors, senior management personnel including:
      - (a) present and former names and aliases;
      - (b) principal address (place of residence);
      - (c) nationality;
      - (d) primary and all other part-time occupations and duties;

- (e) identification documents and numbers;
  - (3) the status of the Company's share capital;
  - (4) the latest audited financial statements of the Company and reports from the board of directors, the board of supervisors and the auditor;
  - (5) the special resolutions of the Company;
  - (6) the reports of the quantity and par value of securities bought back by the Company since the last account year, the aggregate amount paid therefor, as well as the highest and lowest prices of each class of securities bought back (categorised into domestic shares and foreign-invested shares);
  - (7) the copy of the latest annual report submitted to the State Administration for Industry & Commerce or other competent authorities for filing (where applicable);
  - (8) the minutes of general meetings, resolutions of the board of directors, resolutions of the board of supervisors.
- (6) in the event of the winding-up or liquidation of the Company, to participate in the distribution of remaining assets of the Company in proportion to the number of shares held;
  - (7) to require the Company to buy their shares in the event of objection to resolutions of the general meeting concerning merger or division of the Company;
  - (8) Shareholder(s) individually or jointly holding more than 1% of shares of the Company may submit written provisional proposals to the board of directors 10 days before a general meeting is convened;
  - (9) other rights conferred by laws, administrative regulations and the Articles of Association.

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

- (1) to comply with laws, administrative regulations and the Articles of Association;
- (2) to pay subscription money according to the number of shares subscribed and the method of subscription;
- (3) not to surrender the shares unless required by law or administrative regulations;

Article 46 of the  
Mandatory  
Provisions  
Article 21 of the  
Company Law

- (4) not to abuse shareholder's rights and harm the interest of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of the shareholders to impair the interests of creditors of the Company; where the shareholder's abuse of its power causes damage to other shareholders, he shall be liable to compensation in accordance with laws; where the shareholder has abused the Company's independent legal person status and shareholder's limited liability for debt evasion and caused serious damage to the creditor's interests, it shall bear joint liability for the debts of the Company;
- (5) other obligations imposed by laws, administrative regulations and provisions of the Articles of Association.

Shareholders are not liable to make any further contribution to the share capital other than according to the terms agreed by the subscriber of the relevant shares at the time of subscription.

**Article 49** In addition to the obligations imposed by laws, administrative regulations or the listing rules of the stock exchange on which the Company's shares are listed, a controlling shareholder, in exercising its shareholder's rights, shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or a portion of the shareholders of the Company:

Article 47 of the  
Mandatory  
Provisions

- (1) to exempt a director or supervisor from the obligation of acting honestly in the best interests of the Company;
- (2) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person) of the Company's assets in any way, including (but not limited to) opportunities which are beneficial to the Company;
- (3) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person) of the individual interest of other shareholders, including (but not limited to) any rights to distributions and voting rights (excluding a restructuring which has been submitted for approval by the shareholders in a general meeting in accordance with the Articles of Association).

**Article 50** For the purpose of the foregoing Article, a "controlling shareholder" means a person who satisfies any one of the following conditions:

Article 48 of the  
Mandatory  
Provisions

- (1) a person who, when acting alone or in concert with others, has the power to appoint more than half of the directors;
- (2) a person who, when acting alone or in concert with others, has the power to exercise 30% or more of the voting rights or has power to control the exercise of 30% or more of the voting rights in the Company;

- (3) a person who, when acting alone or in concert with others, holds 30% or more of the issued shares of the Company;
- (4) a person who, when acting alone or in concert with others, has de facto control of the Company in any other way.

### **Chapter 8 General Meeting**

**Article 51** The general meeting holds the powers of the Company and shall exercise its functions and powers in accordance with laws. Article 49 of the Mandatory Provisions

**Article 52** The general meeting shall have the following functions and powers:

- (1) to decide on the Company's operational policies and investment plans;
  - (2) to appoint and replace directors and to decide on matters relating to the remuneration of directors;
  - (3) to appoint and replace supervisors who are not representatives of the employees and to decide on matters relating to the remuneration of supervisors;
  - (4) to consider and approve the board of directors' reports;
  - (5) to consider and approve the board of supervisors' reports;
  - (6) to consider and approve the Company's profit distribution plans and loss recovery plans;
  - (7) to consider and approve the Company's proposed and final annual financial budgets;
  - (8) to pass resolutions on the increase or reduction of the Company's registered capital;
  - (9) to pass resolutions on matters such as merger, division, dissolution, liquidation or change of the corporate form of the Company;
  - (10) to pass resolutions on the issue of shares, issue of debentures and repurchase of shares by the Company;
  - (11) to amend the Articles of Association;
  - (12) to consider motions raised by shareholders, individually or jointly, holding more than 1% of the total number of voting shares of the Company;
- Article 50 of the Mandatory Provisions Articles 59, 115, 135 of the Company Law Article 8 of the Guidelines for the Corporate Governance



- (13) to consider the purchase and sale of major assets or the giving of guarantees not falling within the scope of its principal business within 1 year, with value exceeding 30% of the total assets of the Company as shown in the latest published audited financial statements of the Company;
- (14) to pass resolutions on the appointment, reappointment and dismissal of the accountants of the Company;
- (15) to consider the equity incentive scheme;
- (16) to decide on other matters which, according to laws administrative regulations, or the Articles of Association, need to be approved by shareholders in general meetings;
- (17) any other matters as required by the listing rules of the stock exchange where the shares of the Company are listed.

If necessary and appropriate, the general meeting may authorise the board of directors to decide on matters to be resolved and which cannot or are not required to be decided at the general meeting.

If the board of directors is authorised in a general meeting to determine matters which shall be determined by ordinary resolution, the authorisation should be passed by majority voting rights held by the attending shareholders (including their proxies); if the authorisation relates to matters which shall be determined by special resolution, the authorisation should be passed by attending shareholders (including their proxies) holding more than two-thirds of the voting rights. The terms of the authorisation should be clear and specific.

**Article 53** Unless prior approval in the form of a special resolution is obtained in a general meeting, the Company shall not enter into any contract with any person other than the directors, supervisors, senior management personnel pursuant to which such person shall be responsible for the management and administration of the whole or any substantial part of the Company's business. Article 51 of the Mandatory Provisions

**Article 54** General meetings are divided into annual general meetings ("AGM") and extraordinary general meetings. General meetings shall be convened by the board of directors. Article 52 of the Mandatory Provisions

AGMs are held once every year and within six months from the end of the preceding accounting year.

**Article 55** The board of directors shall convene an extraordinary general meetings within two months after the occurrence of any one of the following events:

Article 52 of the  
Mandatory  
Provisions  
Article 113 of the  
Company Law

- (1) where the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;
- (2) where the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;
- (3) At the request of shareholder(s) who individually or jointly hold more than 10% of the shares of the Company;
- (4) whenever the board of directors deems necessary or the board of supervisors so requests;
- (5) other circumstances provided by laws, administrative regulations, rules of competent authorities, listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association.

The shareholdings referred to in item (3) above shall be calculated on the basis of the number of shares held as at the date of written request from the shareholders.

**Article 56** A notice of a general meeting shall be given 20 business days before the date of the meeting to all registered shareholders. A notice of an extraordinary general meeting shall be given ten business days or 15 days (whichever is longer) before the date of the meeting to all registered shareholders. Such notice shall give such shareholders notice of the matters to be considered at such meeting, the date and the place of the general meeting.

Article 115 of the  
Company Law  
Rule 13.39 of the  
Listing Rules

In calculating the date of commencement, the Company shall exclude the dates of notice and meeting. The business day as referred to in this Article of Association refer to any day when the Hong Kong Stock Exchange is open for trading in securities.

A general meeting shall be in the form of physical meeting to be held on-site (including but without limitation to video conferencing) or voting by correspondence. So far as required by the regulatory authorities, such meeting may also be held in the form of webcasting or such other manners convenient for shareholders to participate in a general meeting. A shareholder who participates in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.

**Article 57** Matters which are not specified in the notice or supplemental notice shall not be decided at any general meetings.

Article 115 of the  
Company Law

**Article 58** The notice of a general meeting shall satisfy the following requirements:

- (1) it should be in writing;
- (2) specifies the place, date and time of the meeting;
- (3) sets out the matters to be discussed at the meeting;
- (4) provides the shareholders with such information and explanation as necessary to enable the shareholders to make an informed decision on the proposals put before them. This includes (but is not limited to) where a proposal is made to amalgamate the Company with another, to repurchase shares of the Company, to reorganise its share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with contracts (if any) and the cause and effect of such proposal must be properly explained;
- (5) contains a disclosure of the nature and extent of the material interests of any director, supervisor, president and other senior management personnel in the proposed transaction and the effect which the proposed transaction will have on them in their capacity as shareholders, if it is different from the effect on the interests of shareholders of the same class;
- (6) contains the full text of any special resolution to be proposed at the meeting;
- (7) contains a clear statement that a shareholder entitled to attend and vote at such meeting is entitled to appoint one or more proxies to attend and vote at such meeting on his behalf and that such proxy needs not be a shareholder;
- (8) specifies the time and place for lodging proxy forms for the meeting;
- (9) the name and telephone number of the usual contact person.

**Article 59** Unless otherwise provided by relevant laws, administrative regulations, the listing rules of the stock exchange where the shares of the Company are listed or the Articles of Association, the notice of a general meeting shall be publicly announced and delivered to the shareholders (whether or not such shareholders are entitled to vote at the meeting) by hand or by pre-paid mail to the addresses of the shareholders as shown in the register of shareholders of the Company. For shareholders of domestic shares, the notice of the meeting may also be given by way of public announcement.

The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authorities of the State Council. Once the announcement is made, all the shareholders of domestic shares shall be deemed to have received the notice of the relevant general meeting. The public announcement of the general meeting shall be issued to the holders of overseas-listed foreign-invested shares on the Company's website and the website designated by the Hong Kong Stock Exchange or in accordance with the requirements of the listing rules, subject to applicable laws, administrative regulations and relevant listing rules. Once the announcement is published, all holders of overseas-listed foreign-invested shares shall be deemed to receive the notice of relevant general meeting.

If a notice of meeting is accidentally omitted to be sent to any person who is entitled to receive the same or that person has not received such a notice of meeting, it will not cause the meeting and any resolution made therein to be void.

**Article 60** Any shareholder who is entitled to attend and vote at a general meeting of the Company shall be entitled to appoint one or more persons (whether such person is a shareholder or not) as his proxy or proxies to attend and vote on his behalf, and a proxy so appointed shall be entitled to exercise the following rights pursuant to the authorisation from that shareholder: Article 59 of the Mandatory Provisions

- (1) the shareholders' right to speak at the meeting;
- (2) the right to demand or join in demanding a poll;
- (3) unless otherwise provided by applicable laws, administrative regulations, rules of competent authorities, listing rules of the stock exchange where the shares of the Company are listed or other securities laws and regulations, the right to vote by hand or on a poll, but a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

**Article 61** The instrument appointing a proxy to attend the general meeting shall be in writing and shall be under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a legal person, either under its seal or under the hand of a director or a duly authorised attorney. Article 60 of the Mandatory Provisions

**Article 62** The proxy form shall be lodged at the Company's premises or such other place as specified in the notice convening the meeting at least 24 hours prior to the relevant meeting for which the proxy is appointed to vote or 24 hours prior to the scheduled voting time. Where the proxy form is signed by a person authorised by the principal, the power of attorney or other authorisation documents shall be notarised. The notarised power of attorney and other authorisation documents, together with the proxy form, shall be lodged at the Company's premises or such other place as specified in the notice convening the meeting. Article 61 of the Mandatory Provisions

If the proxy is a legal person, his legal representative or any representative authorised by the board of directors or by other decision-making body shall attend the general meeting of the Company on its behalf.

If the said shareholder is a recognised clearing house (or its agent), the shareholder may authorise one or more suitable persons to act as its representative at any general meeting or any class meetings of shareholders; however, if more than one person are authorised, the proxy form shall clearly indicate the number and types of shares each person is authorised in relation to. The persons after such authorisation may represent the recognised clearing house (or its agent) to exercise the rights, as if they were the individual shareholders of the Company.

**Article 63** Any form given to a shareholder by the directors for use by such shareholder for the appointment of a proxy to attend and vote at meetings of the Company shall be such as to enable the shareholder to freely instruct the proxy to vote in favour of or against the motions, separate instructions being given in respect of each matter to be voted on at the meeting. Such a form shall contain a statement that, in the absence of specific instructions from the shareholder, the proxy may vote as he thinks fit. Article 62 of the Mandatory Provisions

**Article 64** A vote made in accordance with the terms of a proxy shall be valid notwithstanding the death or loss of capacity of the appointor or revocation of the proxy or the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that the Company does not receive any written notice in respect of such matters before the commencement of the relevant meeting. Article 63 of the Mandatory Provisions

**Article 65** The shareholders who request to convene an extraordinary general meetings or class meeting shall follow the following procedures: Articles 113, 114 of the Company Law

- (1) Shareholders who separately or jointly hold more than 10% of the voting shares of the Company may request the board of directors to convene an extraordinary general meetings or class meeting by signing a written request (signing in counterparts is acceptable) explaining the matters to be discussed at the extraordinary general meetings. The above shareholders shall ensure that the contents of the proposal are in compliance with the requirements of laws, administrative regulations and the Articles of Association. The Board shall, within ten days from the receipt of the foresaid written request, make a decision as to whether or not to convene an extraordinary general meeting or class meeting and reply in writing to the Shareholders. The shareholdings of the requesting shareholders shall be calculated as at the date of the submission of the written requirement. Article 72 of the Mandatory Provisions

- (2) In the event that the board of directors cannot or fails to perform its duty to convene a meeting, the board of supervisors shall convene and chair the meeting promptly; if the board of supervisors fails to convene and chair the meeting for more than 90 consecutive, shareholders who separately or jointly hold more than 10% of the voting shares of the Company may convene and chair the meeting themselves.

If the shareholders call and convene a meeting by themselves since the board of directors cannot convene a meeting in accordance with the foresaid requirement, the expenses reasonably incurred shall be borne by the Company and be deducted from the amounts due to the defaulting directors.

**Article 66** Shareholders who separately or jointly hold more than 1% of the voting shares of the Company may submit a proposal to the board of directors in writing 10 days before the date of the general meeting; the board of directors shall notify other shareholders within two days of receiving the proposal and include it for consideration at the general meeting. The matters stated in the proposal must be within the functions and powers of the general meeting and it shall have a clear subject and specific resolutions. Provisional proposals shall not violate laws, administrative regulations or the provisions of the Articles of Association. Article 115 of the Company Law

Apart from aforesaid matters, the convener shall not amend the proposals stated in the notice of the general meeting or add new proposals upon issuance of the announcement on the notice of the general meeting.

**Article 67** The general meeting shall be convened by the board of directors and chaired by the chairman; if the chairman cannot or fails to perform his duties, the general meeting shall be chaired by a director co-elected by more than half of the directors. If the board of directors cannot or fails to perform its duty to convene the general meeting, the board of supervisors shall convene and chair the meeting promptly; if the board of supervisors cannot or fails to perform its duty to convene the general meeting for more than 90 consecutive days, the shareholders who separately or jointly hold more than 10% of the Company's voting shares may convene and chair the meeting by themselves; if a chairman of the meeting cannot be elected, the general meeting shall be chaired by any person elected by the shareholders present; if the shareholders cannot elect a chairman due to any reason, the shareholder (including his proxy) present at the meeting who holds the highest number of voting rights shall act as the chairman of the meeting. Article 114 of the Company Law  
Article 73 of the Mandatory Provisions

**Article 68** A shareholder (including a proxy), when voting at a general meeting, may exercise such voting rights as are attached to the voting shares which he represents. Each share shall have one vote. Article 65 of the Mandatory Provisions  
Article 116 of the Company Law

No voting rights shall attach to the Company's shares held by itself, and such shares shall be excluded for the purpose of calculating the total number of voting shares held by the shareholders present at the general meeting.

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

**Article 69** At any general meeting, a resolution shall be decided on a show of hands, unless a poll is demanded before or after a vote is carried out by a show of hands by any of the following, or if otherwise required by the listing rules of the stock exchanges on which the Company's shares are listed: Article 66 of the Mandatory Provisions

- (1) by the chairman of the meeting;
- (2) by at least two shareholders present in person or by proxy and being entitled to vote;
- (3) by one or more shareholders present in person or by proxy and holding more than 10% of all voting shares present at the meeting solely or jointly.

Unless a poll is demanded, a declaration by the chairman that a resolution has been passed on a show of hands and the record of such in the minutes of the meeting shall be conclusive evidence of the passing of such resolution. There is no need to prove the number or proportion of votes in favour of or against such resolution.

The demand for a poll may be withdrawn by the person who demands the same.

**Article 70** A poll demanded to decide on the chairman of the meeting, or to adjourn the meeting shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any other business may be proceeded with, pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded. Article 67 of the Mandatory Provisions

**Article 71** On a poll taken at a meeting, a shareholder (including a proxy) entitled to two or more votes need not cast all his votes in the same way. Article 68 of the Mandatory Provisions

**Article 72** In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall have a casting vote. Article 69 of the Mandatory Provisions

**Article 73** Resolutions of general meetings shall be divided into ordinary resolutions and special resolutions. Article 64 of the Mandatory Provisions

An ordinary resolution must be passed by more than half of all votes held by the shareholders (including their proxies) present at the meeting.

A special resolution must be passed by more than two-thirds of all votes held by the shareholders (including their proxies) present at the meeting.

**Article 74** The following matters shall be resolved by an ordinary resolution at a general meeting: Article 70 of the Mandatory Provisions

- (1) work reports of the board of directors and the board of supervisors;
- (2) profit distribution plans and loss recovery plans formulated by the board of directors;
- (3) appointment and removal of members of the board of directors and supervisors assumed by non-representatives of the employees, remuneration for directors and supervisors and manner of payment;
- (4) annual preliminary and final budgets, balance sheets and profit and loss accounts and other financial statements of the Company;
- (5) matters other than those which are required by law and administrative regulations or by the Articles of Association to be adopted by special resolution.

**Article 75** The following matters shall be resolved by a special resolution at a general meeting: Article 71 of the Mandatory Provisions Articles 116(2), 135 of the Company Law

- (1) the increase or reduction in share capital and the issue of shares of any class, warrants and other similar securities;
- (2) the issue of debentures of the Company;
- (3) the division, merger, dissolution, liquidation or change of corporate form of the Company;
- (4) amendment of the Articles of Association;
- (5) any purchase or disposal of substantial assets by the Company or the giving of guarantees not falling within the scope of its principal business, within one year, the amount of which exceeds 30% of the total assets as presented in the latest audited financial statements of the Company;
- (6) any other matters required by law, administrative regulations or the Articles of Association, and those considered by the shareholders in general meeting and resolved by way of an ordinary resolution, to be of a nature which have a material impact on the Company and should be adopted by special resolutions.

**Article 76** The chairman of the meeting shall be responsible for determining whether a resolution has been passed. His decision, which shall be final and conclusive, shall be announced at the meeting and recorded in the minutes. Article 74 of the Mandatory Provisions Article 9 of the Guidelines for the Corporate Governance

Any important resolutions at a general meeting shall be timely reported to the regulatory authorities.



**Article 77** If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote at a general meeting, he may have the votes counted. If the chairman of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the result, demand that the votes be counted and the chairman of the meeting shall have the votes counted immediately.

Article 75 of the  
Mandatory  
Provisions

**Article 78** If votes are counted at a general meeting, the result of the count shall be recorded in the minutes.

Article 76 of the  
Mandatory  
Provisions

**Article 79** Minutes of meetings shall be kept for general meetings, and the secretary to the board of directors shall be responsible for such minutes. Minutes of meetings shall be signed by the chairman of the meetings, attending directors and supervisors, the secretary to the board of directors and the convener of the meeting or his proxy. The minutes of meetings shall be kept at the Company's place of residence together with the shareholders' attendance lists and proxy forms for the Company's records.

Article 119 of the  
Company Law

**Article 80** Copies of the minutes of proceedings of any general meeting shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder requests a copy of such minutes from the Company, the Company shall send a copy of such minutes to him within seven days after receipt of reasonable fees.

Article 77 of the  
Mandatory  
Provisions

**Article 81** Where any shareholder is, under the Company Law, Listing Rules or other requirements of laws, regulations or rules, required to abstain from voting on any particular resolutions or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Article 14 of  
Appendix 3 of the  
Listing Rules

## **Chapter 9 Special Procedures for Voting at Class Meeting**

**Article 82** Those shareholders who hold different classes of shares are class shareholders.

Article 78 of the  
Mandatory  
Provisions  
Article 10(1),  
10(2) of Appendix  
3 of the Listing  
Rules

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

Where the capital of the Company includes shares which do not carry voting rights, the words "non-voting" must appear in the designation of such shares.

Where the equity capital of the Company includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words "restricted voting" or "limited voting".

**Article 83** Rights conferred on any class of shareholders (“Class Rights”) may not be varied or cancelled save with the approval of a special resolution of shareholders in a general meeting and by holders of shares of that class at a separate meeting conducted in accordance with Articles 84 to 88 hereof. Article 79 of the Mandatory Provisions

**Article 84** The following circumstances shall be deemed to be variation or cancellation of the rights attaching to a particular class of shares: Article 80 of the Mandatory Provisions

- (1) to increase or decrease the number of shares of that class, or to increase or decrease the number of shares of a class having equal or better voting, distribution or other rights to those of shares of that class;
- (2) to exchange all or part of the shares of that class for shares of another class or to exchange or to create a right to exchange all or part of the shares of another class for shares of that class;
- (3) to remove or reduce rights to accrued dividends or to cumulative dividends attaching to shares of that class;
- (4) to reduce or remove preferential rights attaching to shares of that class to receive dividends or to the distribution of assets in the event that the Company is liquidated;
- (5) to add, remove or reduce conversion privileges, options, voting rights, transfer or pre-emptive rights, or rights to acquire securities of the Company attaching to shares of that class;
- (6) to remove or reduce rights to receive payment from the Company in specific currencies attaching to shares of that class;
- (7) to create a new class of shares having equal or better voting, distribution or other rights to those of the shares of that class;
- (8) to impose or increase restrictions on the transfer of ownership of shares of that class;
- (9) to issue rights to subscribe for, or to convert the existing shares into, shares in the Company of that class or another class;
- (10) to increase the rights or privileges of shares of another class;
- (11) to restructure the Company in such a way so as to result in the disproportionate distribution of obligations between the various classes of shareholders;
- (12) to vary or abrogate the provisions of this Chapter.

**Article 85** Affected class shareholders, whether or not otherwise having the right to vote at general meetings, have the right to vote at class meetings in respect of matters concerning sub-paragraphs (2) to (8), (11) and (12) of Article 83 hereof, but interested shareholder(s) shall not be entitled to vote at such class meetings. Article 81 of the Mandatory Provisions

“Interested shareholder(s)”, as such term is used in the preceding paragraph, means:

- (1) in the case of a repurchase of shares by way of a general offer to all shareholders of the Company or by way of an on-market repurchase pursuant to Article 25, an interested shareholder is a “controlling shareholder” within the meaning of Article 50;
- (2) in the case of a repurchase of shares by an off-market agreement pursuant to Article 25 hereof, a holder of the shares to which the proposed agreement relates;
- (3) in the case of a restructuring of the Company, a shareholder who assumes a relatively lower proportion of obligations than the obligations imposed on shareholders of the same class under the proposed restructuring or who has an interest in the proposed restructuring different from the general interests of the shareholders of that class.

**Article 86** Resolutions of a class of shareholders shall be passed by votes representing more than two-thirds of the voting rights of shareholders of that class represented at the relevant meeting who, according to Article 84, are entitled to vote. Article 82 of the Mandatory Provisions

**Article 87** A written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders in accordance with Article 56 of these Articles of Association in respect to the requirements of notice period for general meetings to be convened. Such notice shall give such shareholders notice of the matters to be considered at such meeting, the date and the place of the class meeting. Article 115 of the Company Law Rule 13.39 of the Listing Rules

**Article 88** Notice of class meetings need only be served on shareholders entitled to vote at the meetings. Article 84 of the Mandatory Provisions

Class meetings shall be conducted in the same manner as general meetings, to the extent possible. The provisions of the Articles of Association and its appendices relating to the manner for the conduct of general meetings are also applicable to class meetings.

**Article 89** Apart from the holders of other classes of shares, the holders of the domestic shares and holders of overseas-listed foreign-invested shares shall be deemed to be holders of different classes of shares. Article 85 of the Mandatory Provisions Section 1(f) of Appendix 13D of the Listing Rules

The special procedures for approval by a class of shareholders shall not apply in the following circumstances:

- (1) where the Company issues, upon the approval by special resolution of its shareholders in a general meeting, either separately or concurrently once every 12 months, not more than 20% of each of its existing issued domestic shares and overseas-listed foreign-invested shares;
- (2) where the Company's plan to issue domestic shares and overseas-listed foreign-invested shares at the time of its establishment is carried out within 15 months from the date of approval of the securities regulatory authorities of the State Council.

### Chapter 10 Board of Directors

**Article 90** The Company shall set up the board of directors which shall be accountable to the general meeting. Article 86 of the Mandatory Provisions

**Article 91** The board of directors shall be composed of 9 directors with one chairman. The board of directors shall include 3 independent non-executive directors selected in accordance with the Listing Rules of the Stock Exchange. Independent non-executive directors refer to such directors of the Company that serves no duties other than the directors' duties, has no relationship with the Company and its shareholders. At least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise, meeting the requirements of Rule 3.10(2) of Hong Kong Listing Rules. Article 86 of the Mandatory Provisions Rule 3.10 of the Listing Rules

The number of independent directors of the Company to fall below the condition required by the Articles of Association, the Company shall timely take up the number of independent directors in according with these requirements.

**Article 92** Directors of the Company shall be natural persons and they are not required to hold any shares in the Company. Article 87 of the Mandatory Provisions

Directors shall be elected at the general meeting and each has a term of three years. Upon the expiry of the term of office of a director, the term is renewable upon re-election. The general meeting shall not dismiss any director without valid reasons prior to the expiry of his service term. Provided that the relevant laws and administrative regulations are observed, a director whose term of office has not yet expired may be removed in general meeting by way of ordinary resolution (but the right to lodge a claim under any contract is not affected).

Every director should be subject to retirement by rotation at least once every three years. In order to maintain the continuity of the Company's significant operational policies, the number of directors replaced in the change of session shall not be more than one-fourth of the total number of directors for the preceding session, except those who become disqualified.

**Article 93** The list of candidates for directors shall be submitted to the general meeting in the form of motion for approval. The board of directors should inform the shareholders of the resume and basic profiles of the director candidates by way of an announcement.

Candidates for directors shall be nominated by the preceding session of the board of directors and shareholders individually or jointly holding more than 5% of the issued voting shares in the Company for more than one year. The proportion of directors individually or jointly nominated by any shareholders shall not exceed such shareholder's shareholding, individually or jointly, in the Company.

Any person appointed by the directors of the current session to fill the casual vacancy due to a director's resignation during his term of office and shall hold office until the following annual general meeting of the Company, and shall then be eligible for re-election.

The shareholder nominator shall submit altogether a written nomination, resume of the candidate and written consent of the nominee to the board of directors ten days prior to the general meeting. The board of directors, after taken into consideration, shall announce the director candidates to be elected in the general meeting.

**Article 94** Independent non-executive directors shall be elected in the following manner:

- (1) the nominator of a candidate for independent non-executive director shall seek the consent of the nominee and understand the occupation, academic qualifications, rank and detailed working experience including all part-time jobs of the nominee and provide written evidence of the same to the Company before making the nomination. The candidate shall give a written undertaking to the Company agreeing to be nominated, undertaking the truthfulness and completeness of his particulars disclosed and guaranteeing the performance of a director's duties after being elected;
- (2) the nominator of an independent non-executive director shall give his opinion on the qualification and independence of the nominee to act as an independent non-executive director. The nominee shall make a public announcement as to the absence of any connection between the Company and him which would affect his independent and objective judgment;

- (3) if shareholders with nomination rights nominate in a general meeting of the Company according to law a candidates for independent non-executive directors, a written notice stating their intention to nominate a candidate and the nominee's consent to be nominated, together with the written evidence and undertaking of the nominee referred to in sub- paragraphs (1) and (2) above shall be delivered to the Company not less than ten days before the general meeting (beginning once the Company has sent the notice of meeting).

**Article 95** Directors other than independent non-executive directors shall be elected in the following manner:

Rules 4(4) & 4(5)  
of Appendix 3 of  
the Listing Rules

- (1) The nominator of a candidate for director shall seek the consent of the nominee and understand the occupation, academic qualifications, rank and detailed working experience including all part-time jobs of the nominee and provide written evidence of the same to the Company before making the nomination. The candidate shall give a written undertaking to the Company agreeing to be nominated, undertaking the truthfulness and completeness of his particulars disclosed and guaranteeing the performance of a director's duties after being elected;
- (2) If the nomination of candidates for directors is made before the Company's convening of a board of directors' meeting or a board of supervisors' meeting, the written evidence relating to the nominee referred to in sub-paragraph (1) above shall be disclosed together with the board of directors' resolution or the board of supervisors' resolution or the notice of the general meeting;
- (3) If shareholders with nomination rights nominate in a general meeting of the Company according to law a candidate for director, a written notice stating their intention to nominate a candidate for directors and the nominee's consent to be nominated, together with the written evidence and undertaking of the nominee referred to in sub-paragraph (1) above shall be delivered to the Company not less than ten days before the general meeting (beginning once the Company has sent the notice of meeting).

**Article 96** Independent non-executive directors shall meet the following basic requirements:

Article 21 of the  
Guidelines for the  
Corporate  
Governance

- (1) qualified to be a director of a listed company under the laws, administrative regulations and other applicable regulations;
- (2) comply with the listing rules and other requirements of the Hong Kong Stock Exchange regarding the character, integrity, experience and independence of an independent non-executive director;

- (3) have basic knowledge of the operation of a listed company, familiarity with the relevant laws, administrative regulations, regulations and rules of competent authorities;
- (4) have more than five years' experience in the legal, financial or other field, necessary in performing the duties of an independent non-executive director;
- (5) shall be a professional in laws, economics, finance, financial accounting or financial guarantee and shall not have conflict of interests with the financing guarantee company where he intends to be appointed;
- (6) shall not hold any position in any organisation which is a shareholder of the Company, nor be interested in the Company or its controlling shareholders;
- (7) satisfy independence and other requirements stipulated by laws, administrative regulations, rules of the competent authorities and the Articles of Association and its appendices.

**Article 97** A director may resign before his term of office expires. The resigning director shall tender a written resignation to the board of directors in writing. Article 70 of the Company Law

If another director has not been appointed upon the expiry of a director's term of office, or if the number of directors falls below the legal minimum due to a director's resignation during his term of office, the director whose term of office has expired or who has resigned, as the case may be, shall perform his duties as a director in accordance with laws, administrative regulations and the provisions of the Articles of Association, until the newly elected director assumes office.

Subject to the provisions in the two preceding paragraphs, the resignation of the directors shall take effect upon receipt of the written resignation by the board of directors.

**Article 98** Any person appointed by the directors to fill a casual vacancy on or as an addition to the board of directors shall hold office only until the following annual general meeting of the Company, and shall then be eligible for re-election. Rule 4(2) of Appendix 3 of the Listing Rules

**Article 99** The board of directors shall be accountable to the general meeting and exercise the following functions and powers: Article 88 of the Mandatory Provisions

- (1) to be responsible for the convening of the general meetings and to report on its work to the shareholders in general meetings;
- (2) to implement the resolutions passed by the shareholders in general meetings;
- (3) to determine the Company's business plans and investment proposals;
- (4) to formulate the Company's annual preliminary and final financial budgets;

- (5) to formulate the Company's profit distribution proposal and loss recovery proposal;
- (6) to formulate proposals for the increase or reduction of the Company's registered capital and for the issue of any kind of securities by the Company (including but not limited to the Company's debentures);
- (7) to formulate plans for significant acquisitions or disposals, or the merger, division, change of corporate form or dissolution of the Company;
- (8) to formulate proposals for listing and repurchase of the Company's shares;
- (9) to decide, within the authority granted to them in general meeting, on matters such as external investment, pledges, financial management arrangements, connected transaction;
- (10) to evaluate external guarantees of the Company in accordance with laws and the provisions of the Articles of Association;
- (11) to decide on the Company's internal management structure;
- (12) to appoint or remove the Company's president and to appoint or remove the senior management personnel including the vice president and the chief financial officer the Company, according to the recommendations of the president, as well as to decide on matters relating to the remuneration; to appoint or remove the secretary to the board of directors and to decide on matters relating to the remuneration;
- (13) to formulate proposals for any amendment of the Articles of Association;
- (14) to formulate, review and monitor the Company's basic management policies;
- (15) to manage the disclosure of information of the Company;
- (16) to exercise any other powers as stipulated by laws, administrative regulations, rules of the competent authorities or the Articles of Association and conferred by the shareholders in a general meeting.

Other than resolutions in respect of the matters specified in sub-paragraphs (6), (7), (8), (9), (10) and (13) of this Article, which shall be passed by more than two-thirds of all the directors, the board of directors' resolutions in respect of all other matters may be passed by over half of the directors.



**Articles 100** The board of directors shall establish special committees including audit committee, remuneration and appraisal committee, nomination committee, strategy committee, risk management committee and etc. in accordance with laws and regulations and the requirements under the Listing Rules to assist the board of directors on performing its powers, or to advise or consult on decisions of the board of directors.

Rules 3.21, 3.25 of the Listing Rules & Corporate Governance Code of Appendix 14 of the Listing Rules Article 15 of the Guidelines for the Corporate Governance Article 22 of the Guidelines for the Corporate Governance

**Article 101** An independent non-executive director shall have the following special functions and powers in addition to those conferred by the Company Law, other relevant laws, administrative regulations and the Articles of Association:

- (1) the independent non-executive directors may, before giving opinions in relations to connected transactions, engage an independent professional advisory firm to issue an independent professional report for them to rely upon in making the judgment;
- (2) to engage an external auditing or professional advisory firm independently to issue an independent professional report or opinion;
- (3) actively participate in all kinds of decision making of the board of directors, particularly when giving independent opinions on matters in relation to connected transactions and the management of material risks of financing guarantee companies;
- (4) shall demand ratifications when any breach of laws, regulations and the Articles of Association of the Company is detected.

**Article 102** Subject to applicable laws and regulations and the listing rules of the exchange on which the Company's shares are listed, the board of directors shall not dispose of or agree to dispose of any fixed assets without approval by the general meeting if the sum of the expected value of the fixed assets to be disposed of and the value derived from the disposal of fixed assets within four months before such proposed disposal of the fixed assets exceeds thirty three percent of the value of the fixed assets as shown on the latest balance sheet considered and approved at the general meeting.

Article 89 of the Mandatory Provisions

Disposals of fixed assets mentioned herein include transfer of certain asset interests, but do not include provision of security interests by pledge of fixed assets.

The effectiveness of the Company's disposal of fixed assets shall not be affected by any breach of the foregoing provisions in Paragraph 1 of this Article.

**Article 103** The chairman shall be a director of the Company and shall be elected or dismissed by more than half of all the directors. The chairman shall serve a term of three years, and is eligible for re-election.

Article 122 of the Company Law Article 87 of the Mandatory Provisions Article 19 of The Guidelines For the Corporate Governance

The chairman who is the legal representative shall not serve on party and government organs.

**Article 104** The chairman of the board of directors shall exercise the following functions and powers: Article 90 of the Mandatory Provisions

- (1) to preside over shareholders' general meetings and to convene and preside over meetings of the board of directors;
- (2) to review the implementation of resolutions passed by the board of directors;
- (3) to sign the certificates of shares, debentures and other securities for consideration issued by the Company;
- (4) to sign important documents of the board of directors and other documents which should be signed by the Company's legal representative;
- (5) to exercise the functions and powers of a legal representative;
- (6) to exercise other powers conferred by the board of directors.

**Article 105** Whenever the chairman is unable to or fails to exercise his powers, a director elected by more than one half of the directors shall perform the duties. Article 122 of the Company Law

**Article 106** The board meetings should be convened by the chairman of the board and held at least 4 times a year at approximately quarterly intervals. Notice of board meetings should be given to all directors and supervisors 14 days prior to the date of meeting. Article 91 of the Mandatory Provisions Rules A.1.1, A.1.3 and A.7.1 of Corporate Governance Code of the Hong Kong Stock Exchange

The agenda of regular board meetings and related documents of such meetings shall be delivered to all directors in a timely manner, which shall at least be ten days prior to the date of such meetings to be convened.

**Article 107** The chairman of the board of directors shall convene and preside over a special meeting of the board of directors within ten days since receiving the proposal in case of the occurrence of any one of the following events: Article 123 of the Company Law, Articles 91 and 92 of the Mandatory Provisions

- (1) When the shareholders representing over 10% of voting rights make a proposal;
- (2) When the chairman of the board of directors deems necessary;
- (3) When over one third of directors make a proposal;
- (4) When the supervisory committee makes a proposal;
- (5) When the president makes a proposal.

Notice of the special meeting of the board of directors and meeting documents shall be delivered to all directors in writing (including by hand, by post and by fax, etc.) within 5 days before the meeting is convened.

**Article 108** Meetings of the board of directors shall be held only if a majority of all the directors (including any director who has authorized other directors in writing to attend the meeting on behalf of him) are present.

Article 93 of the  
Mandatory  
Provisions  
Article 24 of the  
Company Law

Each director shall have one vote. Resolutions made by the board of directors must be approved by a majority of all the directors.

The Board may convene meetings and vote by electronic means.

**Article 109** The directors shall attend the board of directors' meeting in person. In the event that directors are unable to attend the meeting for some reason, the directors may appoint in writing other directors to attend the board meetings. The proxy letter shall specify the proxy's name, authorized matters, scope of authorization and the valid term, and shall be affixed with the signature or seal of the principal.

Article 94 of the  
Mandatory  
Provisions

The director who attends the meeting on behalf of another director shall exercise the right of the director within the scope of authorization. If any director fails to attend the meeting of the board of directors or authorize a proxy to be present on his behalf, such director shall be deemed to have waived his voting rights at that meeting.

**Article 110** If a director is connected (as defined under the Listing Rules) to any third party, he shall not cast vote himself or on behalf of other directors on any transaction between the Company and that third party; such director shall not be counted in the quorum of the relevant meeting. Where the number of the directors who can vote on this matter is less than three, such issue shall be submitted to the shareholders' general meeting for voting.

Article 139 of the  
Company Law  
Rule 4(1) of  
Appendix 3 to the  
Listing Rules

**Article 111** If a substantial shareholder (holding 10% or more shares) or a director has a material conflict of interest in a matter to be considered by the board of directors, the matter should be dealt with by way of the meeting of the board of directors (rather than by written resolution). Also, the independent non-executive directors and their close associates who do not have material interest in such matter should attend the meeting.

A.1.7 of  
Corporate  
Governance Code  
of the Hong Kong  
Stock Exchange

**Article 112** Matters determined in a board meeting shall be recorded in minutes of meetings. Minutes of meetings shall be signed by directors attending such meetings and the recorder. Directors shall be liable for board resolutions. If a board resolution is against the law, administrative rules or these Articles of Association and resolutions of the shareholders' general meetings, which causes the Company to suffer any loss, the directors who participate in voting shall assume the liability to compensate the Company; directors who have been proved as having expressed dissenting opinions on the resolution during the voting as recorded in the minutes of meeting shall be exempted from liability.

Article 95 of the  
Mandatory  
Provisions  
Article 18 of the  
Guidelines for the  
Corporate  
Governance

Any material resolutions by the board of directors shall be reported to regulatory authority.

## Chapter 11 Executive Committee

**Article 113** The Company shall set up an executive committee which is responsible for decisions on the day-to-day operation and management of the Company under the leadership of the board of directors.

The executive committee shall be composed of five to nine members including one chairman or chairlady. The chairman of the board of directors, president, vice president, chief financial officer, risk management director, and secretary to the board of directors shall be the members, and the rest members shall be determined by the chairman or chairlady.

**Article 114** The meeting of the executive committee shall be convened and presided over by the chairman or chairlady. If the chairman or chairlady fails to perform his/her duties due to special reasons, the chairman or chairlady shall appoint another member to convene and preside over the meeting.

Members of the executive committee shall attend the meetings in person. If a member is unable to attend a meeting, he/she may entrust another member in writing to attend on his behalf.

At the meeting of the executive committee, the matters set out in the agenda shall be resolved one by one by voting. Each member shall have one vote on each resolution considered at the meeting of the executive committee. In the case of an equality of votes for and against a resolution, whether it is by show of hands or a poll, the chairman or chairlady of the meeting shall be entitled to an additional vote.

Resolutions of the executive committee shall be passed by simple majority of all members. Resolutions in respect of material matters shall be passed by two-third or above of the votes of all members.

**Article 115** The executive committee shall perform the following duties:

- (1) to implement the decisions, resolutions, policies, operational policies and development plan of the board of directors and to decide on the major issues relating to the Company's operation and management;
- (2) to organise the implementation of annual plan, budget and investment plans of the Company;
- (3) to prepare the plans on the change of the registered capital of the Company and issuance of bonds;
- (4) to prepare the plans on the merger, division, change and dissolution of the Company;

- (5) to prepare the plans on investment, financing and disposal of assets of the Company.
- (6) to prepare the plan on the Company's internal management structure;
- (7) to prepare and approve the plans on remuneration, reward and punishment of employees;
- (8) other powers conferred by these Articles of Association and the board of directors.

**Article 116** The chairman or chairlady shall preside over and lead the work of the executive committee, and shall be served by the chairman of the board of directors and be accountable to the board of directors.

The chairman or chairlady shall perform the following duties, or delegate such duties to other members when necessary:

I. Business operation authority:

(1) Guarantee business authority

1. Decision on and execution of the cooperation framework agreements (including agreements on grant of credit for cooperation) with banks, guarantee funds, re-guarantee companies and other cooperative organisations;
2. The guarantee projects in which the balance of financing guarantee liability provided to the individual guaranteed party is not more than 6% of the net assets of the group company, or the balance of financing guarantee liability provided to the individual guaranteed party and its related parties is not more than 9% of the net assets of the group company in aggregate, and the balance of financing guarantee liability provided to the individual guaranteed party in respect of issuance of bonds is not more than 15% of the net assets of the group company;
3. The guarantee projects in which the balance of guarantee liability for non-financing guarantee business provided to the individual guaranteed party is not more than 18% of the net assets of the group company.

(2) Investment business authority

1. For national bonds, financial bonds and high-grade corporate bonds, the projects with the investment balance of more than 13% but less than 18% of the net assets of the group company. The high-grade corporate bonds referred to in this clause refer to the large corporate bonds with the credit rating of above AA;

2. For equity investment in other individual enterprises, funds or projects, the projects with the investment amount of not more than 5% of the net assets of the group company. The other enterprises referred to in this clause are exclusive of guarantee companies;
3. For entrusted loans, the projects with the balance of loans to individual enterprises of not more than 6% of the net assets of the group company;
4. For all projects involved in other investments. The other investments referred to in this clause include wealth management products of banks, collective fund trust plans, credit assets supported securities and other financial products.

The aforementioned investment types are exclusive of investment in secondary stock market and futures.

(3) Assets disposal authority

1. Matters on disposal of assets for which the accumulated amount for purchase or sale of assets in a calendar year is not more than 8% of the total assets of the group company, subject to compliance with all applicable requirements under the Listing Rules;
2. Matters on disposal of assets for which the accumulated loss in principal arising from purchase or sale of assets in a calendar year is not more than 0.5% of the net assets of the group company;
3. The matters on disposal of fixed assets in which the aggregate value of the fixed assets disposed of in the previous four months is not more than 20% of the fixed assets of the group company, subject to compliance with all applicable requirements under the Listing Rules.

(4) Connected transaction authority

For connected transactions relating to other businesses (other than borrowing from shareholders, pledge of assets and provision of guarantee), matters in which the accumulated balance of the transaction with a single shareholder and its related parties is not more than 5% of the net assets of the group company, subject to compliance with all applicable requirements under the Listing Rules.

- (5) Matters in which the total balance (non-financing guarantee shall be counted by 50%) of the creditor's rights (including contingent creditor's rights) against any single debtor and its related parties derived from various businesses is not more than 15% of the net assets of the group company.

The aforementioned businesses, within the scope of the authority granted, shall be finally determined and executed by the chairman or chairlady of the committee upon passing the compliance review and complying with the business review procedures of the Company. Any matter beyond the above scope of the authority granted shall be reported to the board of directors or general meetings for consideration and approval.

## II. Administrative authority

### (1) Administrative authority over the organization and human resources

1. To draft plan for the establishment of internal management organizations of the Company and submit the plan to the executive committee for consideration;
2. To review plans proposed by the president in relation to establishment of branches, and the wholly-owned, controlled, or investee guarantee institutions, and upon giving approval, present the same to the board of directors and general meetings for consideration;
3. To approve the appointment, removal, reward and punishment of personnel including assistants to general managers of all departments of the Company, assistants to general managers of all branches and personnel above the aforesaid levels up to assistant to the president of the Company;
4. To appraise the performance of the president and the secretary to the board of directors;
5. To review the candidates for appointment or removal of the vice president and the chief financial officer proposed by the president, and upon giving approval, present the same to the board of directors for consideration and approval;
6. To review plans in relation to delegation or replacement of members of the board of directors and the board of supervisors of any wholly-owned subsidiary proposed by the president, and upon giving approval, present the same to the board of directors for consideration and approval;
7. To review plans in relation to delegation, replacement or recommendation of shareholders' representatives, directors (candidates), supervisors (candidates) of controlled subsidiaries and investee subsidiaries proposed by the president, and upon giving approval, present the same to the board of directors for consideration and approval.

(2) Financial management authority

1. To approve the use of relevant funds falling within the annual financial budget of the Company as approved at the general meetings. The chairman or chairlady of the committee may, within the scope permitted by laws and regulations and regulatory documents and based on the specific conditions of the Company, delegate the approval authority for financial expenses to the president to a certain extent;
2. To manage and approve the use of relevant funds falling within the budget for special purposes of the board of directors of the Company as approved at the general meetings;
3. To review the plan for extra-budgetary financial expenses proposed by the president, and upon giving approval, present the same to the board of directors of the Company for consideration and approval;
4. To review the profit distribution plans and loss recovery plans proposed by the president, and upon giving approval, present the same to the board of directors of the Company for consideration.

**Article 117** The executive committee shall formulate the rules of procedure of the executive committee for approval by the board of directors before implementation thereof.

### Chapter 12 Secretary to the Board of Directors

**Article 118** The Company shall have one secretary to the board of directors, being a senior management personnel, who shall be accountable to the Company and the board of directors. Article 96 of the Mandatory Provisions

The board of directors may establish its secretarial department when necessary.

**Article 119** In principle, the role of the secretary to the board of directors shall be performed by designated staff. However, the directors or other senior management personnel of the Company (excluding the president and the chief financial officer) may also act in the capacity of the secretary to the board of directors. No accountant of the accounting firm engaged by the Company may concurrently act as the secretary to the Company's board of directors. Article 98 of the Mandatory Provisions

**Article 120** The secretary to the Company's board of directors shall be a natural person who has the requisite professional knowledge and experience, and shall be nominated by the chairman of the board of the directors and appointed or removed by the board of directors. In the case of a director acting concurrently as the secretary to the board, if an act has to be performed by a director and the secretary to the board respectively, this director acting concurrently as the secretary to the board may not act in both capacities. Articles 97 and 98 of the Mandatory Provisions



**Article 121** The main duties and responsibilities of the secretary to the board of directors include:

- (1) to assist directors in dealing with daily matters of the board of directors, continuously provide, remind and ensure directors and the president, etc. be well informed of the laws, regulations, policies and requirements of both domestic and overseas regulatory organizations concerning corporate governance, and assist directors and the president in practically complying with domestic and foreign laws, regulations, these Articles of Association and other regulations when performing their duties and powers;
- (2) to be responsible for the organization and preparation of the documents of the board of directors and shareholders' general meeting, prepare the meeting minutes, ensure the meeting resolutions complying with the legal procedures, and to keep abreast of the execution of the resolutions of the board of directors;
- (3) to ensure that the Company has complete organization documents and records;
- (4) to ensure that the Company legally prepares and submits reports and documents as required by the regulatory authorities;
- (5) to ensure that the register of shareholders of the Company is properly maintained and that the persons who have the right of access to the relevant documents and records of the Company can obtain the same in a timely manner;
- (6) to be responsible for the organization and coordination of information disclosure, to ensure a timely, accurate, lawful, true and complete disclosure of information, to coordinate the relationship with the investors, and to enhance the transparency of the Company;
- (7) to participate in and organize the financing in capital market;
- (8) to deal with the relationships with the intermediary organs, regulatory authorities and the media;
- (9) to perform other functions and powers conferred by the board of directors and stipulated by the listing rules of the stock exchange where the shares of the Company are listed.

**Article 122** The secretary to the board of directors shall discharge his duties diligently according to laws, administrative rules, regulations of the competent authorities and these Articles of Association.

The secretary to the board of directors shall assist the Company in complying with the relevant PRC laws and regulations of the securities regulatory authorities of the place where the Company's shares are listed.

## Chapter 13 President and Other Senior Management

**Article 123** The Company shall have a president. The president shall be nominated by the chairman of the board of directors and appointed or removed by the board of directors.

Article 99 of the  
Mandatory  
Provisions  
Articles 32 and 33  
of the Guidelines  
for the Corporate  
Governance

The Company shall have several vice president, one chief financial officer and one risk management officer who shall assist the president in work. The vice president, the chief financial officer and the risk management officer shall be nominated by the president, approved by the chairman of the board of directors and appointed or removed by the board of directors.

Senior management of the Company shall hold the qualification with experience and professional capability required by relevant laws and regulations for being senior management of a financing guarantee company. Senior management of the Company shall not serve on party and government organs.

**Article 124** The president shall be accountable to the Board of Directors and shall take charge of the operation and management of the Company in accordance with laws, regulations, these Articles of Association and the powers of the Board by performing the following functions and powers:

Article 100 of the  
Mandatory  
Provisions  
Article 35 of the  
Guidelines for the  
Corporate  
Governance

- (1) to assist in the implementation of the Company's production, operation and management, to coordinate the implementation of the resolutions of the board of directors and to report his work to the board of directors;
- (2) to assist to organize the implementation of the Company's annual business plan and investment proposal;
- (3) to draft plans for the establishment of the branch company of the Company;
- (4) to draft the Company's basic management system;
- (5) to formulate specific rules and regulations for the Company;
- (6) to propose the appointment or dismissal of the Company's senior management personnel, such as vice president, the chief financial officer and etc.;
- (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (8) to determine the wages, benefits, rewards and punishments of the Company's staff, to determine the appointment and dismissal of the Company's staff;
- (9) to propose the convening of extraordinary meetings of directors;
- (10) other powers conferred by these Articles of Association and the board of directors.

**Article 125** President attends board meetings; The senior management personnel who are not directors have the right to attend board meetings, but do not have any voting rights at board meetings. Article 101 of the Mandatory Provisions

**Article 126** In performing their functions and powers, the president, vice president, chief financial officer, risk management officer and other senior management personnel shall act honestly and diligently and in accordance with laws, administrative regulations and these Articles of Association. They may not alter the resolutions of a shareholders' general meeting or of a board meeting nor act ultra vires. Article 102 of the Mandatory Provisions Articles 36 to 39 of the Guidelines for the Corporate Governance

Senior management shall, according to the Company's development strategy, establish internal rules, regulations and risk management measures, work out operating plans and organize the implementation after they are approved by the board of directors. Senior management shall, in accordance with relevant provisions, establish a sound internal control system to ensure the safe and steady operation of the Company. Senior management shall choose and appoint qualified persons to manage each business department and branch, and strictly monitor all operating activities and business risks of the Company.

The Company shall establish a system of regular reporting by its senior management to the board of directors so as to ensure authentic, accurate, complete and timely reporting in respect of the business performance, financial status, risk status and other major matters.

Senior management shall establish and improve its meeting system and formulate corresponding rules of procedures. There shall be formal written records of the meetings of senior management. The meeting minutes shall be timely submitted to the board of directors and the board of supervisors.

## **Chapter 14 Board of Supervisors**

**Article 127** The Company shall have a supervisory committee. Articles 103, 104 and 105 of the Mandatory Provisions Article 130 of the Company Law

The supervisory committee shall compose of four to six supervisors, and the number of employee representative supervisors shall not be less than one-third. The non-employee representative supervisors shall be elected and dismissed through the meetings of shareholders. Employee representative supervisors shall be elected and dismissed through the employee representatives meetings, employee meetings or through other forms of democratic election.

Each supervisor shall serve for a term of three years, which term is renewable upon re-election. If a supervisor is not re-elected in time upon expiry of his term of office, or if the number of supervisors falls below the quorum due to a supervisor's resignation during his term of office, the original supervisor shall perform his duties as a supervisor in accordance with the laws, administrative regulations and the provisions of these Articles of Association, until a newly elected supervisor assumes office.

**Article 128** The supervisory committee shall have one chairman. The election or removal of the chairman of the supervisory committee shall be determined by two-thirds or more of the members of the supervisory committee.

The chairman of the supervisory committee shall convene and preside over the meetings. In the event that the chairman is unable to or fails to perform such duties, more than one half of the supervisors shall jointly recommend a supervisor, who shall convene and preside over the meetings.

**Article 129** A director and senior management personnel may not act concurrently as a supervisor.

**Article 130** The list of non-employee representative supervisors shall be submitted to the shareholders' general meeting in the form of proposal for approval. The board of directors shall announce the resume and basic profile of the candidate supervisors to the shareholders.

The list of non-employee representative supervisors shall be nominated by last term of board of supervisors and shareholders who individually or collectively hold more than 5% of the issued shares of the Company with voting rights for more than one year.

Written nomination by the shareholder nominator, biography of a candidate for a non-employee representative supervisor and a written confirming accepting the nomination by the candidate shall be delivered to the Board of the Company 10 days before the shareholder's general meeting. Upon review and approval by the Board of the Company, the candidate for a non-employee representative supervisor shall be announced for election at a shareholders' general meeting.

Articles 104 and 109 of the Mandatory Provisions, Article 5 of the Circular of Supplemental Comments Article 130 of the Company Law Section 1(d)(i) of Appendix 13D to the Listing Rules

Article 106 of the Mandatory Provisions Article 130 of the Company Law

**Article 131** The non-employee representative supervisors shall be elected in the following manner:

- (1) the nominator of a candidate for a supervisor shall seek the consent of the nominee, find out the occupation, academic qualification, positions and detailed working experience including all part-time positions of the nominee and provide written proofs of the same to the Company before making the nomination. The candidate shall give a written undertaking to the Company agreeing to be nominated, undertaking the truthfulness and completeness of his particulars disclosed and guaranteeing the performance of a supervisor's duties after being elected.
- (2) If the nomination of a candidate for a supervisor is made before the Company's convening of a supervisor meeting, the written proofs of the nominee referred to in sub-paragraph (1) above shall be disclosed together with the resolution of the supervisor committee or the notice of the shareholders' general meeting.
- (3) If the shareholders who have the rights to nominate nominates in a shareholders' meeting of the Company a candidate for a supervisor, a written notice stating their intention to nominate a candidate for a supervisor and the nominee's consent to be nominated together with the written proofs and undertaking of the nominee referred to in sub-paragraph (1) above shall be delivered to the Company 10 days before the general meeting.

**Article 132** The supervisory committee shall convene at least two regular meetings every year. Where it is deemed necessary by the chairman of the supervisory committee or where other supervisors propose, the chairman shall convene extraordinary meetings of the supervisory committee. The meeting of the supervisory committee shall be called by the chairman. Notices and other documents in relation to the meetings shall be delivered to all supervisors in writing (including by hand, by post and by fax, etc.) 10 days before the meetings. Notices and other documents in relation to extraordinary meetings of the supervisory committee shall be delivered to all supervisors in writing (including by hand, by post and by fax, etc.) 5 days before the meetings.

Article 107 of the  
Mandatory  
Provisions  
Article 132 of the  
Company Law

**Article 133** The meeting of the supervisory committee shall only be held when two-thirds or more of the members of the supervisory committee attend.

Article 24 of the  
Company Law

The supervisory committee may convene meetings and vote in electronic form.

**Article 134** The supervisory committee shall be accountable to the shareholders and exercise the following functions and powers in accordance with law:

Article 108 of the  
Mandatory  
Provisions  
Article 131 of the  
Company Law  
Articles 25, 26  
and 29 of the  
Guidelines for the  
Corporate  
Governance

- (1) to review the Company's financial position;
- (2) to supervise the directors, senior management personnel to ensure that they do not act in contravention of any law, regulation or these Articles of Association, and to advise on dismissal of directors or senior management personnel who are in breach of laws, administrative rules, these Articles of Association or resolutions of the shareholders' general meetings;
- (3) to demand the directors or the senior management personnel to rectify their error if they have acted in a harmful manner to the Company's interest;
- (4) to check and inspect the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the board of directors to the shareholders' general meetings, and to engage, in the Company's name, certified public accountants and practicing auditors to assist in the review on such information should any doubt arise in respect thereof;
- (5) to make proposals in a shareholders' general meeting;
- (6) to propose to convene an extraordinary general meeting, where the board of directors fails to perform the duties in relation to convene or chair a shareholders' general meeting as required by the Company Laws, to convene and chair the shareholders' general meeting;
- (7) to propose to convene an extraordinary board meeting;
- (8) to represent the Company in negotiations with or in bringing actions against a director or a senior management personnel;
- (9) to investigate into any abnormalities in operation of the Company; if necessary, to engage accounting firms, law firms and other professional institutions to assist its work, and the expenses shall be borne by the Company;
- (10) to regularly report the performance of Directors and senior management at shareholders' general meetings;
- (11) other duties and powers as specified in these Articles of Association.

Supervisors attend board meetings and senior management meetings and may raise queries or make proposals on matters of board resolutions and senior management resolutions, and have the right to express their independent opinions but have no voting right at such meetings.

If the Board of Supervisors discovers any violations of laws, regulations and the Articles of Association by the Board, the senior management or any of their members, the Board of Supervisors shall suggest taking disciplinary action against the responsible personnel. The Board or the senior management shall promptly take appropriate disciplinary action or rectification measures and send written reports to the Board of Supervisors.

**Article 135** The supervisory committee may require the directors, senior management personnel, internal and external auditors to attend supervisors' meetings and answer any question that the supervisory committee may have regarding matter it cares about.

**Article 136** Resolutions of the supervisory committee shall be passed by the affirmative vote of more than two-thirds of all of its members. Voting on resolutions of the supervisory committee shall be on a one-person-one-vote basis.

**Article 137** Records shall be made for all supervisors' meetings and be signed by all attending supervisors and the recording person.

**Article 138** All reasonable fees incurred in respect of the engagement of professionals (such as, lawyers, certified public accountants or practicing auditors) which are required by the supervisory committee in the exercise of its functions and powers shall be borne by the Company. The Company shall guarantee the right to know, the investigation right and the relevant funds as needed by the board of supervisors to carry out the work independently.

**Article 139** A supervisor shall carry out his duties faithfully in accordance with laws, administrative regulations and these Articles of Association.

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

**Article 140** A person may not serve as a director, supervisor or a senior management personnel of the Company if any of the following circumstances apply:

- (1) a person who does not have or who has limited capacity for civil conduct;
- (2) a person who has been found guilty of for corruption, bribery, infringement of property or misappropriation of property or other crimes which destroy the social economic order, and not more than five years have lapsed since the sentence was served or a person who has been deprived of his political rights and not more than five years have lapsed since the sentence was served; or a person has been sentenced to probation and a period of two years have not elapsed since the date of expiry of the probationary examination;
- (3) a person who is a former director, factory manager or manager of a company or enterprise which has been dissolved or put into liquidation as a result of mismanagement and who was personally liable for the winding up of such company or enterprise, where less than three years have elapsed since the date of completion of the insolvent liquidation of the company or enterprise;

- (4) a person who is a former legal representative of a company or enterprise the business license of which was revoked due to violation of law and who are personally liable therefore, where less than three years have elapsed since the date of the cancellation of the business license;
- (5) a person who has a relatively large amount of debts which have become due and outstanding is listed by the People's Courts as law-enforcement offenders with a loss of trust;
- (6) a person who is currently under investigation by the judicial authorities for violation of criminal law;
- (7) a person who, according to laws and administrative regulations, or regulations of the competent authorities cannot act as a leader of an enterprise;
- (8) a person other than a natural person;
- (9) a person who has been adjudged by the competent authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where not more than five years have lapsed from the date of such conviction;
- (10) other circumstances which are applicable according to laws and administrative regulations, or regulations of the competent authorities.

The election of directors, supervisors or the engagement of senior management personnel in contravention to the provisions under this Article shall be null and void. Upon any contravention of the above by the directors, supervisors or senior management personnel during their term of office, the Company shall remove them from their position.

**Article 141** The validity of an act carried out by a director, a supervisor, a senior management personnel of the Company on behalf of the Company shall, as against a bona fide third party, not be affected by any irregularity in his office, election or any defect in his qualification. Article 113 of the Mandatory Provisions

**Article 142** In addition to the obligations imposed by laws, administrative regulations or the listing rules of the stock exchange on which shares of the Company are listed, each of the Company's directors, supervisors and senior management personnel owes a duty to each shareholder, in the exercise of the duties and powers which the Company has entrusted to him: Article 114 of the Mandatory Provisions

- (1) not to procure the Company to do anything ultra vires to the scope of business as stipulated in its business licence;
- (2) to act honestly and in the best interests of the Company;



- (3) not to expropriate the Company's property in any way, including (without limitation to) usurpation of opportunities which may benefit the Company;
- (4) not to deprive of the individual interest of shareholders, including (without limitation to) rights to distribution and voting rights, save and except pursuant to a restructuring of the Company which has been submitted to the shareholders in general meeting for approval in accordance with these Articles of Association.

**Article 143** Each of the Company's directors, supervisors, and senior management personnel owes a duty, in the exercise of his powers and in the discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Article 115 of the Mandatory Provisions

**Article 144** Each of the Company's directors, supervisors, and senior management personnel shall exercise his powers or perform his duties in accordance with the fiduciary principle, and shall not put himself in a position where his duty and his interest may conflict. This principle includes (without limitation to) discharging of the following obligations: Article 116 of the Mandatory Provisions

- (1) to act bona fide in the best interests of the Company;
- (2) to act within the scope of his powers and not to exceed such powers;
- (3) to exercise the discretion vested in him personally and not to allow himself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given in a general meeting, not to transfer the power to exercise his discretion to others;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) unless otherwise provided for in these Articles of Association or except with the informed consent of the shareholders given in a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) not to use the Company's property for his own benefit, without the informed consent of the shareholders given in a general meeting;
- (7) not to abuse his position to accept bribes or other illegal income or expropriate the Company's property in any way, including (but not limited to) opportunities which benefit the Company;
- (8) not to accept commissions in connection with the Company's transactions, without the informed consent of the shareholders given in a general meeting;

- (9) to comply with these Articles of Association, to perform his duties faithfully, to protect the Company's interests and not to exploit his position and power in the Company to advance his own interests;
- (10) not to compete with the Company in any way, save with the informed consent of the shareholders given in a general meeting;
- (11) not to misappropriate the Company's funds or to lend such funds to any other person, not to use the Company's assets to set up deposit accounts in his own name or in the any other name or to use such assets to guarantee the debts of a shareholder of the Company or any other personal liabilities;
- (12) not to divulge any confidential information which he has obtained during his term of office, without the informed consent of the shareholders in a general meeting; nor shall he use such information otherwise than for the Company's benefit, unless disclosure of such information to the court or other governmental authorities is made in the following circumstances:
  1. disclosure is required by law;
  2. public interests so require;
  3. the interests of the relevant director, supervisor, or senior management personnel so requires.

**Article 145** Each director, supervisor, senior management personnel of the Company shall not direct the following persons or institutions ("associates") to act in a manner which a director, supervisor or senior management personnel is prohibited from so acting: Article 117 of the Mandatory Provisions

- (1) the spouse or minor children of the director, supervisor, or senior management personnel of the Company;
- (2) the trustee of the director, supervisor, senior management personnel or trustee of any person described in sub-paragraph (1) above;
- (3) partners of directors, supervisors, senior management personnel or any person referred to in sub-paragraphs (1) and (2) of this Article;
- (4) a company in which a director, supervisor, senior management personnel, whether alone or jointly with one or more of the persons referred to in sub-paragraphs (1), (2) and (3) of this Article and other directors, supervisors, senior management personnel, has de facto controlling interest;
- (5) the directors, supervisors and senior management of a company which is being controlled in the manner set out in sub-paragraph (4) above.

**Article 146** The duty of a director, supervisor, and the senior management personnel to act in good faith does not necessarily terminate on the expiration of their term of office. His duty of confidentiality in respect of trade secrets of the Company survives the termination of his tenure until the same has become open information. Other duties may continue for such period as the principle of fairness may require depending on the length of time which has lapsed between the termination and the act concerned and on the circumstances and the terms under which the relationship with the Company was terminated.

Article 118 of the  
Mandatory  
Provisions

**Article 147** A director, supervisor or senior management personnel of the Company may be relieved of liability for specific breaches of his duty with the informed consent of the shareholders given at a general meeting, save under the circumstances of Article 49 hereof.

Article 119 of the  
Mandatory  
Provisions

**Article 148** Where a director, supervisor or senior management personnel of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, (other than his service contract with the Company), he shall declare the nature and extent of his interests to the board of directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefor is otherwise subject to the approval of the board of directors.

Article 120 of the  
Mandatory  
Provisions  
Article 4(1) of  
Appendix 3 to the  
Listing Rules

A director shall not vote on any resolution of the board of directors in relation to any contract, arrangement or proposal in which he or any of his associates (as defined in the Listing Rules) is materially interested, and shall not be included in the quorum of the relevant meeting, unless otherwise permitted under the Listing Rules or by the Hong Kong Stock Exchange.

Unless the interested director, supervisor, senior management personnel discloses his interests in accordance with the preceding sub-paragraph of this Article and the contract, transaction or arrangement is approved by the board of directors at a meeting in which the director, supervisor, or senior management personnel is not counted as part of the quorum and refrains from voting the Company shall have the right to cancel such contract, transaction or arrangement except as against a bona fide party who does not have notice of the breach of duty by the interested director, supervisor or senior management personnel.

A director, supervisor or senior management personnel of the Company is deemed to be interested in a contract, transaction or arrangement in which his associate is interested.

**Article 149** Where a director, supervisor or senior management personnel of the Company gives to the board of directors a notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements which may subsequently be made by the Company, that notice shall be deemed for the

Article 121 of the  
Mandatory  
Provisions

purposes of the preceding Article to be a sufficient disclosure of his interests, so far as the content stated in such notice is concerned, provided that such notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration by the Company.

**Article 150** The Company shall not pay taxes for or on behalf of a director, supervisor or senior management personnel in any manner. Article 122 of the Mandatory Provisions

**Article 151** The Company shall not directly or indirectly make a loan to or provide any guarantee in connection with the making of a loan to a director, supervisor or senior management personnel of the Company or its holding company or any of their respective associates. Article 123 of the Mandatory Provisions

The foregoing prohibition shall not apply to the following circumstances:

- (1) provision of a loan or loan guarantees by the Company to its subsidiary;
- (2) the provision by the Company of a loan or a guarantee in connection with the making of a loan or other payment to its directors, supervisors, senior management personnel to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of service contracts approved by the shareholders in general meetings;
- (3) if the ordinary course of business of the Company includes providing loans or guarantees, the Company may make a loan to or provide a guarantee in connection with the making of a loan to a director, supervisor, senior management personnel or his associates in the ordinary course of its business on normal commercial terms.

**Article 152** Any person who receives funds from a loan which has been made by the Company acting in breach of the preceding Article shall, irrespective of the terms and conditions of the loan, forthwith repay such funds. Article 124 of the Mandatory Provisions

**Article 153** A guarantee for the repayment of a loan which has been provided by the Company acting in breach of Article 151(1) shall not be enforceable against the Company, save in respect of the following circumstances: Article 125 of the Mandatory Provisions

- (1) the guarantee was provided in connection with a loan which was made to an associate of a director, supervisor, and senior management personnel of the Company or the Company's parent company and the lender of such funds was not aware of the relevant circumstances when making the loan;
- (2) the collateral which has been provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.

**Article 154** For the purposes of the foregoing provisions of this Chapter, a “guarantee” includes an undertaking or property provided to secure the obligor’s performance of his obligations. Article 126 of the Mandatory Provisions

**Article 155** In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor or senior management personnel of the Company breaches the duties which he owes to the Company, the Company has a right: Article 127 of the Mandatory Provisions

- (1) to demand such a director, supervisor or senior management personnel to compensate the Company for its losses sustained as a result of such breach;
- (2) to rescind any contract or transaction which has been entered into between the Company and such a director, supervisor or senior management personnel or entered into between the Company and a third party (where such third party knew or should have known that such a director, supervisor or senior management personnel representing the Company has breached his duties owed to the Company);
- (3) to demand such a director, supervisor or senior management personnel to surrender the gains made as result of the breach of his obligations;
- (4) to recover any monies which should have been received by the Company and which were received by such a director, supervisor or senior Management personnel instead, including (without limitation to) commissions;
- (5) to demand repayment of interest earned or which may have been earned by a director, supervisor or senior management personnel on money that should have been paid to the Company.

**Article 156** If a director, supervisor or a senior management personnel has violated the law, administrative rules, regulations of the competent authorities or these Articles of Association in performing his duties thereby causing losses to the Company, he shall be liable for compensation. Article 188 of the Company Law

**Article 157** The Company shall enter into written contract with a director or supervisor in relation to emoluments, which shall be approved in advance by the shareholders in a general meeting. The aforesaid emoluments include: Article 128 of the Mandatory Provisions

- (1) emoluments in respect of his service as director, supervisor, or senior management personnel of the Company;
- (2) emoluments in respect of his service as a director, supervisor or senior management personnel of any subsidiary of the Company;

- (3) emoluments in respect of the provision of other services in connection with the management of the Company and any of its subsidiaries;
- (4) payment by way of compensation for loss of office, or as consideration for or in connection with his retirement from office.

No proceedings may be brought by a director or supervisor against the Company for anything due to him except pursuant to the preceding contracts.

**Article 158** The contract concerning the emoluments between the Company and its directors or supervisors should provide that in the event that the Company is acquired, the Company’s directors and supervisors shall, subject to the prior approval of shareholders in a general meeting, have the right to receive compensation or other payment for his loss of office or retirement. For the purposes of this paragraph, the acquisition of the Company includes any of the following: Article 129 of the Mandatory Provisions

- (1) an acquisition offer made by any person to the general body of shareholders;
- (2) an acquisition offer made by any person with a view to the offeror becoming a “controlling shareholder” within the meaning of Article 50 hereof.

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

### **Chapter 16 Financial Accounting System, Distribution of Profits and Auditing**

**Article 159** The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and PRC enterprise accounting standards formulated by the finance regulatory department of the State Council. Article 130 of the Mandatory Provisions

**Article 160** The accounting year of the Company shall adopt the calendar year, i.e. starting from the 1 January of every calendar year and ending on 31 December of every calendar year. Article 131 of the Mandatory Provisions

At the end of each fiscal year, the Company shall prepare a financial report which shall be examined and verified in a manner prescribed by law by a qualified accountant.

**Article 161** The board of directors of the Company shall submit to the shareholders at every AGM such financial reports which the relevant laws, administrative regulations and directives promulgated by competent regional and central governmental authorities require the Company to prepare. The Company shall make up its annual accounts to a date falling not more than 6 months before the date of annual general meeting. Article 132 of the Mandatory Provisions Rule 13.46(2)(b) to the Listing Rules

**Article 162** The Company's financial reports shall be made available for shareholders' inspection at the Company 20 days before the date of every shareholders' annual general meeting. Each shareholder shall be entitled to have a copy of the financial reports referred to in this Chapter.

Article 133 of the  
Mandatory  
Provisions  
Rule 13.46(2)(a)  
to the Listing  
Rules  
Article 5 of  
Appendix 3 and  
Rule 19A.48 to  
the Listing Rules

The Company shall deliver or send to each shareholder of Overseas-Listed Foreign-Invested Shares by way of the methods provided in these Articles of Association or by prepaid mail at the address registered in the register of shareholders the aforementioned reports no later than 21 days prior to the date of every annual general meeting of the shareholders.

**Article 163** The financial statements of the Company shall, in addition to being prepared in accordance with PRC enterprise accounting standards and regulations, be prepared in accordance with international accounting standards, or the accounting standards of the place overseas where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be stated in the notes to the financial statements. In distributing its profits after tax for the relevant fiscal year, the lower of the two amounts shown in the financial statements shall be adopted.

Article 134 of the  
Mandatory  
Provisions

**Article 164** Any interim results of operation or financial information published or disclosed by the Company shall also be prepared in accordance with PRC enterprise accounting standards and regulations, and also in accordance with international accounting standards or the accounting standards of the place overseas where the Company's shares are listed.

Article 135 of the  
Mandatory  
Provisions

**Article 165** The Company shall publish its financial reports twice in each fiscal year, that is, the interim financial report shall be published within 60 days after the end of the first six months of each fiscal year; and the annual financial report shall be published within 120 days after the end of each fiscal year.

Article 136 of the  
Mandatory  
Provisions

If there are other requirements imposed by the stock regulators in the place where the Company's shares are listed, such requirements shall prevail.

**Article 166** The Company shall not keep accounts other than those required by law. Assets of the Company will not be deposited into any account opened in the name of an individual.

Article 137 of the  
Mandatory  
Provisions

**Article 167** When distributing the after-tax profits for the current year, the Company shall allocate ten percent of its profits to the statutory common reserve fund. In the event that the accumulated statutory common reserve fund of the Company has reached more than 50 percent of the registered capital of the Company, no allocation will be required.

Article 210 of the  
Company Law

In the event that the statutory common reserve fund of the Company is insufficient to make up the losses of the Company for the previous year, before allocating the statutory common reserve fund in accordance with the stipulations of the previous paragraph, the Company shall first make up the losses by using the profits for the current year.

After allocating the after-tax profits of the Company to the statutory common reserve fund, the Company can allocate such profits to its arbitrary common reserve fund according to the resolution of shareholders' general meeting.

The profits distributable to the shareholders for the current year, upon the approval in the shareholders' general meeting, shall be distributed in accordance with the proportion of shares held by the shareholders.

**Article 168** Before making-up the losses, allocating the statutory common reserve funds, the Company shall not distribute the dividends or carry out other distribution by way of bonus, where distribution had been completed, the shareholders shall return the profits distributed in breach of the regulations to the Company. If losses are caused to the Company, shareholders and responsible directors, supervisors and senior management shall be liable for compensation.

Article 210 and  
211 of the  
Company Law

The Company shall not participate in the profit distribution for holding its own shares.

**Article 169** Capital common reserve fund includes the following items:

Article 138 of the  
Mandatory  
Provisions

- (1) premium on shares issued at a premium price;
- (2) any other income designated for the capital common reserve fund by the regulations of the finance regulatory department of the State Council.

**Article 170** The common reserve fund of the Company shall be applied for compensating the losses, expansion of production and operation, or conversion into the capital of the Company.

Article 214 of the  
Company Law

The common reserve fund of the Company shall be used to offset loss of the Company, the Company should first utilise the discretionary common reserve fund and the statutory common reserve fund; if the losses cannot be offset by the common reserve fund, the capital common reserve fund may be utilised in accordance with the regulations.



When the statutory common reserve fund is converted into capital of the Company, the balance of the statutory common reserve fund may not fall below 25 percent of the Company's registered capital prior to such conversions.

**Article 171** The Company may distribute dividends in the following manner:

Article 139 of the  
Mandatory  
Provisions

- (1) Cash;
- (2) Shares;
- (3) other means permitted by laws, administrative rules, regulations of competent authorities and regulatory provisions in the place where the Company's shares are listed.

**Article 172** The Company shall pay cash dividends and other payments which are payable to holders of Domestic-Invested Shares in Renminbi. The Company shall calculate and declare cash dividends and other payments which are payable to holders of Overseas-Listed Foreign-Invested Shares in Renminbi, and shall make such payments in foreign currencies. As for the foreign currency needed by the Company for payment of cash dividends and other payments which are payable to the holders of the Overseas-Listed Foreign-Invested Shares, it shall be handled in accordance with any related national regulations on foreign exchange control.

Rule 3(1) of  
Appendix 3 to the  
Listing Rules

Any amount paid up in advance of calls on any shares may carry interest but the holder of such shares shall not be entitled to participate in respect thereof in a subsequent dividend declaration.

**Article 173** In the event of distributing the dividends to shareholders of the Company, the payable taxes on the dividend incomes of the shareholders shall be withdrawn in accordance with the requirements of Taxation Law of China and in consideration of the amount distributed.

**Article 174** The Company shall appoint receiving agents for holders of the Overseas-Listed Foreign-Invested Shares. Such receiving agents shall receive dividends which have been declared by the Company and all other amounts which the Company should pay to holders of Overseas-Listed Foreign-Invested Shares on such shareholders' behalf.

Article 140 of the  
Mandatory  
Provisions  
Article 8 of the  
Circular of  
Supplemental  
Comments  
Rules 3(2) and  
13(2) of  
Appendix 3,  
Section 1(c) of  
Appendix 13D  
and Rule 19A.47  
to the Listing  
Rules

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

The receiving agents appointed for holders of Overseas-Listed Foreign-Invested Shares listed in Hong Kong shall each be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

In respect of dividends distributed to shareholders, the Company, subject to the requirements of the relevant stock exchanges, has the power to forfeit unclaimed dividends but such power shall not be exercised until the expiration of relevant period.

When permitted by laws, the Company has the power to sell the shares of a shareholder who is untraceable under the following circumstances:

- (1) during a period of 12 years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and
- (2) on expiry of such 12 years the Company gives notice of its intention to sell the shares by way of an advertisement published in the newspapers and notifies the Hong Kong Stock Exchange of such intention.

### **Chapter 17 Appointment of an Accounting Firm**

**Article 175** The Company shall appoint an independent firm of accountants which is qualified under the relevant regulations of the State to audit the Company's annual financial report and review other financial reports of the Company. Article 141 of the Mandatory Provisions

The first accounting firm of the Company may be appointed by the founders' meeting before the first shareholders' annual meeting. The term of appointment of the accounting firm shall terminate at the end of the first shareholders' annual meeting.

If the founders' meeting does not exercise its duties and powers according to the aforementioned provisions, then the board of directors shall exercise its duties and powers.

**Article 176** The accounting firm appointed by the Company shall hold office from the conclusion of the annual general meeting of shareholders at which it was appointed until the conclusion of the next annual general meeting of shareholders. Article 142 of the Mandatory Provisions

**Article 177** The accounting firm appointed by the Company shall be entitled to the following rights: Article 143 of the Mandatory Provisions

- (1) to review the books, records or vouchers of the Company at any time, the right to require the directors, supervisors, and senior management personnel of the Company to provide relevant information and explanations;
- (2) to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of its duties as an accounting firm;

- (3) to attend to shareholders' general meetings and to receive all notices of, and other communications relating to, any shareholders' general meeting which any shareholder is entitled to receive, and to speak at any shareholders' general meeting in relation to matters concerning its role as the Company's accounting firm.

**Article 178** If there is a vacancy in the position of the accounting firm, the board of directors may appoint an accounting firm to fill such vacancy before the convening of the shareholders' general meeting. Any other accounting firm which has been appointed by the Company may continue to act during the period when such a vacancy arises.

**Article 179** The shareholders' general meeting may by ordinary resolution remove the accounting firm before the expiration of its term of office, irrespective of the provisions in the contract between the Company and the accounting firm. However, the right of the accounting firm in claiming for damages which arise from its removal shall not be affected thereby.

**Article 180** The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined by the shareholders in a general meeting. The remuneration of an accounting firm appointed by the board of directors shall be determined by the board of directors.

**Article 181** The Company's appointment, removal or non-reappointment of an accounting firm shall be resolved by the shareholders in a general meeting. Such resolution shall be filed with the securities authority of the State Council.

Where a resolution at a general meeting of shareholders is passed to appoint an accounting firm other than an incumbent accounting firm, to fill a casual vacancy in the office of the accounting firm, to reappoint an accounting firm who was appointed by the board of directors to fill a casual vacancy or to remove an accounting firm before expiry of its term of office, the following provisions shall apply:

- (1) A copy of the appointment or removal proposal shall be sent (before issue of the notice of shareholders' general meeting) to the firm proposed to be appointed or proposing to leave its post or the firm which has left its post in the relevant fiscal year. Reference as leaving herein includes leaving by removal, resignation and retirement.
- (2) If the accounting firm leaving its post makes representations in writing and requests the Company to give the shareholders notice of such representations, the Company shall (unless the representations have been received too late) take the following measures:
  1. in any notice to shareholders for the resolution, state the fact of the representations having been made by the accounting firm leaving its post; and

2. attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in these Articles of Association.
- (3) If the Company fails to circulate the accounting firm's representations in the manner set out in sub-paragraph (2) above, such accounting firm may (in addition to its right to be heard) require that the representations be made at the shareholders' general meeting.
- (4) An accounting firm which is leaving its post shall be entitled to attend to the following shareholders' general meetings:
  1. the general meeting at which its term of office would otherwise have expired;
  2. the general meeting at which it is proposed to fill the vacancy caused by its removal; and
  3. the general meeting which is convened as a result of its voluntary resignation.

The accounting firm which is leaving its post has the right to receive all notices of, and other communications relating to, any such meeting, and to speak at any such meeting which it attends on any part of the business of the meeting which concerns it as the former accounting firm of the Company.

**Article 182** Prior notice of 15 days should be given to the accounting firm if the Company decides to remove such accounting firm or not to renew the appointment thereof. Such accounting firm shall be entitled to make representations at the shareholders' general meeting. Where the accounting firm resigns from its position, it shall make clear to the shareholders in a general meeting whether there has been any impropriety on the part of the Company.

Article 148 of the Mandatory Provisions Article 10 of the Circular of Supplemental Comments Section 1e(ii), e(iii) and e(iv) of Appendix 13D to the Listing Rules

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

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

Where a notice is deposited under the preceding sub-paragraph, the Company shall within 14 days send a copy of the notice to the relevant competent authority. If the notice contains a statement under the preceding sub-paragraph (2), a copy of such statement shall be delivered by prepaid mail to every shareholder who is entitled to financial report of the Company at the address registered in the register of shareholders.

Where the accounting firm's notice of resignation contains a statement in respect of the above, it may require the board of directors to convene a shareholders' extraordinary general meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.

### Chapter 18 Labour Union

**Article 183** The employees of the Company shall duly organize the trade union, develop its event programs, and protect the employees' lawful rights. The Company shall provide necessary conditions for the trade union to carry out its activities. Article 17 of the Company Law

### Chapter 19 Merger and Division

**Article 184** The Company may carry out mergers or division in accordance with law. In the case of merger or division of the Company, the board of directors shall provide the proposal, and, upon approval in accordance with the procedures under these Articles of Association, deal with the relevant approval procedures pursuant to laws. The board of directors of the Company shall take necessary measures to protect the legitimate interests of the shareholders who object to the plan of merger or division. A shareholder who objects to the plan of merger or division shall have the right to demand the Company or the shareholders who consent to the plan of merger or division to acquire such dissenting shareholders' shareholding at a fair price. Article 149 of the Mandatory Provisions

The contents of the resolution of merger or division of the Company shall constitute special documents which shall be available for inspection by the shareholders of the Company. Such special documents shall be sent or delivered by mail or by way of the methods provided in these Articles of Association to holders of Overseas-Listed Foreign-Invested Shares.

**Article 185** The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company. Article 150 of the Mandatory Provisions Articles 218 and 220 of the Company Law

In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from the date of the Company's merger resolution which is passed and shall publish a public notice in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days of the date of the Company's merger resolution. The creditor may, within 30 days as of its receipt of the notice or in case when no such notice is received within 45 days as of the date of the publication of notice in a newspaper, ask the Company for settling its debt or providing relevant guarantee.

**Article 186** Where there is a division of the Company, its assets shall be divided up accordingly. Article 151 of the Mandatory Provisions Article 222 of the Company Law

In the event of division of the Company, the parties to such division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from the date of the Company's division resolution which is passed and shall publish a public notice in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days of the date of the Company's division resolution.

**Article 187** After the merger, the rights against debtors and the indebtedness of each of the parties to the merger shall be inherited by the company which survives the merger or the newly established company.

Articles 150 and 151 of the Mandatory Provisions Article 223 of the Company Law

Debts of the Company prior to division shall be severally and jointly assumed by the companies which exist after the division, unless that otherwise a written agreement has been reached between the Company and the creditor upon debt retirement prior to division.

**Article 188** The Company shall, in accordance with law, apply for change in its registration with the companies registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, the Company shall apply for registration thereof in accordance with law.

Article 152 of the Mandatory Provisions

## Chapter 20 Dissolution and Liquidation

**Article 189** The Company shall be dissolved and liquidated in accordance with law upon the occurrence of any of the following events:

Article 153 of the Mandatory Provisions Article 180 of the Company Law Article 14 of The Interim Measures Article 229 of the Company Law

- (1) a resolution regarding the dissolution is passed by shareholders at a general meeting;
- (2) dissolution is necessary due to a merger or division of the Company;
- (3) the Company is declared insolvent in accordance with law due to its failure to repay debts as they become due;
- (4) business license is revoked lawfully, its operation is ceased or canceled by the relevant authorities;
- (5) the Company is dissolved by the people's court as provided in Article 190 of these Articles of Association.

Where the Company needs to be dissolved as a result of split, merger or occurrence of a cause of dissolution as stipulated in its articles of association, it shall be subject to the examination and approval of the regulatory department and apply to the administrative department for industry and commerce for deregistration in a timely manner upon the strength of the approval documents.

In the event of any of the reasons for dissolve provided for in these Articles of Association, the Company shall make public the reasons for dissolve through the National Enterprise Credit Information Publicity System within ten days.

**Article 190** The company meets with great difficulties in its operation and management and its continuation may incur great loss to the interest of the shareholders, it cannot be resolved by other means and the shareholders holding more than 10% of the voting share may petition to the people's court for its dissolution. Article 231 of the Company Law

**Article 191** Where the Company is dissolved under sub-paragraphs (1), (4) or (5) of the preceding Article 189, a liquidation committee shall be set up within fifteen (15) days thereafter and commence the liquidation proceedings, and members of the liquidation committee of the Company shall be determined at the shareholders' or directors' general meetings. Where a liquidation committee is not established according to schedule, the interested person may apply to the People's Court to organize the relevant personnel to establish a liquidation committee to proceed the liquidation. If a liquidation obligor fails to fulfil its liquidation obligations in a timely manner and causes losses to the Company or its creditors, it shall be liable to pay compensation. Article 154 of the Mandatory Provisions Article 232 and 233 of the Company Law Article 16 of the Interim Measures

Where the Company is dissolved under sub-paragraph (3) of the preceding Article 189, the People's Court shall in accordance with the provisions of relevant laws organize the shareholders, relevant organizations and relevant professional personnel to establish a liquidation committee to proceed the liquidation.

Where the Company is to be dissolved due to the provisions of subparagraph (4) of the preceding Article 189, the department or the company registration authority that made the decision to revoke the business licence, order closure or revocation, may apply to the People's Court for the appointment of the relevant persons to form a liquidation group to carry out the liquidation.

Where the Company is to be dissolved or cancelled, a liquidation team shall be set up in accordance with law to timely repay the relevant debts under the debt settlement plan. The regulatory department shall supervise the process of liquidation.

**Article 192** Where the board of directors proposes to liquidate the Company for any reason other than the Company's declaration of its own insolvency, the board shall include a statement in its notice convening a shareholders' general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the board of directors is of the opinion that the Company will be able to pay its debts in full within 12 months from the commencement of the liquidation. Article 155 of the Mandatory Provisions

Upon the passing of the resolution by the shareholders in a general meeting in relation to the liquidation of the Company, all duties and powers of the board of directors shall cease.

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

**Article 193** The liquidation committee shall, within ten days of its establishment, send notices to creditors and shall, within 60 days of its establishment, publish a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System. The creditors who have received the notice shall, within 30 days as of its receipt of the notice, and the creditors who fail to receive the notice shall within 45 days as of the date when the announcement was made, declare their creditor's right to the liquidation team.

Article 156 of the  
Mandatory  
Provisions  
Article 235 of the  
Company Law

The creditor who declares the creditor's right shall state the relevant matter in relation to the debt, and provide evidentiary materials. The liquidation committee shall register the creditors' rights.

During the liquidation period, the liquidation committee shall not settle any debt with the creditor.

**Article 194** During the liquidation period, the liquidation committee shall exercise the following functions and powers:

Article 157 of the  
Mandatory  
Provisions  
Article 234 of the  
Company Law

- (1) to categorise the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify the creditors or to publish public announcements;
- (3) to dispose of and liquidate any unfinished businesses of the Company;
- (4) to pay all outstanding taxes and taxes incurred during the liquidation proceedings;
- (5) to settle claims and debts;
- (6) to distribute the surplus assets remaining after repayment by the Company of its debts;
- (7) to represent the Company in any civil proceedings.

**Article 195** After it has categorised the Company's assets and after it has prepared the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to a shareholders' general meeting or to the people's court for confirmation.

Article 158 of the  
Mandatory  
Provisions  
Article 236 of the  
Company Law  
Article 16 of the  
Interim Measures



The remaining asset shall, after having paid the liquidation expense, salary of the staff, social insurance expense and the statutory compensation, the tax arrears and settled the Company's debt, be distributed in accordance with the proportion of shares held by the shareholders.

The Company may, during the liquidation period, remain, but shall not carry out activities irrelevant to the liquidation. Before the Company's assets are distributed in accordance with the preceding provisions, they shall not be allocated to the shareholders.

Before the discharge of guarantee liabilities of the Company, the shareholders of the Company shall not distribute any property of the company or obtain any interest from the Company.

**Article 196** Where the Company is liquidated by reason of dissolution, upon completion of the categorization of the Company's assets and preparation of a balance sheet and an inventory of assets, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall immediately apply to the People's Court in accordance with laws for a declaration of insolvency. Where the Company fails to repay its mature debts and has insufficient assets to repay all the debts or is apparently insolvent, it shall go bankrupt in accordance with law.

Article 159 of the  
Mandatory  
Provisions  
Articles 237 and  
242 of the  
Company Law  
Article 17 of the  
Interim Measures

After the Company is declared insolvent by a ruling of the People's Court, the liquidation committee shall transfer all matters arising from the liquidation to the People's Court.

Where the Company is declared bankrupt according to law, it shall carry out bankruptcy liquidation according to the legal provisions concerning bankruptcy liquidation.

**Article 197** Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, submitted to the shareholders' general meeting or the people's court for confirmation, and submit it to the companies registration authority and apply for cancellation of registration of the Company.

Article 160 of the  
Mandatory  
Provisions  
Article 239 of the  
Company Law

**Article 198** The members of the liquidation team shall be fulfilled their duties of liquidation in accordance with the law and shall be obliged to act faithfully and diligently.

Article 238 of the  
Company Law

Where a member of the liquidation team is negligent in performing his/her liquidation duties and causes losses to the Company, he/she shall be liable for compensation; causes significant loss to the Company by reason of wilful default or gross negligence, he shall bear the relevant compensation liability.

## Chapter 21 Amendment to Articles of Association

**Article 199** The Company may amend its Articles of Association in accordance with the requirements of laws, administrative regulations and provisions in these Articles of Association. Article 161 of the Mandatory Provisions

**Article 200** The Company shall amend these Articles of Association on the occurrence of any of the following events:

- (1) the Company Law or the relevant laws or administrative regulations are amended and these Articles of Association are in conflict with the amended laws or administrative regulations;
- (2) there is change to the Company which makes it not consistent with these Articles of Association;
- (3) it has been approved by the shareholders in a general meeting to amend these Articles of Association.

**Article 201** Amendment of these Articles of Association involving the contents of the Mandatory Provisions shall become effective upon receipt of approvals from the companies approving department authorized by the State Council and The China Securities Regulatory Commission. If there is any change concerning the registration of the Company, application shall be made for change in registration in accordance with law. Article 162 of the Mandatory Provisions

## Chapter 22 Notice

**Article 202** Notices, communications or any other written materials of the Company may be sent out by the following means: Rule 2.07C to the Listing Rules Rules 7(1) and 7(2) of Appendix 3 to the Listing Rules

- (1) by hand;
- (2) by post;
- (3) by fax or email;
- (4) by making announcements in the Company's website and the websites designated by Hong Kong Stock Exchange provided that doing so will be in compliance with laws, administrative regulations and listing rules of the place of listing;
- (5) by public announcements;
- (6) other manners as recognized by securities regulatory authorities at the place where the Company's shares are listed or as provided in these Articles of Association.

Whilst these Articles of Association may have otherwise provided for the delivery methods of any notice, communication or any other written material, the Company may publish its communications by the means specified in sub-paragraph (4) of this Article to replace the means of sending written documents to each holder of the Overseas-Listed Foreign-Invested Shares by hand or by prepaid mail provided that doing so will be in compliance with the relevant regulations of securities regulatory authorities in the places of listing. The said communications refer to any documents sent or to be sent by the Company to the shareholders for reference or taking action, including but not limited to report of the board of directors (together with balance sheet and income statement), annual report (including annual financial reports), interim report (including interim financial reports), listing documents, meeting notice, circulars, proxy forms and reply slips, etc.

**Article 203** When the Company is required to send, mail, pass, deliver, issue or provide relevant documents of the Company in both English and Chinese according to the relevant requirements of the securities regulatory authorities at the place where the Company's shares are listed, if the Company has made appropriate arrangement to ensure whether its shareholders expect to receive an English copy only or a Chinese copy only, the Company may (based on the intention clearly presented by its shareholders) send an English copy or Chinese copy only to relevant shareholders within the scope permitted by applicable laws and regulations and in accordance with such applicable laws and regulations.

**Article 204** If a notice of meeting is accidentally omitted to be sent to any person who is entitled to receive the same or that person has not received such a notice of meeting, it will not cause the meeting and any resolution made therein to be void. However, the promoters are not subject to the above statements.

**Article 205** That where power is taken to cease sending dividend warrants by post, if such warrants have been left uncashed, it will not be exercised until such warrants have been so left uncashed on 2 consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.

### Chapter 23 Settlement of Disputes

**Article 206** The Company shall abide by the following principles for dispute resolution:

- (1) Whenever any disputes or claims arise between: holders of the Overseas-Listed Foreign-Invested Shares and the Company; holders of the Overseas-Listed Foreign-Invested Shares and the Company's directors, supervisors, senior management personnel; or holders of the Overseas- Listed Foreign-Invested Shares and holders of Domestic-Invested Shares, in respect of any disputes or claims in relation to the affairs of the Company arising as a result of any rights or obligations arising from these Articles of Association, the Company Law or other relevant laws and administrative regulations, such disputes or claims shall be referred by the relevant parties to arbitration.

Where a dispute or claim of rights referred to in the preceding paragraph is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall, where such person is the Company or the Company's shareholders, directors, supervisors, or senior management personnel, comply with the decisions made in the arbitration. Disputes in respect of the definition of shareholders and disputes in relation to the register of shareholders need not be resolved by arbitration.

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

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

- (3) If any disputes or claims of rights are referred to arbitration in accordance with sub-paragraph (1) of this Article, the laws of the PRC shall apply, save as otherwise provided in the laws and administrative regulations.
- (4) The judgment of an arbitral body shall be final and conclusive and binding on all parties.

## **Chapter 24 Supplementary Articles**

**Article 207** These Articles of Association are written in Chinese. Where versions in other languages or different versions have different interpretations or meanings, the latest verified Chinese version registered in the Company registration authority shall prevail.

**Article 208** The expressions of “above”, “within”, “below”, “expire”, “no more than” shall include the figures mentioned whilst the expressions of “short of”, “without” and “more than” shall not include the figures mentioned.

**Article 209** In these Articles of Association, references to “accounting firm” shall have the same meaning as “auditors” in the Listing Rules.

Article 165 of the  
Mandatory  
Provisions

**Article 210** The responsibility to interpret these Articles of Association vests with the board of directors of the Company.