

**CanSino Biologics Inc.**

**Articles of Association**

**Tianjin, the PRC**

**(Applicable following the issuance of H Shares)**

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## Chapter 1 General Provisions

**Article 1** The Articles of Association are formulated pursuant to Company Law of the People's Republic of China (hereinafter as "Company Law"), Securities Law of the People's Republic of China (hereinafter as "Securities Law"), Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Limited Stock Companies (hereinafter as "Special Provisions"), Mandatory Provisions for the Articles of Association of Companies to Be Listed Overseas (hereinafter as "Mandatory Provisions"), the Letter on the Opinion Regarding the Supplemental Amendments to the Articles of Association of Companies to be listed in Hong Kong (the "Opinion Regarding the Supplemental Amendments to the Articles of Association"), the Opinion Regarding Further Conformity in Operations and Reform of Companies Listed outside the PRC (the "Opinion Regarding Conformity in Operations"), Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter as the "Listing Rules") and other relevant regulations and with reference to the Guidance for the Articles of Association of Listed Companies (revised in 2016) (hereinafter as the "Guidance for the Articles"), in order to protect the legitimate rights and interests of the Company and shareholders and creditors thereof and regulate the organization and behavior of the Company.

**Article 2** The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law, the Special Regulations and other applicable laws and administrative rules of the PRC.

Clause  
1 of the  
Mandatory  
Provisions

With all shareholders of the original Tianjin CanSino Biotechnology Inc. (天津康希諾生物技術有限公司) as the promoters, through the overall conversion of the audited book net assets of the original Chanjet Software Co., Ltd as at 30 November 2016, and conducting overall alteration, the Company was established and registered at the Tianjin Municipal Market and Quality Regulatory Commission of Binhai Area on 13 February 2016, with the Enterprise Legal Person Business License (Uniform Social Credit Code 91120116681888972M) granted.

The promoters of the Company are Yu Xuefeng, Tao Zhu, Qiu Dongxu, Mao Helen Huihua, Jianfa Liu (劉建法), Xuan Liu (劉宣), Jianxi Du (杜建喜), Suzhou Huyanglin Venture Capital Center (Limited Partnership) (蘇州胡楊林創業投資中心(有限合夥)), Shanghai Nuoqianjin Venture Capital Investment Center (Limited Partnership) (上海諾千金創業投資中心(有限合夥)), LAV Spring (Hong Kong) Co., Limited, Shanghai Li'an Venture Capital Investment Center (Limited Partnership) (上海禮安創業投資中心(有限合夥)), Shanghai Licheng Investment Development Co., Ltd. (上海勵誠投資發展有限公司), Tianjin Heyue Guyu Equity Investment Fund Partnership (Limited Partnership) (天津和悅谷雨股權投資基金合夥企業(有限合夥)), QM29 Limited, Suzhou Litai Venture Capital Investment Center (Limited Partnership) (蘇州禮泰創業投資中心(有限合夥)), Lilly Asia Ventures III Investment (Hong Kong) Co., Limited, LAV Bio III Investment (Hong Kong) Co., Limited, Shanghai Huiqiu Investment Co., Ltd. (上海慧秋投資有限公司), Jiaying Huiguang Equity Investment Fund Partnership (Limited Partnership) (嘉興慧光股權投資基金合夥企業(有限合夥)).

**Article 3** The registered Chinese name of the Company is 康希諾生物股份公司.

Clause 2 of  
Mandatory  
Provisions

The English name of the Company is CanSino Biologics Inc.

**Article 4** Address of the Company: 401-420, 4th Floor Biomedical Park, 185 South Avenue, TEDA West District, Tianjin, PRC.

Clause 3 of  
Mandatory  
Provisions

Postal code: 300457

Telephone number: (022) 58213766

Fax number: (022) 58213679

**Article 5** The chairman of the board of directors is the Company's legal representative.

Clause 4 of  
Mandatory  
Provisions

**Article 6** The Company is a perpetual joint stock limited company.

Clause 5 of  
Mandatory  
Provisions

**Article 7** All the Company's assets are divided into equal shares. Each shareholder is responsible to the Company up to his subscribed shares. The Company is responsible for its debts up to its total assets.

**Article 8** Approved through a resolution at the general meeting and by relevant authorities of the state, these Articles of Association take effect on the day when the overseas-listed foreign shares issued by the Company are listed and commence dealings on The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange" or "Hong Kong Stock Exchange"), and supersede the previous articles of association of the Company which has been filed with the original competent administration for industry and commerce.

**Article 9** From the effective date of these Articles of Association, these Articles of Association shall become a legally binding document which regulates the Company's organization and acts, the rights and obligations between the Company and shareholders, and amongst the shareholders.

Clauses 6  
and 7 of the  
Mandatory  
Provisions

These Articles of Association shall be legally binding on the Company, its shareholders, directors, supervisors, senior management, with such personnel being entitled to claim for right on matters relating to the Company, and undertake corresponding obligations in accordance with these Articles of Association.

According to these Articles of Association, the shareholders can sue the Company. The Company can sue the shareholders, directors, supervisors and senior management. One shareholder can sue the other shareholders. The shareholders can sue the Company's directors, supervisors and senior management.

For the purposes of the preceding paragraph, the term "sue" shall include the initiation of proceedings in a court or application to an arbitration organization for arbitration.

The term "senior management" in these Articles of Association refers to the general manager and deputy general manager, secretary to the Board, chief financial officer and other personnel expressly appointed by the Board as the Company's senior management. The terms "general manager" and "deputy general manager" shall refer to "manager" and "deputy manager" under the Company Law.

Clause  
216 (1) of  
Supplementary  
Provisions of  
the Company  
Law

**Article 10** The Company may invest in other enterprises and shall bear limited liability to the respective investee up to the amount of its capital contribution. However, it shall not become a capital contributor that shall bear joint liabilities for the debts of the enterprises invested, unless otherwise provided for by law.

Clause 8 of  
Mandatory  
Provisions,  
Article 15 of  
the Company  
Law

## Chapter 2 Objectives and Scope of Business

**Article 11** The Company's objectives of business are: to make rational use of the resources to continuously develop new products and create value for the customers, so as to bring higher revenue to its shareholders and employees and bigger wealth to society.

Clause 9 of the Mandatory Provisions

**Article 12** The Company's scope of business shall be based on the items approved by the company registration authority.

Clause 10 of the Mandatory Provisions

The Company's scope of business following registration under the laws are: research and development of chemical medicines, biological medicines, vaccines and diagnostic reagents, transfer of technologies, production (the operation shall be subject to licenses) and provision of technological consultancy services; wholesale and import/export of chemicals, biological products and consumables (excluding food, drugs, dangerous chemicals and flammables, explosives and precursor chemicals).

## Chapter 3 Shares, Registered Capital and Transfer of Shares

**Article 13** The Company shall have ordinary shares at all times. It may have other classes of shares as needed, upon approval by the authorities that are authorized by the State Council.

Clause 10 of the Mandatory Provisions

**Article 14** The Company's shares shall be in the form of share certificates.

Clause 12 of the Mandatory Provisions

All the shares issued by the Company shall have a par value which shall be RMB1 for each share.

The RMB mentioned in the preceding paragraph refers to the lawful currency of the PRC.

**Article 15** The Company's shares shall be issued based on the principles of openness, fairness and justice. Shares of the same class shall carry equal rights.

Clause 126 of the Company Law

For the same class of shares of the same issuance, each share shall be issued at the same conditions and price. Any entity or individual shall pay the same price for any such shares subscribed.

**Article 16** The Company may issue shares to investors inside the PRC and investors outside the PRC upon approval of the securities regulatory authorities under the State Council.

Clause 13 of the Mandatory Provisions

For the purpose of the preceding paragraph, the term "investors outside the PRC" shall refer to investors from foreign countries or Hong Kong, Macao or Taiwan that subscribe for shares issued by the Company. The term "investors inside the PRC" shall refer to investors inside the PRC, excluding the above-mentioned regions, that subscribe for the shares issued by the Company.

**Article 17** The shares issued by the Company to investors inside the PRC for subscription in Renminbi shall be referred to as "domestic shares". The shares issued by the Company to investors outside the PRC for subscription in foreign currency shall be referred to as "foreign shares". The foreign shares that are listed overseas shall be referred to as "overseas-listed foreign shares". The shares that are not listed in and outside the PRC and held by investors outside the PRC shall be referred to as "unlisted foreign shares"

Clause 14 of the Mandatory Provisions

The term “foreign currency” in the preceding paragraph shall refer to the lawful currency freely convertible in other countries or regions (other than RMB), which is recognized by state foreign exchange authority and acceptable to pay for the shares.

The overseas-listed foreign shares issued by the Company which are listed in Hong Kong are referred to as H shares, namely, the RMB-denominated shares approved by the Hong Kong Stock Exchange for listing whose subscription and trading are in Hong Kong dollars. Upon the approval of the State Council or its authorized departments and with the consent of the Hong Kong Stock Exchange, the Domestic Shares and unlisted foreign shares may be converted into H Shares.

The shares issued by the Company which are not listed in domestic and overseas stock exchanges are referred to unlisted shares. Upon approval of the securities regulatory authorities under the State Council, shareholders who hold the unlisted shares of the Company may have the shares listed and traded on an overseas stock exchange. The listing and trading of such shares are also subject to the supervision procedures, regulations and requirements of the foreign stock exchange. The Company does not need to convene a class meeting to vote for the shares listed and traded in foreign stock exchange.

**Article 18** Upon approval by the approval departments of the Company, the total number of ordinary shares that the Company may issue is 129,878,265 ordinary shares. 129,878,265 shares were issued to the promoters of the Company upon establishment of the Company. Details of names and shareholdings of the sponsors and the percentages are as follows:

No.	Name of Sponsor	Shareholding (ten thousand shares)	Percentage
1	Yu Xuefeng	1,787.4200	13.762%
2	Tao Zhu	1,787.4200	13.762%
3	Qiu Dongxu	1,711.4200	13.177%
4	Mao Helen Huihua	1,633.4200	12.577%
5	Jianfa Liu (劉建法)	333.6667	2.569%
6	Xuan Liu(劉宣)	155.0000	1.193%
7	Jianxi Du(杜建喜)	79.0000	0.608%
8	Suzhou Huyanglin Venture Capital Center (Limited Partnership) (蘇州胡楊林創業投資中心(有限合夥)),	261.0000	2.010%
9	Shanghai Nuoqianjin Venture Capital Investment Center (Limited Partnership) (上海諾千金創業投資中心(有限合夥))	392.8800	3.025%
10	LAV Spring (Hong Kong) Co., Limited	1,314.0000	10.117%
11	Shanghai Li'an Venture Capital Investment Center (Limited Partnership) (上海禮安創業投資中心(有限合夥))	460.0000	3.542%
12	Shanghai Licheng Investment Development Co., Ltd. (上海勵誠投資發展有限公司)	100.0000	0.770%
13	Tianjin Heyue Guyu Equity Investment Fund Partnership (Limited Partnership) (天津和悅谷雨股權投資基金合夥企業(有限合夥))	262.3422	2.020%
14	SHAO ZHONGQI	86.8600	0.669%
15	Tianjin Qianyi Enterprise Management Partnership (Limited Partnership) (天津千益企業管理合夥企業(有限合夥))	347.4600	2.675%

No.	Name of Sponsor	Shareholding (ten thousand shares)	Percentage
16	QM29 LIMITED	1,097.0293	8.447%
17	Suzhou Litai Venture Capital Investment Center (Limited Partnership) (蘇州禮泰創業投資中心(有限合夥))	182.8382	1.408%
18	Lilly Asia Ventures III Investment (Hong Kong) Co., Limited	182.8382	1.408%
19	LAV Bio III Investment (Hong Kong) Co., Limited	365.6764	2.816%
20	Shanghai Huiqiu Investment Co., Ltd. (上海慧秋投資有限公司)	94.2222	0.725%
21	Jiaxing Huiguang Equity Investment Fund Partnership (Limited Partnership) (嘉興慧光股權投資基金合夥企業(有限合夥))	353.3333	2.720%
<b>Total</b>		<b>12,987.8265</b>	<b>100%</b>

**Article 19** Prior to the issue of H shares, the Company has a total of 160,950,899 shares. All of them are ordinary shares. The shareholding structure is as follows:

Clause 16 of  
Mandatory  
Provisions

Name of Shareholder	Shareholding (ten thousand shares)	Percentage
Yu Xuefeng	1,787.4200	11.1054%
Tao Zhu	1,787.4200	11.1054%
Qiu Dongxu	1,711.4200	10.6332%
Mao Helen Huihua	1,633.4200	10.1486%
Xuan Liu(劉宣)	155.0000	0.9630%
Jianfa Liu (劉建法)	333.6667	2.0731%
Jianxi Du(杜建喜)	79.0000	0.4908%
Suzhou Huyanglin Venture Capital Center (Limited Partnership) (蘇州胡楊林創業投資中心(有限合夥))	261.0000	1.6216%
Shanghai Nuoqianjin Venture Capital Investment Center (Limited Partnership) (上海諾千金創業投資中心(有限合夥))	392.8800	2.4410%
LAV Spring (Hong Kong) Co., Limited	1,314.0000	8.1640%
Shanghai Li'an Venture Capital Investment Center (Limited Partnership) (上海禮安創業投資中心(有限合夥)),	460.0000	2.8580%
Shanghai Licheng Investment Development Co., Ltd. (上海勵誠投資發展有限公司),	100.0000	0.6213%
Tianjin Heyue Guyu Equity Investment Fund Partnership (Limited Partnership) (天津和悅谷雨股權投資基金合夥企業(有限合夥)),	262.3422 59.0356	1.9967%
天津千益企業管理合夥企業(有限合夥)	347.4600	2.1588%
SHAO ZHONGQI	86.8600	0.5397%
QM29 LIMITED	1,097.0293	8.0997%
蘇州禮泰創業投資中心(有限合夥)	206.6245 182.8382	1.9319%
Lilly Asia Ventures III Investment (Hong Kong) Co., Limited	128.1072 182.8382 128.1072	1.9319%

Clause  
16 of the  
Mandatory  
Provisions

Name of Shareholder	Shareholding (ten thousand shares)	Percentage
LAV Bio III Investment (Hong Kong) Co., Limited	365.6764	3.8639%
	256.2144	
Shanghai Huiqiu Investment Co., Ltd. (上海慧秋投資有限公司)	94.2222	1.1356%
	88.5534	
Jiaxing Huiguang Equity Investment Fund Partnership (Limited Partnership) (嘉興慧光股權投資基金合夥企業(有限合夥))	353.3333	2.1953%
Future Industry Investment Fund (Limited Partnership) (先進製造產業投資基金(有限合夥)),	885.5336	5.5019%
Jinshi Yikang Equity Investment (Hangzhou) Partnership (Limited Partnership) (金石翊康股權投資(杭州)合夥企業(有限合夥))	118.0711	0.7336%
CITIC Securities Investment Co., Ltd. (中信證券投資有限公司)	118.0712	0.7336%
Shanghai Gopher Yaoren Investment Center (Limited Partnership) (上海歌斐鑰匙投資中心(有限合夥))	118.0712	0.7336%
Shanghai Gopher Hongben Investment Center (Limited Partnership) (上海歌斐鴻本投資中心(有限合夥))	118.0711	0.7336%
Shenzhen Dachen Chuanglian Equity Investment Fund Partnership (Limited Partnership) (深圳市達晨創聯股權投資基金合夥企業(有限合夥))	255.0337	1.5845%
Suzhou Industrial Park Zhongxin Hengxiang Investment Center (Limited Partnership) (蘇州工業園區中鑫恒祥投資中心(有限合夥))	29.5178	0.1834%
Suzhou Qiming Rongxin Equity Investment Partnership (Limited Partnership) (蘇州啟明融信股權投資合夥企業(有限合夥))	119.5470	0.7428%
Suzhou Industrial Park Qiming Rongchuang Equity Investment Partnership (Limited Partnership) (蘇州工業園區啟明融創股權投資合夥企業(有限合夥))	28.0419	0.1742%
Tianjin Qianrui Enterprise Management Partnership (Limited Partnership) (天津千睿企業管理合夥企業(有限合夥))	329.9475	2.0500%
Tianjin Qianzhi Enterprise Management Partnership (Limited Partnership) (天津千智企業管理合夥企業(有限合夥))	120.7150	0.7500%
<b>Total</b>	<b>16,095.0899</b>	<b>100.0000%</b>

Note: The proportion of the capital contributions in the table are rounded to four decimal place(s). The total of proportion of the capital contributions may not equal to 100% due to rounding.

**Article 20** The shareholding structure of the Company upon the completion of the initial public offering of H Shares (including 4,450,400 H Shares issued pursuant to the exercise of the over-allotment option) will be as follows:

Name of Shareholder	Shareholding (ten thousand shares)	Percentage	Class of Shares
Yu Xuefeng	1,787.4200	8.0279%	Including 11,590,183 H Shares and 6,284,017 unlisted foreign shares
Tao Zhu	1,787.4200	8.0279%	Domestic shares
Qiu Dongxu	1,711.4200	7.6866%	Including 11,083,517 H Shares and 6,030,683 unlisted foreign shares
Mao Helen Huihua	1,633.4200	7.3363%	Including 11,924,700 H Shares and 4,409,500 unlisted foreign shares
Xuan Liu(劉宣)	155.0000	0.6962%	Domestic shares
Jianfa Liu(劉建法)	333.6667	1.4986%	Domestic shares
Jianxi Du(杜建喜)	79.0000	0.3548%	Domestic shares
Suzhou Huyanglin Venture Capital Center (Limited Partnership) (蘇州胡楊林創業投資中心(有限合夥))	261.0000	1.1722%	Domestic shares
Shanghai Nuoqianjin Venture Capital Investment Center (Limited Partnership) (上海諾千金創業投資中心(有限合夥))	392.8800	1.7646%	Domestic shares
LAV Spring (Hong Kong) Co., Limited	1,314.0000	5.9016%	H Shares
Shanghai Li'an Venture Capital Investment Center (Limited Partnership) (上海禮安創業投資中心(有限合夥))	460.0000	2.0660%	Domestic shares
Shanghai Licheng Investment Development Co., Ltd. (上海勵誠投資發展有限公司)	100.0000	0.4491%	Domestic shares
Tianjin Heyue Guyu Equity Investment Fund Partnership (Limited Partnership) (天津和悅谷雨股權投資基金合夥企業(有限合夥))	262.3422 59.0356	1.4434%	Domestic shares
Tianjin Qianyi Enterprise Management Partnership (Limited Partnership) (天津千益企業管理合夥企業(有限合夥))	347.4600	1.5606%	Domestic shares
SHAO ZHONGQI	86.8600	0.3901%	H Shares
QM29 LIMITED	1,097.0293	5.8552%	H Shares
Suzhou Litai Venture Capital Investment Center (Limited Partnership) (蘇州禮泰創業投資中心(有限合夥))	206.6245 182.8382 128.1072	1.3966%	Domestic shares

<b>Name of Shareholder</b>	<b>Shareholding (ten thousand shares)</b>	<b>Percentage</b>	<b>Class of Shares</b>
Lilly Asia Ventures III Investment (Hong Kong) Co., Limited	182.8382 128.1072	1.3966%	H Shares
LAV Bio III Investment (Hong Kong) Co., Limited	365.6764 256.2144	2.7931%	H Shares
Shanghai Huiqiu Investment Co., Ltd. (上海慧秋投資有限公司),	94.2222 88.5534	0.8209%	Domestic shares
Jiaxing Huiguang Equity Investment Fund Partnership (Limited Partnership) (嘉興慧光股權投資基金合夥企業 (有限合夥))	353.3333	1.5869%	Domestic shares
Future Industry Investment Fund (Limited Partnership) (先進製造產業投資基金(有限合夥)),	885.5336	3.9772%	Domestic shares
Jinshi Yikang Equity Investment (Hangzhou) Partnership (Limited Partnership) (金石翊康股權投資(杭州) 合夥企業 (有限合夥))	118.0711	0.5303%	Domestic shares
CITIC Securities Investment Co., Ltd. (中信證券投資有限公司)	118.0712	0.5303%	Domestic shares
Shanghai Gopher Yaoren Investment Center (Limited Partnership) (上海歌斐鑰韜投資中心(有限合夥))	118.0712	0.5303%	Domestic shares
Shanghai Gopher Hongben Investment Center (Limited Partnership) (上海歌斐鴻本投資中心(有限合夥))	118.0711	0.5303%	Domestic shares
Shenzhen Dachen Chuanglian Equity Investment Fund Partnership (Limited Partnership) (深圳市達晨創聯股權投資基金合夥企業 (有限合夥))	255.0337	1.1454%	Domestic shares
Suzhou Industrial Park Zhongxin Hengxiang Investment Center (Limited Partnership) (蘇州工業園區中鑫恒祥投資中心 (有限合夥))	29.5178	0.1326%	Domestic shares
Suzhou Qiming Rongxin Equity Investment Partnership (Limited Partnership) (蘇州啟明融信股權投資合夥企業 (有限合夥))	119.5470	0.5369%	Domestic shares
Suzhou Industrial Park Qiming Rongchuang Equity Investment Partnership (Limited Partnership) (蘇州工業園區啟明融創股權投資 合夥企業(有限合夥))	28.0419	0.1259%	Domestic shares

Name of Shareholder	Shareholding (ten thousand shares)	Percentage	Class of Shares
Tianjin Qianrui Enterprise Management Partnership (Limited Partnership) (天津千睿企業管理合夥企業(有限合夥))	329.9475	1.4819%	Domestic shares
Tianjin Qianzhi Enterprise Management Partnership (Limited Partnership) (天津千智企業管理合夥企業(有限合夥))	120.7150	0.5422%	Domestic shares
Shareholders of H Shares	6,169.9000	27.7112%	H Shares
<b>Total</b>	<b>22,264.9899</b>	<b>100.0000%</b>	

**Article 21** After the plans for issuing overseas-listed foreign shares and domestic shares have been approved by the securities regulatory authorities under the State Council, the Company's Board may arrange for implementation of such plans by means of separate issuances. Clause 17 of the Mandatory Provisions

The Company's plan for issuance of overseas-listed foreign shares in accordance with the preceding paragraph may be implemented within 15 months upon approval by the securities regulatory authorities under the State Council.

**Article 22** Where the Company issues overseas-listed foreign shares and domestic shares separately within the total number of shares specified in the issuance plans, such shares shall be fully subscribed in one single issuance. Where special circumstances make it impossible for every such single issuance to be fully subscribed, the shares may be issued in several tranches, subject to the approval of the securities regulatory authorities under the State Council. Clause 18 of the Mandatory Provisions

**Article 23** Immediately before the issue of H shares, the Company had a registered capital of RMB160,950,899. Clause 19 of the Mandatory Provisions

Following the completion of the aforesaid issue of H shares, the Company had a registered capital of RMB222,649,899.

**Article 24** Unless otherwise provided in the laws, administrative regulations, listing rules of the place(s) in which the shares of the Company are listed, or these Articles of Association, the shares of the Company may be transferred according to law without any lien. The transfer of shares shall be registered with registration agency appointed by the Company. Clause 21 of the Mandatory Provisions

**Article 25** The Company shall not accept its shares as the subject of a pledge. Article 142(4) of the Company Law

**Article 26** The shares of the Company held by the promoters shall not be transferred within one year from the date of establishment of the Company. The shares issued before the Company publicly issues any shares shall not be transferred within one year from the date when the shares of the Company are listed and traded in a stock exchange. Article 141 of the Company Law

The directors, supervisors and senior management of the Company shall report to the Company the shares held by them and the changes thereof. During the term of their office, the shares transferred by any of them each year shall not exceed 25% of the total shares of the Company that he holds. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date when the shares of the Company are listed and traded in a stock exchange. If any of the aforesaid persons leaves from his post, he shall not transfer the shares of the Company that he holds within six months from such departure. If listing rules of the place(s) in which the shares of the Company are listed provide otherwise on restrictions on transfers of H shares, such rules shall prevail.

**Article 27** If a director, supervisor or senior management of the Company, or a shareholder holding more than 5% of the shares of the Company sells the shares of the Company within six months after buying those shares, or buys the shares within six months after selling, all the gains arising thereof shall belong to the Company. Such gains shall be collected by the Board. However, if a securities company underwrites unsold shares, thereby holding more than 5% of the shares, the sale of these shares shall not be subject to the said six-month restriction. If listing rules of the exchange in place in which the shares of the Company are listed provide otherwise on restrictions on transfers of H shares, such rules shall prevail.

Article 29 of  
Guidance for  
the Articles

If the Board of the Company does not comply with the preceding paragraph, the shareholders can request the Board to do so within 30 days. If the Board does not enforce such right within the said period, the shareholders are entitled to commence litigations in court in their own names for the interest of the Company.

If the Board of the Company fails to act in accordance with the first paragraph, the responsible directors shall be jointly liable in accordance with the law.

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

**Article 28** According to operational and development needs, the Company may, according to the law and regulations and resolutions of general meetings, increase stock capital pursuant to relevant provisions of these Articles of Association.

Clause  
20 of the  
Mandatory  
Provisions

The Company may increase stock capital by the following means:

- (1) Issuing new shares to unspecified investors;
- (2) Placing new shares with existing Shareholders;
- (3) Giving new shares to existing shareholders;
- (4) Converting the reserve funds into share capital;
- (5) Other means prescribed by the law, administrative regulations or approved by the relevant regulatory authorities.

Increasing stock capital by issuing new shares shall be carried out in accordance with the procedures specified in relevant State laws and administrative regulation after having been approved in accordance with these Articles of Association.

**Article 29** The Company may reduce its registered capital. If the Company reduces its registered capital, such reduction shall be in accordance with the requirements of the Company Law, other related regulations and these Articles of Association. Clause 22 of the Mandatory Provisions

**Article 30** If the Company reduces its registered capital, a balance sheet and an inventory of assets should be prepared.

Where the Company reduces its registered capital, the Company shall notify the creditors and make a public announcement in accordance with provisions of the Company Law, repay its debts or provide corresponding guarantees as required by the creditors.

The reduced registered capital of the Company may not be less than the statutory minimum.  
Clause 23 of the the Mandatory Provisions

**Article 31** The Company may, in the following circumstances, repurchase its own issued outstanding shares according to legal procedures and in accordance with the procedures provided for in these Articles of Association, and submit the same to the relevant state authorities for approval: Clause 24 of the Mandatory Provisions, Article 142 of the Company Law

- (1) Cancellation of shares in order to reduce its registered capital;
- (2) Merger with another company holding shares in the Company;
- (3) Apply the shares to employee share ownership plan or share incentive plan;
- (4) Acquisition of shares held by shareholders (upon their request) who dissent from any resolution proposed in any general meeting on the merger or demerger of the Company;
- (5) To convert convertible corporate bonds issued by the Company;
- (6) The share repurchase is necessary to maintain the value of the Company and the interests of its shareholders.
- (7) Other circumstances where the law and administrative regulations so permit.

Where the Company needs to purchase its own shares under any of the circumstances as mentioned in items (1) and (2) under the preceding Article, it shall be subject to a resolution of the general meeting. Where the Company needs to purchase its own shares under any of the circumstances as mentioned in Items (3), (5) and (6) under the preceding Article, it shall be made as prescribed by the Articles or under the authorization by the general meeting and approved by way of a resolution at the board meeting attended by more than two thirds of the directors of the Company.

After the Company purchases its own shares pursuant to the first paragraph, it shall, under the circumstance as mentioned in item (1), cancel the purchased shares within ten days after the purchase; while under either circumstance as mentioned in items (2) or (4), transfer them or write them off within six months; while under any of the circumstances as mentioned in items (3), (5) or (6), the aggregate number of shares of the Company held by itself shall not exceed 10% of its total shares in issue and the Company shall transfer them or write them off within three years.

**Article 32** With approval from relevant state authorities to repurchase its own shares, the Company may proceed in any one of the following manners:

Clause 25 of the Mandatory Provisions

- (1) Making of a repurchase offer in the same proportion to all shareholders;
- (2) Repurchase through open transactions on a stock exchange;
- (3) Repurchase by agreement outside of a stock exchange;
- (4) Other methods recognized by relevant regulatory authority.

**Article 33** In the event of a repurchase of shares by the Company by an agreement outside of a stock exchange, prior approval shall be obtained from the shareholders at a general meeting in accordance with the procedures specified in the Company's Articles of Association. Upon obtaining further prior approval of the shareholders at the general meeting in the same manner, the Company may terminate or amend contracts concluded in the manner set forth above or waive any of its rights under such contracts.

Clause 26 of the Mandatory Provisions

The contracts for the repurchase of shares referred to in the above paragraph include (but not limited to) agreements whereby repurchase obligations are undertaken and repurchase rights are acquired.

Appendix 3 of the Listing Rules

The Company may not assign contracts for the repurchase of its own shares or any of its rights thereunder.

The price per share for repurchasing the Company's own redeemable shares proposed to be made otherwise than by tender or in the market shall be capped at a maximum price; where the repurchasing is proposed to be made by way of tender, tenders shall be made available to all holders of such shares on the same terms.

**Article 34** Cancellation of the portion of shares bought back by the Company shall be made with in the period prescribed by laws and administrative rules. The Company shall apply to the original company registration authority for registration of the change in registered capital.

Clause 27 of the Mandatory Provisions

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

**Article 35** Unless the Company has already entered the liquidation stage, it must comply with the following provisions in buying back its issued and outstanding shares:

- (1) Where the Company buys back shares at their par value, the amount thereof shall be deducted from the book balance of distributable profits and/or from the proceeds of a new shares issuance made to buy back the old shares;
- (2) Where the Company buys back shares at a price higher than their par value, the portion corresponding to their par value shall be deducted from the book balance of distributable profits and/or from the proceeds of a new shares issuance made to buy back the old shares; and the portion in excess of the par value shall be handled according to the following methods:
  1. Where the shares bought back were issued at their par value, the amount shall be deducted from the book balance of distributable profits;
  2. Where the shares bought back were issued at a price higher than their par value, the amount shall be deducted from the book balance of distributable profits and/or from the proceeds of a new shares issuance made to buy back the old shares; however, the amount deducted from the proceeds of the new shares issuance shall not exceed the total premium obtained at the time of issuance of the old shares so repurchased nor exceed the amount in the Company's premium account or capital common reserve account (including the premiums from the new shares issuance) at the time of repurchase;
- (3) The sums paid by the Company for the purposes set forth below shall be paid out of the Company's distributable profits:
  1. Acquisition of the right to buy back its own shares;
  2. Amendments to any contract for repurchase of its own shares;
  3. Release from any of its obligations under any repurchase contract.
- (4) After the aggregate par value of the cancelled shares has been deducted from the registered capital of the Company in accordance with relevant regulations, that portion of the amount deducted from the distributable profits and used to buy back shares at the par value of the bought back shares shall be included in the Company's premium account (or capital common reserve account).

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

**Article 36** The Company or its subsidiaries (including affiliates) shall not at any time provide any financial assistance in any form to purchasers or prospective purchasers of the shares in the Company. Purchasers of shares in the Company as referred to above shall include persons that directly or indirectly undertake obligations as a result of purchasing shares in the Company.

The Company or its subsidiaries (including affiliates) shall not at any time provide any financial assistance in any form to the above obligators in order to reduce or discharge their obligations.

The provisions of this Article shall not apply to the circumstances described in Article 38 of this Chapter.

**Article 37** For the purposes of this Chapter, the term “financial assistance” shall include (but not limited to) the financial assistance in the forms set out below:

- (1) Gift;
- (2) Guarantee (including the undertaking of liability or provisions of property by the guarantor in order to secure the performance of the obligation by the obligator), indemnity (not including, however, indemnity arising from the Company’s own fault) and release or waiver of rights;
- (3) Provision of a loan or conclusion of a contract under which the obligations of the Company are to be fulfilled prior to the obligations of the other party to the contract, or a change in the party to such loan or contract as well as the assignment of rights under such loan or contract;
- (4) Financial assistance in any other form when the Company is insolvent or has no net assets or when such assistance would lead to a major reduction in the Company’s net assets.

For the purposes of this Chapter, the term “undertake obligations” shall include the undertaking of an obligation by the obligator by concluding a contract or making an arrangement (whether or not such contract or arrangement is enforceable and whether or not such obligation is undertaken by the obligator individually or jointly with any other person) or by changing its financial position in any other way.

**Article 38** The acts listed below shall not be regarded as the acts prohibited under Article 36 of this Chapter:

- (1) Where the Company provides the relevant financial assistance truthfully for the benefit of the Company and the main purpose of the financial assistance is not to purchase shares in the Company, or the financial assistance is an incidental part of an overall plan of the Company;
- (2) Lawful distribution of the Company’s property in the form of dividends;
- (3) Distribution of dividends in scrip form;
- (4) Reduction of registered capital, repurchase of shares, adjustment of shareholding structuring, etc., in accordance with these Articles of Association of the Company;
- (5) Provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is paid out of the Company’s distributable profits);
- (6) The contribution by the Company for an employee shareholding scheme (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is paid out of the Company’s distributable profits).

## Chapter 6 Share Certificates and Register of Shareholders

**Article 40** The Company's shares shall be in registered form.

Clause  
32 of the  
Mandatory  
Provisions

In addition to the particulars provided for in the Company Law, the share certificates of the Company shall clearly state such other particulars as required to be specified by the stock exchange(s) on which the Company's shares are listed.

The Company may take the form of overseas depository receipt or other derivations of share certificate to issue overseas-listed foreign shares in accordance with laws and securities registration and depository practice of the listing venue.

Article 3 of  
the Special  
Provisions

**Article 40** The share certificates shall be signed by the chairman of the Board of the Company. Where the signatures of senior management of the Company are required by the stock exchange(s) on which the Company's shares are listed, the share certificates shall also be signed by such senior management. The share certificates shall become effective after the Company seal is affixed thereto or printed thereon. Under authorization of the Board, the Company may stamp on share certificate. The signature of legal representative or of senior management on the share certificates may also be in printed form. In the circumstance of paperless issuance and trading of the shares of the Company, provisions otherwise provided by local securities regulatory authorities of the place(s) in which shares of the Company are listed shall apply.

Clause  
33 of the  
Mandatory  
Provisions,  
Opinion 1 of  
the Opinion  
Regarding the  
Supplemental  
Amendments  
to the Articles  
of Association

**Article 41** The Company shall establish a register of shareholders in accordance with evidence from the securities registration organization, and shall enter therein the following particulars:

Clause  
34 of the  
Mandatory  
Provisions

- (1) The name, address (domicile), occupation or nature of each shareholder;
- (2) The class and number of shares held by each shareholder;
- (3) The amount paid or payable for the shares held by each shareholder;
- (4) The serial number of the shares held by each shareholder;
- (5) The date on which each shareholder is registered as a shareholder; and
- (6) The date on which each shareholder ceases to be a shareholder.

The register of shareholders is the conclusive evidence of shareholders' holding of the Company shares, unless otherwise with opposite evidence.

**Article 42** The Company may, pursuant to an understanding or agreement reached between the securities regulatory authorities under the State Council and a securities regulatory organization outside the PRC, keep outside the PRC its original register of holders of overseas-listed foreign shares, and entrust the administration thereof to an agent outside the PRC. The original register of shareholders of the overseas-listed foreign shares listed in Hong Kong shall be kept in Hong Kong.

Clause 35 of the Mandatory Provisions, the Opinion Regarding the Supplemental Amendments to the Articles of Association

The Company shall keep at its domicile a duplicate of the register of holders of overseas-listed foreign shares. The appointed agent outside the PRC shall ensure that the register of holders of overseas-listed foreign shares and its duplicate are consistent at all times.

Appendix 13 of the Listing Rules, Clause 35 of the Mandatory Provisions

Where the original and duplicate of the register of holders of overseas-listed foreign shares are inconsistent, the original shall prevail.

**Article 43** The Company shall keep a complete register of shareholders.

Clause 36 of the Mandatory Provisions

The register of shareholders shall include the following parts:

- (1) A register kept at the Company's domicile other than those specified in Items (2) and (3) of this article;
- (2) The register(s) of holders of overseas-listed foreign shares kept in the place(s) of the stock exchange(s) outside the PRC on which the shares are listed;
- (3) Registers of shareholders kept in other places as the Board may decide necessary for listing purposes.

**Article 45** The various parts of the register of shareholders shall not overlap one another. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register.

Clause 37 of the Mandatory Provisions

Changes and corrections to each part of the register of shareholders shall be carried out in accordance with the law of the places where each part is kept.

**Article 45** All paid H shares are freely transferable according to these Articles of Association. Unless meeting the following conditions, the Board may without giving a reason decline to recognize any instrument of transfer:

Appendix 3 of the Listing Rules, the Opinion Regarding the Supplemental Amendments to the Articles of Association

- (1) Any transfer instrument or other instrument which relates to share ownership or may affect share ownership must be registered, and HK\$2.50 (each transfer instrument) or such other higher fee determined by the Board (but such fees shall not exceed the maximum prescribed in the Listing Rules of the Hong Kong Stock Exchange from time to time) shall be paid for such registration;
- (2) The transfer instrument only relates to H shares listed in Hong Kong;
- (3) The due stamp duty for transfer instrument has already been paid;
- (4) Relevant share certificate and such other evidence as the directors may reasonably require to prove the transferor's right to transfer are lodged;

- (5) Transfer of any share to no more than four joint holders;
- (6) The shares concerned are free of any lien in favor of the Company;
- (7) Any share shall not be transferred to an infant or to a person of unsound mind or under other legal disability.

Shareholder of any foreign shares may transfer all or part of his shares through an instrument in the usual written form in the relevant place(s) in which the foreign shares are listed or in such other form as the Board may accept. The transfer of H shares may adopt the standard transfer form prescribed by the Hong Kong Stock Exchange. The transfer instrument may be under hand only or, if the transferor or transferee is a clearing house or its nominee(s) defined by Hong Kong Securities and Futures Ordinance, a handwritten or machine imprinted signature shall be acceptable.

**Article 47** No changes resulting from share transfers may be made to the register of shareholders within 30 days prior to a shareholders' general meeting or 5 days prior to the reference date set by the Company for the purpose of distribution of dividends. Clause 38 of the Mandatory Provisions

**Article 48** When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities requiring the identification of shareholders, the Board or general meeting shall decide the record date. The shareholders whose names appear on the register of shareholders at the close of trading on the record date shall enjoy the relevant rights. Clause 39 of the Mandatory Provisions

**Article 48** Any person that dissents from the register of shareholders and requires his name to be entered into or removed from the register may apply to a competent court for correction of the register. Clause 40 of the Mandatory Provisions

**Article 49** Any shareholder who is registered in the register of shareholders or requires his name to be entered into the register of shareholders may apply to the Company for a replacement certificate in respect of such shares (the "Relevant Shares") if his share certificate (the "Original Share Certificate") is lost. Clause 41 of the Mandatory Provisions

Applications for the replacement of domestic share certificates and unlisted foreign share certificates shall be dealt with in accordance with Article 143 of the Company Law.

Applications for the replacement of overseas-listed foreign share certificates shall be dealt with in accordance with the law, regulations, rules of stock exchanges and other relevant regulations of the place where the original register of holders of overseas-listed foreign shares is kept.

Where shareholders of overseas-listed foreign shares of companies listed in Hong Kong apply for replacement of lost certificates, such replacement shall comply with the following requirements:

- (1) The applicant shall submit the application in the form prescribed by the Company accompanied by a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the applicant's reason for the application, the circumstances and proof of the loss of the share certificate and a declaration stating that no other person may require registration as a shareholder in respect of the Relevant Shares.

- (2) The Company has not received any declaration requiring registration as a shareholder in respect of the shares from any person other than the applicant before it decides that a replacement share certificate shall be issued;
- (3) If the Company decides to issue a replacement share certificate to the applicant, it shall publish a public announcement of its intention in the newspapers designated by the Board; the period of the public announcement shall be 90 days, during which such announcement shall be published repeatedly at least once every 30 days.
- (4) Before publishing the public announcement of its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement to be published to the stock exchange where it is listed and may proceed with the publication upon receipt of a reply from the stock exchange confirming that the announcement has been displayed in the stock exchange. The public announcement shall be displayed in the stock exchange for a period of 90 days.

If the application for issuance of a replacement share certificate was made without consent of the registered holder of the Relevant Shares, the Company shall mail to such shareholder a photocopy of the public announcement that it intends to publish.

- (5) Upon expiry of the 90-day period specified in Items (3) and (4) hereof, if the Company has not received any objection to the issuance of a replacement share certificate from any person, it may issue a replacement share certificate according to the application of the applicant.
- (6) When the Company issues a replacement share certificate under this Article, it shall immediately cancel the original share certificate and record such cancellation and the issuance of the replacement share certificate in the register of shareholders.
- (7) All expenses for the cancellation of the original share certificate and issuance of a replacement share certificate shall be borne by the applicant. The Company shall be entitled to refuse to take any action until reasonable guarantee is obtained from the applicant.

**Article 50** After the Company has issued a replacement share certificate in accordance with these Articles of Association, it shall not delete from the register of shareholders the name of a bona fide purchaser of the replacement share certificate mentioned above or of a shareholder that is subsequently registered as the owner of the shares (provided that he is a bona fide purchaser). Clause 42 of the Mandatory Provisions

**Article 51** The Company shall not be liable for any damages suffered by any person from the cancellation of the original share certificate or the issuance of the replacement share certificate, unless the claimant can prove fraudulent act on the part of the Company. Clause 43 of the Mandatory Provisions

## **Chapter 7 Rights and Obligations of Shareholders**

**Article 52** The Company's shareholders are persons who lawfully hold shares of the Company and whose names have been entered in the register of shareholders. Clause 44 of the Mandatory Provisions

Shareholders shall enjoy rights and have obligations according to the class and number of shares held. Holders of shares of the same class shall enjoy equal rights and have equal obligations.

Shareholder of every class shall enjoy equal rights in the distribution of dividend or distribution in any other form.

Where more than two persons are registered as joint shareholders of any share, they shall be deemed as joint holders of the relevant share, and shall be restricted by the following terms:

- (1) The Company needs not register more than four persons as joint shareholders for any shares;
- (2) All joint shareholders of any share shall bear the joint and several liabilities for the payable amount of the relevant share.

In the circumstance of joint shareholders:

- (1) In case of death of one of the joint shareholders, only the other surviving joint shareholder(s) shall be deemed as owner of the shares, but for the purpose of revising the register of shareholder, the Board is entitled to demand the surviving shareholder(s) to provide a death certificate as the Board thinks fit.
- (2) For joint shareholders of any share, the person whose name stands first in the register shall be entitled to receive share certificate of the relevant shares, receive notice from the Company and present at a general meeting of the Company or exercise his voting right in respect of the relevant shares, and the service of notice to the aforesaid person shall be deemed as service of notice to all joint shareholders.

Where one of the joint shareholders delivers receipt to the Company as regards to any dividends, bonus or return of capital which shall be distributed to such joint shareholders, such receipt shall be deemed as valid receipt from such joint shareholders to the Company.

**Article 54** Holders of ordinary shares of the Company shall enjoy the following rights:

- (1) To receive dividends and other profit distributions on the basis of the number of shares held by them;
- (2) To request, convene, hold, participate or send proxy to attend general meeting and exercise corresponding voting rights in accordance with the law;
- (3) To monitor, make suggestions or question the Company's operation;
- (4) To transfer, donate or pledge shares in his/her possession in accordance with the law, administrative regulations, listing rules of the place(s) in which the shares of the Company are listed, as well as provisions of these Articles of Association;
- (5) To obtain relevant information in accordance with the Articles of Association of the Company, which shall include:
  1. To obtain the Articles of Association of the Company after payment of a charge to cover the costs;

2. Being entitled to access and make a copy, after payment of reasonable charges, of:
  - (i) all parts of the register of shareholders;
  - (ii) personal information of the directors, supervisors and senior management of the Company, including:
    - a. current and previous names and aliases;
    - b. main address (domicile);
    - c. nationality;
    - d. full-time and all other part-time occupations and duties;
    - e. identification credentials and their numbers.
  - (iii) the status of the Company's issued share capital;
  - (iv) reports of the aggregate par value, number of shares and highest and lowest prices of each class of shares bought back by the Company since the last financial year as well as all the expenses paid by the Company therefor;
  - (v) bonds stubs, minutes of general meetings, resolutions of board meetings, resolutions of the supervisory committee meetings and financial reports of the Company;
  - (vi) the Company's most recent audited financial statements, and report of the Board, auditors and the supervisory committee;
  - (vii) copy of the latest annual review report which has been filed with the competent administration for industry and commerce or other competent authorities.
- (6) When the Company terminates or liquidates, receive its share of remaining assets of the Company according to the shares held;
- (7) If a shareholder dissents from the merger or demerger of the Company at a general meeting, he may request the Company to buy back his shares;
- (8) Other rights under the law, administrative regulations, departmental regulations and these Articles of Association.

Where any person directly or indirectly having rights and interests fail to disclose such rights and interests, the Company shall not exercise its rights to freeze or otherwise harm any right of such person attached to the shares solely for this reason.

**Article 54** When a shareholder requests to have access to the information mentioned in the preceding Article, he shall present evidence to prove the class and amount of shareholding in writing. The Company shall comply with the shareholder's request after verifying his identity, and may charge reasonable fees for providing copies of the foregoing materials.

Appendix 3  
of the Listing  
Rules

Article 33 of  
the Guidance  
for the  
Articles

**Article 55** A resolution of the Company's general meeting or Board meeting shall be void if the content contravenes the law or administrative regulations.

Article 34 of  
the Guidance  
for the  
Articles

If the convening procedure or voting method of a general meeting or Board meeting contravenes the law, administrative regulations or these Articles of Association, or if the contents of the resolutions of such meetings contravene these Articles of Association, the shareholders can request the court to revoke the resolution within 60 days of the resolution.

**Article 56** If a director or senior management contravenes the law, administrative regulations or these Articles of Association when carrying out his duties resulting in losses to the Company, shareholders individually or together holding 1% or more of the shares for 180 days continuously may request the supervisory committee in writing to commence litigation in the court. If a supervisory committee contravenes the law, administrative regulations or these Articles of Association when carrying out its duties resulting in losses to the Company, the shareholders may request the Board in writing to commence litigation at the court.

Article 151 of  
the Company  
Law

If the supervisory committee or Board refuses to commence litigation upon receipt of the shareholder's written request under the preceding paragraph, or does not commence litigation within 30 days upon receipt of the request, or the situation is so urgent that with an immediate litigation it will cause irreparable losses to the Company, the shareholders so entitled under the previous paragraph may commence litigation directly at the court under their own names for the interest of the Company.

If any person intervenes with the lawful interests of the Company and result in losses suffered by the Company, a shareholder so entitled under the first paragraph may commence litigation at the court in accordance with the two preceding paragraphs.

**Article 57** If a director or senior management contravenes the law, administrative regulations or these Articles of Association, thereby damaging shareholders' interests, the shareholders can commence litigation in the court.

Article 152 of  
the Company  
Law

**Article 58** Holders of ordinary shares of the Company shall have the following obligations:

- (1) Comply with law, administrative regulations and these Articles of Association;
- (2) Pay for the shares based on the shares subscribed and the method of subscription;
- (3) Cannot ask the Company to redeem those shares except as prescribed by the law or regulations;

Clause  
46 of the  
Mandatory  
Provisions,  
Article 20 of  
the Company  
Law

- (4) Cannot abuse his rights as a shareholder to harm the Company's or other shareholders' interests; cannot abuse the legal personality of the Company and the limited liability of the shareholders to harm the interests of creditors;

A shareholder who abuses his shareholders' rights resulting in losses to the Company and other shareholders shall compensate according to the law.

Shareholders who abuse the legal personality of the Company and limited liability of shareholders in order to escape from liability, thereby seriously damaging the interests of creditors of the Company, shall jointly and severally be responsible for the Company's debts.

- (5) Other responsibilities required by the law, administrative regulations and these Articles of Association.

Shareholders shall not bear any liability for further contribution to share capital other than the conditions agreed to as a subscriber of the relevant shares on subscription.

**Article 59** In addition to the obligations under the law, administrative regulations or the listing rules of the place(s) in which the shares of the Company are listed, controlling shareholders may not, in the exercise of their shareholders' powers, make decisions prejudicial to the interests of all or part of the shareholders as a result of the exercise of their voting rights on the issues set forth below:

Clause  
47 of the  
Mandatory  
Provisions

- (1) Relieving a director or supervisor of the responsibility to act honestly in the best interest of the Company;
- (2) Approving a director or supervisor (for his own or another person's benefit) to deprive the Company of its property in any way, including (but not limited to) any opportunities that are favorable to the Company;
- (3) Approving a director or supervisor (for his own or another person's benefit) to deprive other shareholders of their rights or interests, including (but not limited to) the rights to distributions and voting rights, but not including restructuring of the Company submitted to and adopted at the shareholders general meeting in accordance with the Articles of Association of the Company.

**Article 60** The term "controlling shareholder" mentioned in the preceding Article refers to a person that satisfies any one of the following conditions:

Clause  
48 of the  
Mandatory  
Provisions

- (1) He, acting alone or in concert with others, has the power to elect more than half of the directors;
- (2) He, acting alone or in concert with others, has the power to exercise or control the exercise of more than 30% of the Company's voting rights;
- (3) He, acting alone or in concert with others, holds more than 30% of the issued and outstanding shares of the Company;
- (4) He, acting alone or in concert with others, actually controls the Company in any other manner.

## Chapter 8 General Meeting

### Section 1 General Provisions on General Meeting

**Article 61** The general meeting shall be the organ of authority of the Company and shall exercise the functions and powers according to law.

Clause  
49 of the  
Mandatory  
Provisions

**Article 62** The general meeting shall exercise the following functions and powers:

Clause  
50 of the  
Mandatory  
Provisions

- (1) Decide the operational policy and investment plan of the Company;
- (2) Elect and replace directors. Make decisions on matters in relation to the remuneration of the relevant directors;
- (3) Elect and replace supervisors who are not staff representatives. Make decisions on matters in relation to the remuneration of the relevant supervisors;
- (4) Review and approve the reports of the Board;
- (5) Review and approve the reports of the supervisory committee;
- (6) Review and approve the annual financial budgets and final accounting of the Company;
- (7) Review and approve the profit distribution plan and loss compensation plan of the Company;
- (8) Decide on increasing or reducing the registered capital of the Company;
- (9) Decide on merger, demerger, winding up, liquidation or changing the form of the Company;
- (10) Pass resolutions on the issuance of bonds or other securities and the listing plan thereof by the Company;
- (11) Pass resolutions on the appointment and dismissal of accounting firms by the Company;
- (12) Amend these Articles of Association;
- (13) Review and approve the external guarantee issues which shall be reviewed at the general meeting as prescribed in Article 64 of these Articles of Association;
- (14) Review purchases and sales of significant assets within a year exceeding 30% of the latest audited total assets of the Company;
- (15) Review proposal of approving the change in use of proceeds;
- (16) Review share incentive plans;
- (17) Review proposals of the shareholders individually or together holding more than 3% of the Company's voting shares;

(18) Review other matters to be approved at the general meeting as prescribed by the law, administrative regulations, department regulations, normative documents, listing rules of the place(s) in which the shares of the Company are listed or these Articles of Association.

**Article 63** The following external guarantees of the Company must be reviewed and passed at the general meeting following consideration and passing at the Board meeting:

Article 41 of  
Guidance of  
the Article

- (1) Any subsequent guarantee in addition to the aggregate of all external guarantees provided by the Company or its controlled subsidiary with a total amount equal to or more than 50% of the Company's latest audited net assets;
- (2) Any subsequent guarantee in addition to the aggregate of all external guarantees provided by the Company with a total amount equal to or more than 30% of the Company's latest audited total assets;
- (3) On an accumulative basis in 12 consecutive months, any subsequent guarantee in addition to the aggregate of all external guarantees provided by the Company with a total amount equal to or more than 30% of the Company's latest audited total assets, with an absolute amount of more than RMB50 million;
- (4) To provide guarantee to entities with more than 70% debt equity ratio;
- (5) A single guarantee whose amount exceeds 10% of the latest audited net assets;
- (6) To provide guarantee for shareholders, de facto controller and their related parties;
- (7) Other guarantees which shall be passed at the general meeting as prescribed by the relevant laws and regulations, the local stock exchange where the Company's shares are listed and these Articles of Association.

To consider the guarantees at the Board meeting, these guarantees shall be approved by more than two-third of the Directors present at the Board meeting. To consider the guarantees in (2) of the preceding paragraph at the general meeting, these guarantees shall be passed by votes representing more than two-thirds of the voting rights of shareholders represented at the relevant meeting.

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

**Article 64** Except when the Company is under a special circumstance such as a crisis, the Company shall not, without an approval by a special resolution at a general meeting, enter into a contract to handover all or part of the management of important matters of the Company to a person other than to a director, supervisor or other senior management.

Clause  
51 of the  
Mandatory  
Provisions

**Article 65** The general meetings shall include annual general meetings and extraordinary general meetings. Annual meetings shall be convened once a year and shall be held within six months from the end of the preceding financial year.

The Company shall convene an extraordinary general meeting within two months upon the occurrence of any of the following circumstances:

- (1) The number of directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in the Company Law or Articles of Association of the Company;
- (2) The losses of the Company that have not been made up reach one-third of the total share capital of the Company;
- (3) Shareholders who individually or together hold more than 10% of issued shares with voting rights of the Company require in writing an extraordinary shareholders' general meeting to be convened;
- (4) Whenever the Board considers necessary;
- (5) When the supervisory committee proposes a meeting;
- (6) Other circumstances prescribed by the law, administrative regulations, departmental regulations or these Articles of Association.

**Article 66** The venue to hold a general meeting of the Company shall be the domicile of the Company or other specific location informed by the convener of the general meeting.

The Company shall arrange for the venue for a physical meeting to be held. Such meeting may also be held in the way of internet voting or such other manners as recognized or required by the securities regulatory authority for the convenience of shareholders attending the meetings. A shareholder who participates in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.

## **Section 2 Proposing and Convening of General Meeting**

**Article 67** Independent non-executive directors are entitled to propose an extraordinary general meeting to the Board. Concerning the above request, the Board shall, in accordance with the law, administrative regulations and these Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days upon making the decision. If the Board does not agree to convene an extraordinary general meeting, it shall explain the reasons and make an announcement accordingly.

**Article 68** The supervisory committee is entitled to propose an extraordinary general meeting to the Board, which shall be made in writing. Concerning the above request, the Board shall, in accordance with the law, administrative regulations and these Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days of the decision. Any changes made to the original request in the notice shall be agreed by the supervisory committee.

If the Board disagrees to convene the extraordinary general meeting, or does not reply within 10 days upon receipt of the proposal, it shall be deemed as failing or not discharging its duties to convene the general meeting. The supervisory committee shall then be entitled to convene and hold the meeting itself.

**Article 69** Shareholders holding more than 10% of shares of the Company (individually or together with others) shall be entitled to request for an extraordinary general meeting or class meeting.

Article 72 of the Mandatory Provisions

**Article 70** Where the supervisory committee or shareholders convenes a meeting in accordance with the provisions of this section, a written notice shall be sent to the Board and filed with the securities regulatory authority where the Company is located and relevant stock exchange in accordance with applicable provisions. The Board and the secretary to the Board shall cooperate in terms of such meetings. The Board shall provide the register of shareholders on the shareholding record date. The expenses reasonably resulted therefrom shall be borne by the Company and be deducted from the amounts due for payment to the directors as a result of their breach of duty.

Articles 49, 50 and 51 of the Guidance for the Articles

### **Section 3 Proposals and Notices of General Meeting**

**Article 71** The contents of the proposals to be raised shall be within the scope of duties of the general meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations and these Articles of Association.

Article 52 of the Guidance for the Articles

**Article 72** When a general meeting is held by the Company, the Board, supervisory committee or shareholders who individually or together holding more than 3% of the shares of the Company may propose resolutions to the Company.

Article 53 of the Guidance for the Articles, Article 102 of the Company Law

Shareholders who individually or together holding more than 3% of the shares of the Company may submit ad hoc proposals in writing to the convener of the general meeting 10 days before the holding of the general meeting. The convener shall issue a supplementary notice of the general meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals.

Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the general meeting, shall neither revise the proposals stated in the notice of general meetings nor add new proposals.

If a notice of general meeting does not specify the proposed resolutions or does not comply with Article 72 herein, no voting for decision should be held at the general meeting.

**Article 74** Where a general meeting is convened by the Company, it shall issue a written notice 45 days prior to the meeting to notify all the registered shareholders of the matters proposed to be considered as well as the date and place of the meeting. Shareholders who intend to attend the general meeting shall deliver their written replies to the Company 20 days prior to the meeting.

Clause  
53 of the  
Mandatory  
Provisions

When calculating the time limit of the notice, the date of the meeting and the date of the notice shall be excluded.

**Article 75** The Company shall calculate the number of voting shares represented by the shareholders who intend to attend the meeting based on the written replies received 20 days prior to the holding of the general meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches no less than one half of the total number of the Company's voting shares, the Company may hold the general meeting. If not, the Company shall within five days inform the shareholders again by public notice of the matters to be considered as well as the date and place of the meeting. Upon notification by the public announcement, the Company may hold the general meeting.

Clause  
55 of the  
Mandatory  
Provisions

An extraordinary general meeting shall not decide on matters not specified in the notice.

**Article 75** Notice of the shareholders' general meeting shall include the following:

Clause  
56 of the  
Mandatory  
Provisions

- (1) It shall be made in writing;
- (2) Time, place and duration of the meeting;
- (3) Specified matters to be deliberated at the meeting;
- (4) Record date for shareholders who are entitled to attend the meeting;
- (5) Provision to the shareholders of the detailed information and explanations necessary for the Shareholders to make sound decisions about the matters to be deliberated. This principle includes, but is not limited to, the provision of the detailed terms and contract(s), if any, of the proposed transaction(s) and proper explanations about related causes and effects when our Company proposes merger/s, redemption of shares, restructuring of stock capital or other restructuring;
- (6) In the event that any of the directors, supervisors, managers or other senior management has material interests at stake in matters to be deliberated, the nature and extent of the interests at stake shall be disclosed. If the matters to be deliberated affect any director, supervisor, manager or other senior management as a shareholder in a manner different from how they affect other shareholders of the same type, the difference shall be explained;
- (7) Inclusion of the full text of any special resolution to be proposed for adoption at the meeting;
- (8) A clear explanation indicating that the shareholder is entitled to attend and vote at the shareholders' general meeting, or to appoint one or more entrusted proxies to attend and vote at the meeting on his or her behalf and that such proxies are not necessarily be shareholders;
- (9) Specified delivery time and place of the power of attorney for proxy voting at the meeting;
- (10) Name and telephone number of the contact person.

**Article 76** For matter of discussion which involve the election of directors and supervisors, the notice of meeting shall fully disclose the detailed information of the candidates for such directors and supervisors, which should at least include the following:

Article 56 of the Guidance for the Articles

- (1) Education background, work experience and any part-time job;
- (2) Whether there is any associated relationship between the Company or the controlling shareholders and de facto controller of the Company;
- (3) Disclosure of their shareholdings in the Company;
- (4) Whether or not they have been penalized by CSRC or other related securities regulatory departments and the stock exchange.

Unless a director or supervisor is elected via the accumulative voting system, each candidate of director or supervisor shall be individually proposed.

**Article 77** Notice of general meeting shall be served to any shareholder (whether has voting right on general meeting or not) either by hand or by post in a prepaid mail, addressed to such shareholder at his registered address as shown in the register of shareholders, or by publication on the Company's website or other website designated by stock exchange where the Company's shares are listed, subject to compliance with all applicable laws, regulations and listing rules. For holders of domestic shares and unlisted foreign shares, the notice of a general meeting may also be given by public announcement.

Clause 57 of the Mandatory Provisions

The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authority under the State Council within 45 and 50 days before holding of the meeting. Once the announcement is published, all holders of domestic shares and unlisted foreign shares shall be deemed to have received the notice of the general meeting.

**Article 78** After issuance of the notice for the general meeting, the general meeting shall not be postponed or cancelled without proper reasons and the proposals specified in the notice shall not be withdrawn. In case of delay or cancellation, the convener shall make a public announcement giving reasons within 2 days before the scheduled date, unless otherwise prescribed in listing rules of the place(s) in which the shares of the Company are listed (if so, the latter shall prevail).

Article 57 of the Guidance for the Articles

**Article 79** The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

Clause 58 of the Mandatory Provisions

#### **Section 4 Convening General Meeting**

**Article 80** All shareholders on the register of shareholders on the shareholding record date shall be entitled to attend the general meeting, and vote in accordance with the provisions of relevant law, regulations and these Articles of Association.

Article 59 of the Guidance for the Articles

Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (who may not be a shareholder) as his proxies to attend and vote on his behalf.

Article 59 of the Mandatory Provisions

Such proxies may exercise the following rights as entrusted by the shareholder:

- (1) The shareholder's right to speak at the general meeting;
- (2) The right to demand by himself or jointly with others, in demanding a poll;
- (3) Unless otherwise provided in the applicable listing rules or other securities laws and regulations, the right to vote may be exercised either by a show of hands or on a poll, except that if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights on a poll.

**Article 81** An individual shareholder who attends the general meeting in person shall present valid proof which can confirm his shareholder's identity. If a proxy is appointed to attend the meeting, in addition to present the proxy's identity card, the proxy shall also present the shareholder's identity proof together with the authorization letter from the shareholder.

Article 60 of the Guidance for the Articles

If a shareholder who is a legal person appoints its representative to attend the meeting, the Company has right to request the representative to present the identity proof for the shareholder and its representative, as well as any resolution or authorization letter from the Board of the shareholder who is a legal person or other authority as proof of the such authorization.

**Article 82** The instrument appointing a proxy shall be in writing under the hand of the appointing shareholder or his attorney duly authorized in writing; where the appointing shareholder is a legal person, such instrument shall be under its seal or under the hand of its director or attorney duly authorized.

Article 60 of the Mandatory Provisions for the Articles

The instrument issued by the shareholder to authorize another person to attend the general meeting shall state the following contents:

Article 61 of the Guidance for the Articles

- (1) Name of the proxy;
- (2) Whether the proxy has voting rights;
- (3) Indication of consent, objection or abstention concerning each proposal for resolution on the general meeting agenda;
- (4) Date of signing of instrument and term of validity;
- (5) Signature (or seal) of the principal. If the principal is a legal person shareholder, the seal of the legal person shall be affixed.
- (6) Specifying the number of shares represented by such proxy;
- (7) If more than one proxy is appointed, the instrument shall specify the number of shares represented by each proxy respectively.

**Article 83** The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting before 24 hours prior to the meeting at which the proxy is authorized to vote or before 24 hours prior to the specified time of the voting. Where the instrument is signed by another person authorized by the entrusting party, the authorization letter or other document authorizing the signatory shall be notarized. The notarized authorization letter or other authorizing document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

Article  
61 of the  
Mandatory  
Provisions

Where the principal is a legal person, its legal representative or the person authorized by resolution of its board of directors or other decision-making body shall be entitled to attend the Company's general meetings as the representative of such legal person.

**Article 84** Any form issued by the Board to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast vote in favour of or against each resolution and enable the shareholders to give separate instructions on each matter to be voted at the meeting.

Article  
62 of the  
Mandatory  
Provisions

The proxy form shall state that if the shareholder does not give specific instructions, the proxy shall vote at his/her own discretion.

**Article 85** Where the entrusting party has deceased, incapacitated to act, withdrawn the appointment or withdrawn the signed appointment prior to the voting, or the relevant shares have been transferred prior to the voting, a vote given in accordance with the terms of instrument of proxy shall remain valid as long as the Company did not receive a written notice of the event before commencement of the relevant meeting.

Article  
63 of the  
Mandatory  
Provisions

**Article 86** A registration record for attendants at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the names of attendants (or names of organizations), identity card numbers, residential addresses, the number of shares held or representing the voting rights and names (or name of organizations) of the proxies.

Rule 64 of the  
Guidance for  
the Articles

**Article 87** The convener and the lawyer engaged by the Company shall examine legality of the shareholders' qualifications according to the register of members provided by the securities registrations and clearing organizations. The names of shareholders and the number of shares with voting rights shall be registered. The registration at the meeting shall terminate before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the shares held with voting rights.

Rule 65 of the  
Guidance for  
the Articles

**Article 88** All Directors, Supervisors and secretary to the Board of the Company shall attend general meetings, and the general manager and other senior management shall attend the meeting as non-voting participants unless there is reasonable ground.

Rule 66 of the  
Guidance for  
the Articles

**Article 89** The general meeting shall be convened and presided over by the chairman of the Board. Where the chairman of the Board is unable to attend the meeting, the meeting shall be convened and presided over by the vice chairman of the Board. Where the chairman of the Board and the vice chairman of the Board is unable to attend the meeting, the directors shall designate a director of the Company to convene and preside over the meeting. Where the directors cannot designate a director to preside over the meeting, the shareholders attending the meeting may elect one person to preside over the meeting. If for any reason the shareholders are unable to elect a chairman, the attendant shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.

Clause 73 of the Mandatory Provisions, Rule 67 of the Guidance for the Articles

If a general meeting is convened by the supervisory committee itself, the chairman of the supervisory committee shall preside over the meeting. If the chairman of the supervisory committee is unable to or will not discharge his duties, more than one half of the supervisors shall nominate a supervisor to preside over the meeting.

If a general meeting is convened by the shareholders themselves, the convener will nominate a representative to conduct the meeting. If for any reason the shareholders are unable to elect a chairman, the attendant shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.

In a general meeting, if the chairman of the meeting contravenes the meeting procedures, making the meeting impossible to proceed, with consent from more than one half of the attendant shareholders with voting rights, the shareholders may nominate one person to serve as the chairman and continue with the meeting. If for any reason the shareholders are unable to elect a chairman, the attendant shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.

**Article 90** The Company shall stipulate the rules of procedures for the general meeting and specify in details the procedure for convening and voting at the general meeting, including notification, registration, reviewing of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcements as well as principles of authorization to the Board by the general meeting. The rules of procedures for the general meeting shall be appended to these Articles of Association. They shall be stipulated by the Board and approved by the general meeting.

Rule 68 of the Guidance for the Articles

**Article 91** In the annual general meeting, the Board and supervisory committee shall report their work during the past year to the general meeting. Each independent non-executive director shall also present a work report.

Rule 69 of the Guidance for the Articles

**Article 92** Directors, supervisors and senior management shall explain and answer the enquiries and suggestions from shareholders at the general meeting.

Rule 70 of the Guidance for the Articles

**Article 93** The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting in person as well as the total number of voting shares, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's registration record.

Rule 71 of the Guidance for the Articles

**Article 94** The general meeting shall have minutes prepared by the secretary to the Board. The minutes shall state the following contents:

Rule 72 of the  
Guidance for  
Articles

- (1) Time, venue and agenda of the meeting and names of the convener;
- (2) The name of the meeting chairman and the names of the directors, supervisors, general manager and senior management attending or present at the meeting;
- (3) The numbers of shareholders (including domestic shareholders, unlisted foreign shares and overseas-listed foreign shareholders (if any)) and proxies attending the meeting, number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;
- (4) The process of review and discussion, summary of any speech and voting results of each proposal;
- (5) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;
- (6) Names of lawyer, vote counters and scrutinizer of the voting;
- (7) Other contents to be included in the minutes as specified in these Articles of Association.

**Article 95** The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretaries to the Board, conveners and their representatives and the chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the registration record of attendant shareholders, authorization letters of proxies, valid record on internet voting and other means of voting, for a period of no less than 10 years.

Rule 73 of the  
Guidance for  
the Articles

**Article 96** The convener shall ensure that the general meeting be conducted continuously until final resolutions are made. If the general meeting is suspended or resolutions cannot be made because of force majeure or other special circumstances, the convener shall take necessary measures to resume the meeting or directly terminate that meeting immediately followed by a timely public announcement and report in accordance with the laws, regulations or listing rules of the place(s) in which the shares of the Company are listed.

Rule 74 of the  
Guidance for  
Articles

## **Section 5 Voting and Resolutions at General Meetings**

**Article 97** Resolutions of the general meeting include ordinary resolutions or special resolutions.

Clause  
64 of the  
Mandatory  
Provisions

Ordinary resolution at a general meeting shall be passed by more than one half of the voting shares held by shareholders (including their proxies) attending the general meeting.

Special resolution at a general meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.

**Article 98** When shareholders (including proxies) vote at the general meeting, they shall exercise their voting rights according to the number of voting shares that they represent. Each share shall carry one voting right.

Clause  
65 of the  
Mandatory  
Provisions

Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.

Rule 78 of  
Guidelines for  
the Articles

Subject to and conditional upon compliance with applicable laws, regulations and/or requirements of the listing rules of the place(s) in which the shares of the Company are listed, the Board, independent non-executive directors and other shareholders who qualify with relevant specified conditions may solicit for the voting shares from shareholders.

When the general meeting considers related party transactions, the related party shareholders shall not participate in the voting if so specified in the applicable law, regulations or listing rules of the place(s) in which the shares of the Company are listed. His shares held with voting rights will not be counted within the total number of valid votes. The public announcement on the voting results of the general meeting shall fully disclose the voting results of the non-related party shareholders.

Rule 79 of  
Guidelines for  
the Articles

**Article 99** Voting at general meeting will record the name of the voter.

Rule 86 of  
Guidelines for  
the Articles

**Article 100** At any shareholders' general meeting, a resolution shall be decided on a show of hands unless a poll is demanded:

Clause  
66 of the  
Mandatory  
Provisions

- (1) by the chairman of the meeting;
- (2) by at least two (2) shareholders present in person or by proxy entitled to vote thereat;
- (3) by one (1) or more shareholders present in person or by proxy who individually or jointly hold 10 % or more of all shares carrying the right to vote at the meeting, before or after a vote is carried out by a show of hands.

Unless a poll is demanded, a declaration by the chairman that a resolution is passed on a show of hands and the record of such in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of 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 101** If a poll is demanded for the election of the chairman or the adjournment of the meeting, such matters shall be resolved by poll immediately; in respect of a poll demanded for other matters, the time for such a poll shall be decided by the chairman of the meeting and other business may be proceeded with at the meeting. The result of such a poll shall still be deemed as a resolution passed at the meeting.

Clause  
67 of the  
Mandatory  
Provisions

**Article 102** When a poll is taken at a meeting, a shareholder (including proxies) who have the right to two or more votes need not cast all his votes in the same way.

Clause  
68 of the  
Mandatory  
Provisions

**Article 103** When the number of votes for and against a resolution is equal, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to one additional vote.

Clause  
69 of the  
Mandatory  
Provisions

**Article 104** As for the powers to be exercised by the general meeting of shareholders, matters as set out in paragraphs (1), (2), (3), (4), (5), (6), (7), (11), (13), (15) and (18) in Article 62, and matters other than those requiring approval by special resolutions in accordance with the laws, administrative regulations or these Articles of Association, shall be passed by ordinary resolutions at a general meeting

Clause  
70 of the  
Mandatory  
Provisions

**Article 105** As for the powers to be exercised by the general meeting of shareholders, matters set out in paragraphs (8), (9), (10), (12), (14) and (16) in Article 62 and matters required by the laws, administrative regulations or these Articles of Association, or such matters resolved by the general meeting by ordinary resolutions to be of significant impact to the Company and thereby shall be passed by special resolutions, shall be passed by special resolutions at a general meeting. Matters set out in paragraph (17) shall respectively apply the above-mentioned provisions on the ordinary resolutions and special resolutions in accordance with the specific content of shareholder's proposals.

Clause  
71 of the  
Mandatory  
Provisions

**Article 106** Shareholders who request to convene an extraordinary general meeting or a class meeting shall follow the procedures set out below:

Clause  
72 of the  
Mandatory  
Provisions

- (1) Two or more shareholders who hold in aggregate 10% or more of the voting shares at the proposed meeting may sign one or several written requisitions in the same form requesting the board of directors to convene an extraordinary general meeting or a class meeting, and the subject matter of the meeting shall be specified. Upon receipt of the said written requisitions, the board of directors shall convene an extraordinary general meeting or a class meeting as soon as possible. The calculation of the number of shares held as aforesaid shall be made as at the date of the written requisitions.
- (2) If the board of directors fails to give notice of meeting within 30 days of the receipt of the aforesaid written requisitions, the shareholders making such requests may convene a meeting within four months of the receipt of the said requisitions by the board of directors. The procedure for convening the meeting shall, as far as possible, be the same as those for convening a shareholders' meeting by the board of directors.

All reasonable expenses incurred in convening and holding a meeting by the shareholders as a result of the failure of the board of directors to convene such meeting upon the aforesaid requisitions shall be borne by the Company and the same shall be deducted from outstanding payments due to the directors who are in fault of their duties.

**Article 107** The chairman of the meeting shall be held responsible for deciding whether or not a resolution of the general meeting has been passed. His decision shall be final and shall be announced at the meeting and recorded in the minutes of meeting.

Clause  
74 of the  
Mandatory  
Provisions

**Article 108** If the chairman of the meeting has any doubts about the voting result of a resolution, he may arrange recounting of the votes. If the chairman of the meeting does not arrange re-counting of the votes, a shareholder or proxy attending the meeting who dissent from the result announced by the chairman of the meeting shall be entitled to request re-counting of votes immediately after such announcement, in which case the chairman of the meeting shall immediately arrange re-counting of the votes.

Clause  
75 of the  
Mandatory  
Provisions

**Article 109** If counting of votes is held at a general meeting, the result of the counting shall be recorded in the minutes of meeting. The minutes of meeting and the registration record of attendants signed by the attending shareholders and proxies shall be kept at the Company's domicile for a period of no less than 10 years.

Clause  
76 of the  
Mandatory  
Provisions,  
Rule 73 of  
Guidelines for  
the Articles

**Article 110** Shareholders may examine photocopies of the minutes of meetings during the Company's office hours free of charge. If any shareholder requests for a photocopy of the relevant minutes of meetings, the Company shall send such photocopies within seven days upon receipt of payment of reasonable charges.

Clause  
77 of the  
Mandatory  
Provisions

## Chapter 9 Special Procedures for Voting at Class Meeting

**Article 111** Shareholders who hold different classes of shares shall be shareholders of different classes.

Clause  
78 of the  
Mandatory  
Provisions

Shareholders of different classes shall enjoy rights and undertake obligations in accordance with the laws, administrative regulations and these Articles of Association.

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

Appendix 3  
of the Listing  
Rules

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

**Article 112** The Company shall not proceed to change or abrogate the shareholders' rights of a class of shares unless such change or abrogation has been approved by way of a special resolution of the general meeting and by a separate class meeting of the affected shareholders of the class of shares in accordance with Articles 114 to 118.

Clause  
79 of the  
Mandatory  
Provisions

No matter what is otherwise stipulated in the Articles of Association, the shareholders of unlisted foreign shares and shareholders of domestic shares are as the same class. Any variation or abrogation (as the case may be) of any rights of shareholders of unlisted foreign shares shall be deemed as variation or abrogation of any rights of shareholders of the domestic shares, and vice versa. Any variation or abrogation of the rights of shareholders of unlisted foreign shares and shareholders of domestic shares proposed by the Company shall be subject to the approval by way of a special resolution in general meeting, and the approval by shareholders of unlisted foreign shares and shareholders of domestic shares in a general meeting separately convened in accordance with Article 115 to Article 119 which they are both entitled to attend and vote. However, it shall not be subject to the approval by either shareholder of unlisted foreign shares or shareholder of domestic shares in a general meeting separately convened in accordance with Article 115 to Article 119 which either of them is entitled to attend and vote.

Appendix 3  
of the Listing  
Rules

**Article 113** The rights of shareholders of a certain class shall be deemed to have been changed or abrogated in the following conditions:

- (1) an increase or decrease in the number of shares of such class or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (2) a change of all or part of the shares of such class into shares of another class, a conversion of all or part of the shares of another class into shares of such class or the grant of the right to such change;
- (3) a removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;
- (4) a reduction or removal of a dividend preference or property distribution preference during liquidation of the Company, attached to shares of such class;
- (5) an addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights to rights issues or rights to acquire securities of the Company attached to shares of such class;
- (6) a removal or reduction of rights to receive amounts payable by the Company in a particular currency attached to shares of such class;
- (7) a creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;
- (8) an imposition of restrictions or additional restrictions on the transfer of ownership of shares of such class;
- (9) an issuance of rights to subscribe for, or convert into, shares of such class or another class;
- (10) an increase in the rights and privileges of shares of another class;
- (11) restructuring of the Company which causes shareholders of different classes to bear liability to different extents during the restructuring; and
- (12) any amendment or cancellation of the provisions of this section.

**Article 114** Shareholders of the affected class, whether or not having the right to vote at general meeting, shall have the right to vote at class meetings in respect of matters referred to in paragraphs (2) to (8) and (11) to (12) in Article 113, except that interested shareholders shall not vote at class meetings.

Clause  
818 of the  
Mandatory  
Provisions

The term “interested shareholders” in the preceding paragraph shall have the following meanings:

- (1) if the Company has made a tender offer to all shareholders in the same proportion or has bought back its own shares through open market transactions on a stock exchange in accordance with Article 32 hereof, the controlling shareholders as defined in these Articles of Association shall be “interested shareholders”;
- (2) if the Company has bought back its own shares by an agreement outside of a stock exchange in accordance with Article 32 hereof, holders of shares in relation to such agreement shall be “interested shareholders”; or
- (3) under a restructuring proposal of the Company, shareholders who will bear liability in a proportion smaller than that of the liability borne by other shareholders of the same class, or shareholders who have an interest in a restructuring proposal of the Company that is different from the interest in such restructuring proposal of other shareholders of the same class shall be “interested shareholders”.

**Article 115** Resolutions of a meeting of shareholders of different classes may be passed only by more than two-thirds of the voting rights of that class represented at the meeting in accordance with Article 114.

Clause  
819 of the  
Mandatory  
Provisions

**Article 116** When the Company is to hold a class meeting, it shall issue a written notice 45 days prior to the meeting informing all the registered shareholders of that class of the matters to be considered at the meeting as well as the date and place of the meeting. Shareholders who intend to attend the meeting shall, within 20 days prior to the day of the meeting, deliver their written replies to the Company of their attendance.

Clause  
820 of the  
Mandatory  
Provisions

If the number of the voting shares represented by the shareholders intending to attend the meeting is more than one half of the total number of voting shares of that class, the Company may hold the class meeting of shareholders. If not, the Company shall within five days inform the shareholders once again of the matters to be considered at the meeting and the date and place of the meeting in the form of a public announcement. Upon notification by public announcement, the Company may hold the class meeting.

If there are any special requirements by the listing rules of the place where the Company’s shares are listed, such requirements shall prevail.

**Article 117** The notice of class meeting of shareholders shall be delivered only to the shareholders entitled to vote thereat.

Clause  
84 of the  
Mandatory  
Provisions

The procedure of a class meeting shall, to the extent possible, be identical with the procedure of a general meeting. Unless otherwise specified in this chapter, provisions of the Articles of Association of the Company relevant to procedure for the holding of a general meeting shall be applicable to a class meeting.

**Article 118** In addition to holders of other classes of shares, shareholders of domestic shares and unlisted foreign shares shall be regarded as shareholders of the same class, while shareholders of overseas listed foreign shares shall be regarded as shareholders of a different class.

Clause  
85 of the  
Mandatory  
Provisions,  
Appendix 13  
of the Listing  
Rules

The special procedure for voting in class meeting shall not apply to the following circumstances:

- (1) Where the Company issues domestic shares, unlisted foreign shares and overseas-listed foreign shares, upon approval by a special resolution of its shareholders in a general meeting, either separately or concurrently once every 12 months, not more than 20% of each of the existing issued domestic shares, unlisted foreign shares and overseas-listed foreign shares of the Company;
- (2) Where the Company's plan to issue domestic shares and overseas-listed foreign shares upon its incorporation is implemented within 15 months from the date of approval by the securities regulatory authorities under the State Council; or
- (3) Where with the approval by the securities regulatory authorities under the State Council the domestic shares and unlisted foreign shares of the Company are being converted into H shares for overseas listing and trading.

## Chapter 10 Board of Directors

### Section 1 Directors

**Article 119** Directors shall be elected by the general meeting and serve a term of three years for each session. A director may serve consecutive terms if re-elected upon the expiry of his term, unless otherwise stipulated by the relevant laws, regulations and listing rules of the place where the Company's shares are listed.

Clause 87 of the Mandatory Provisions, Rule 96 of Guidelines for the Articles

A director's term of service commences from the date of passing the resolution at the shareholders' general meeting, until the current term of service of Board ends. If a director's term of service expires but a new director is not yet appointed, the original director shall continue to carry out the director's duties according to the laws, administrative regulations, departmental regulations and these Articles of Association until the newly elected director's appointment comes into effect.

A director's post may be assumed by general manager or other senior management. But the total number of general managers or other senior management who also assume directorship in the company, plus the number of directors as staff representative, shall not exceed one half of the total number of directors.

A director needs not be a shareholder of the Company.

**Article 120** The directors, both collectively and individually, are expected to fulfill fiduciary duties and duties of skill, care and diligence to a standard at least in compliance with the standard established by the laws of Hong Kong. This means that every director must, in the performance of his duties as a director:

Listing Rules

- (1) act honestly and in good faith in the interests of the Company as a whole;
- (2) act for proper purpose;
- (3) be responsible to the Company for the application or misapplication of its assets;
- (4) avoid actual and potential conflicts of interest and conflicts in duty;
- (5) disclose fully and fairly his interests in contracts with the Company; and
- (6) apply such degree of skill, care and diligence as may reasonably be expected of a person of his knowledge and experience and holding a directorship in a listed company.

**Article 121** Written notice concerning proposed nomination of a director candidate and indication of the candidate's intention to accept the nomination shall be sent to the Company seven (7) days before the shareholders' general meeting is convened.

Opinion  
Regarding the  
Supplemental  
Amendments  
to the Articles  
of Association

Subject to compliance with relevant laws and regulations, a director can be removed by ordinary resolution passed on a general meeting before the expiry of his term of office. Such removal does not prejudice the director's claim for damages pursuant to any contract.

**Article 122** If a director is unable to attend Board meetings in person for two consecutive meetings, and does not appoint other directors to attend Board meeting on his behalf, he shall be deemed as failing to carry out his duties. The Board shall propose to the general meeting to replace him.

Rule 99 of  
Guidelines for  
the Articles

**Article 123** A director may resign before expiry of his term of service. When a director resigns, he shall submit a written resignation notice to the Board. The Board shall disclose the relevant circumstances within 2 days.

Rule 100 of  
Guidelines for  
the Articles

If the member of the directors fall below the minimum statutory requirement due to a director's resignation, the notice of resignation of the resigning director shall only become effective after a new director fills the vacancy. The remaining members of the Board should convene an extraordinary general meeting as soon as possible to elect a new director to fill the vacancy.

Save for the circumstances referred to in the preceding paragraph, the director's resignation takes effect upon delivery of his/her resignation report to the Board.

**Article 124** When a director's resignation takes effect or his term of service expires, the director shall complete all transfer procedures with the Board. His fiduciary duty towards the Company and the shareholders do not necessarily cease after the end of his term of service and shall still be in effect for a reasonable period of time as stipulated in these Articles of Association.

Rule 101 of  
Guidelines for  
the Articles

**Article 125** In the absence of specification in these Articles of Association or legitimate authorization by the Board, no director shall act in his personal capacity on behalf of the Company or the Board. When a director acts in his personal capacity, but a third party may reasonably believe that the director is representing the Company or the Board, that director shall declare his stance and capacity in advance.

Rule 102 of  
Guidelines for  
the Articles

**Article 126** If a director breaches the laws, administrative regulations, departmental regulations or these Articles of Association when carrying out his duties and causes loss to the Company, he shall be held responsible for damages.

Rule 103 of  
Guidelines for  
the Articles

## Section 2 Independent Non-executive Directors

**Article 127** The Company shall have independent non-executive directors. 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 or its substantial shareholders (referring to such shareholders who separately or aggregately hold more than 5% of the total number of voting shares) that may hinder their independent objective judgments, and satisfies the requirements on independence by the Listing Rules.

Unless otherwise provided in this section, the relevant provisions set out in Chapter 14 of these Articles of Association shall apply to the qualifications and obligations of independent non-executive directors.

**Article 128** No less than one-third of the Board members and no less than three Board members of the Company shall be independent non-executive directors; among which, at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise. At any time if the number of independent non-executive directors fails to meet the minimum number required by these Articles of Association due to either the failure to meet the criteria of independence or other circumstances which may put such independent non-executive directors inappropriate to perform their duties, the Company shall appoint additional independent non-executive directors to meet the requirement.

At least one of the independent non-executive directors of the Company shall ordinarily reside in Hong Kong.

**Article 129** An independent non-executive director shall have the same term of office as other directors of the Company, and may be reelected upon expiry of the term given that the consecutive terms shall be no more than nine years.

**Article 130** Matters relating to independent non-executive directors which are not covered in this section shall be dealt with according to the relevant laws, regulations or listing rules of the place where the Company's shares are listed.

## Section 3 Board of Directors

**Article 131** The Company shall set up a board of directors (i.e., the Board) which shall be accountable to the general meeting.

**Article 132** The Board shall compose of twelve directors, including four independent non-executive directors. The Board shall have one chairman, and the general meeting shall decide whether or how to set up the post of vice chairman by an ordinary resolution at the general meeting. (The terms and conditions governing vice chairman as provided herein and hereinafter within these Articles of Association shall be only applicable to circumstances where the position(s) of vice chairman is set up in the Company.)

The chairman and vice chairman (or vice chairmen) of the Board shall be elected and removed by more than one half of all the directors. The chairman and vice chairman (or vice chairmen) of the Board shall serve a term of three years and may be re-elected upon the expiry of their terms.

**Article 133** The Board exercises the following functions and powers:

- (1) to be responsible for the convening of general meetings and report its work to the general meetings;
- (2) to implement resolutions of the general meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the annual financial budgets and final accounts of the Company;
- (5) to formulate the Company's profit distribution plans and plans on making up losses;
- (6) to formulate proposals for the Company to increase or decrease its registered capital, issue corporate bonds or other securities and pursue any listing thereof;
- (7) to formulate plans for mergers, demergers, dissolution and alteration of corporate form of the Company;
- (8) to formulate plans for the Company's substantial acquisitions and purchase of shares of the Company;
- (9) within the scope authorized by the general meeting, to decide, among others, the Company's external investment, purchase and sale of assets, provision of security on the Company's assets, matters on external guarantees, wealth management entrustment, related party transactions;
- (10) to decide on establishment of internal management organizations of the Company;
- (11) to determine the setup of the specialized committees under the Board, appoint or dismiss the chairman (convener) of such committees;
- (12) to appoint or dismiss general manager and secretary to the Board; to appoint or dismiss senior management including deputy general managers and person-in-charge of finance of the Company in accordance with the nominations by general manager, and to decide on their remunerations, incentives and punishments;
- (13) to formulate the basic management system of the Company;
- (14) to formulate proposals to amend these Articles of Association;
- (15) to formulate the stock option incentive plan of the Company;

- (16) to manage information disclosure of the Company;
- (17) to propose to the shareholders' general meeting the appointment or replacement of the accounting firms which provide audit services to the Company;
- (18) to listen to work reports of the general manager and review his work;
- (19) to appoint or replace the non-employee representatives directors and supervisors of the wholly-owned subsidiaries of the Company, recommend candidates for non-employee representatives directors and supervisors of the controlled subsidiaries and associates of the Company and recommend candidates for senior management of the wholly-owned subsidiaries and controlled subsidiaries of the Company;
- (20) to review and approve the matters on the Company's external guarantee which are not covered by Article 64 for review and consideration at a general meeting;
- (21) other powers and duties authorized by the laws, administrative regulations, and department rules, listing rules of the stock exchange(s) where the Company's shares are listed, these Articles of Association and other duties entrusted by the shareholders' general meetings.

The above matters of authority exercised by the Board or any transaction or arrangement of the Company which shall be reviewed by a general meeting according to listing rules of the place(s) where the Company's shares are listed, shall be submitted to the general meeting for review.

Except for the Board resolutions in respect of the matters specified in paragraphs (6), (7) and (14) which shall be passed by more than two-thirds of the directors, the Board resolutions in respect of all other matters set out in the preceding paragraph may be passed by more than one half of the directors.

**Article 134** The Board shall formulate the rules of procedures for meetings of the Board to ensure implementation of the resolutions of the general meeting, improve the efficiency of work and ensure scientific decision-making. The rules of procedures for the Board stipulate the holding and voting procedures of the Board meetings, and shall be appended to these Articles of Association. It shall be formulated by the Board and approved by the general meeting.

Rule 109 of  
Guidelines for  
the Articles

**Article 135** The Board shall set up an Audit Committee and Remuneration Committee, and may set up other specialized committees such as a Strategic Committee, to advise the Board on major decisions.

Listing Rules

The Audit Committee must have at least three members and all of them must be non-executive directors. At least one member of the Audit Committee shall be an independent non-executive director with the proper qualification as required by the Listing Rules, or appropriate accounting or related financial management expertise. The majority of the members of the Audit Committee shall be independent non-executive directors and the chairman of the Audit Committee must be an independent non-executive directors. The majority of the members of the Remuneration Committee shall be independent non-executive directors and the chairman of the Remuneration Committee must be an independent non-executive directors.

**Article 136** Where the expected value of fixed assets proposed for disposal by the Board, when aggregated with value of fixed assets already disposed of within four months before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet recently considered by the general meetings, the Board shall not dispose of or consent to dispose of such fixed assets without prior approval by the general meeting.

The term “fixed assets disposal” referred to in this Article refers to (among other things) transferring certain interests in assets, but not including provision of guarantees by way of fixed assets.

The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a breach of the first paragraph of this Article.

**Article 137** The chairman of the Board shall exercise the following functions and powers:

- (1) to preside over general meetings and to convene and preside over Board meetings of the Company;
- (2) to procure and check the implementation of resolutions of the Board;
- (3) to sign on share certificates, bond certificates and other securities issued by the Company;
- (4) organize the formulation of various rules and coordinate operation of the Board;
- (5) to sign on important documents of the Board and legally binding documents on behalf of the Company;
- (6) to exercise the powers and functions as the legal representative;
- (7) to nominate candidates for secretary to the Board, members and chairman of the specialized committee under the Board;
- (8) to listen to regular or provisional work reports of the senior management, and provide guiding opinion to implementation of the Board resolutions;
- (9) in case of emergency of catastrophic natural disasters and other force majeure, exercise the special right of disposal over the Company’s affairs that is in line with the requirements of laws and interests of the Company, and report to the Board and the general meeting afterwards;

- (10) to perform the functions and powers of the Board within the mandate of the Board when the Board is not in session; and
- (11) other functions and powers authorized by the laws, administrative regulations, departmental rules, these Article of Association and conferred by the Board.

**Article 138** The vice chairman shall assist the chairman of the Board in work. When the chairman is unable to or does not carry out his duties, they shall be carried out by the vice chairman (if the Company has two or more vice chairmen, then these duties shall be carried out by the vice chairman nominated by more than one half of the directors). Where the vice chairman is unable to or does not carry out his duties, more than one half of the directors shall nominate a director to carry out the duties.

Rule 113 of  
Guidelines for  
the Articles

**Article 139** The Board meetings include regular meetings and extraordinary meetings.

Clause  
91 of the  
Mandatory  
Provisions,  
Rule 115 of  
Guidelines for  
the Articles

Regular meetings of the Board of directors shall be held at least two times a year. Meetings shall be convened by the chairman of the Board. Notice in writing shall be given to all directors and supervisors ten days before the meeting is held.

The chairman, any shareholder holding more than one tenth voting rights, more than one third of the directors, or the supervisory committee or the general manager may propose the holding of an extraordinary meeting of the Board. The chairman of the Board shall convene and preside over the extraordinary meeting of the Board within 10 days upon receipt of the proposal, and shall give written notice to all directors and supervisors five days before the meeting is held.

In case of urgency, the extraordinary board meeting may be held upon approval by the chairman of the Board, not subject to the requirement of meeting notice as set out in paragraph 3 of this Article, given that reasonable notice shall be given to directors, supervisors and the general manager.

**Article 140** The notice of Board meetings may be delivered in the manners as set out in Article 239 of the Articles of Association.

Clause  
92 of the  
Mandatory  
Provisions

Directors who have attended the meeting will be deemed to have been issued a notice of Board meeting if he had not raised any issues of not having received such notice before or during the Board meeting.

The board meetings may be held by means of telephone conference or other similar communications equipment. So long as all participating directors can hear the other directors and communicate, all such participation shall constitute presence at the meeting as if those directors were present in person.

**Article 141** A notice of Board meeting shall include the following contents:

- (1) Date and place of meeting;
- (2) Period of the meeting;
- (3) Reasons and agenda;
- (4) Date of issuance of notice;
- (5) Method of holding the meeting

**Article 142** For any major matters to be determined by the Board, sufficient information shall be provided to the directors and the directors are entitled to request supplementary materials. When more than one-fourth of the directors or two or more external directors (referring to such directors who have no executive positions in the Company) considers that the provided materials insufficient or the reasoning is unclear, they may jointly propose to defer the Board meeting or defer the consideration on the relevant matters, and the Board shall accept such suggestions accordingly.

Opinion  
Regarding  
Conformity in  
Operations

**Article 143** The Board meeting shall not be held unless more than one half of the directors are present.

Clause  
93 of the  
Mandatory  
Provisions

Unless otherwise provided in other articles herein, resolutions of the Board shall be passed by more than one half of all the directors.

As for the voting on a Board resolution, each director shall have one vote. When the number of votes cast for and against a resolution equals, the chairman of the Board shall have a casting vote.

**Article 144** The directors shall attend a Board meeting in person. If a director is unable to attend for any reasons, he may appoint another director in writing to attend on his behalf. The authorization letter shall contain the name of the representative, the matters represented, scope of authorization and validity period. It shall be signed or sealed by the principal.

Clause  
94 of the  
Mandatory  
Provisions

The appointed director who attends the meeting shall exercise the director's duties within the authorized scope. If a director does not attend a Board meeting in person and does not appoint a representative to attend the meeting, he shall be deemed to have waived the voting rights in the meeting.

**Article 145** When a director is connected to companies which is the subject of a resolution to be decided at a board meeting, the connected director shall not vote on that resolution, and shall not vote on behalf of other directors. That director's meeting can be held if more than one half of the independent directors attends. Resolutions made by the board meeting shall be passed by more than one half of the independent directors. If less than three independent directors attend the board meeting, the matter shall be submitted to the general meeting for consideration.

Rule 119 of  
Guidelines for  
the Articles

**Article 146** The Board meeting shall vote by show of hands, by poll or via facsimile.

Provided that the directors can fully express their opinions at the extraordinary board meetings, such meetings can be held by means of delivery by hand, post, fax or other means of communication and resolutions could be passed thereof which shall be signed by the directors who attended the meeting.

**Article 147** The Board shall keep minutes of its decisions on the matters discussed at the meeting. The directors, secretary to the Board and recorder who attended the meeting shall sign the minutes of that meeting.

Clause  
95 of the  
Mandatory  
Provisions,  
Rule 122 of  
Guidelines for  
the Articles

The directors shall be responsible for the decisions of the Board. Where a resolution of the Board is in violation of the laws, administrative regulations or these Articles of Association, thereby causing serious losses to the Company, the directors who took part in the resolution shall be liable to the Company for damages. However, where a director can prove that he expressed his opposition to such resolution when it was put to the vote, and that such opposition was recorded in minutes of the meeting, the director shall be relieved from such liability.

The minutes of Board meeting shall be kept as a company file for a period of no less than 10 years.

**Article 148** The minutes of the Board shall consist of the following:

Rule 123 of  
Guidelines for  
the Articles

- (1) date and venue of the meeting and the name of the convener
- (2) the name of the director present and name of director being appointed to attend on the other's behalf (attorney);
- (3) the agenda;
- (4) the main points of directors' speeches;
- (5) the voting method of each resolution and the result (the result shall specify the number of votes for, against and abstaining);
- (6) the signatures of directors or their attorneys.

**Article 149** The expenses reasonably incurred by directors for attending the meeting of Board shall be borne by the Company. Such expenses include the non-local transport fees from the director's location to the meeting venue (assuming the director resides at a location other than where the meeting venue locates) and the accommodation during the meeting.

## Chapter 11 Secretary to the Board of Directors

**Article 150** The Company shall have one secretary to the Board. The secretary is a senior management of the Company. The main duties of the secretary to the Board include:

Clause  
96 of the  
Mandatory  
Provisions

- (1) ensuring that the document of the Board of Directors complies with the relevant laws and regulations;
- (2) ensuring that the Company has complete organizational documents and records;
- (3) ensuring that the Company prepares and submits reports and documents required by relevant authorities pursuant to the law;
- (4) ensuring that the register of shareholders of the Company is properly established, and that persons entitled to receive relevant records and documents of the Company are given timely access to such records and documents;
- (5) other duties stipulated by these Articles of Association and the listing rules of the stock exchange where shares of the Company are listed.

Clause  
97 of the  
Mandatory  
Provisions

**Article 151** Directors or other senior management may concurrently act as the secretary to the Board. No accountant(s) of the accounting firm that is appointed by the Company may concurrently act as secretary to the Board.

Clause  
98 of the  
Mandatory  
Provisions

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

## Chapter 12 General Manager

**Article 152** The Company shall have a team of managers, who under the steering of the Board of directors implements the decisions of the Board and supervises the Company's daily work operations. A general-manager responsibility system shall be run within the team of managers.

Clause  
99 of the  
Mandatory  
Provisions

The Company shall have one general manager and several deputy general managers to assist the general manager, and also one person-in-charge of finance. The general manager, deputy general managers and person-in-charge of finance shall be appointed and dismissed by the Board.

**Article 153** The term of office of the general manager shall be three years, who shall be eligible to consecutive terms of office upon reappointment.

Rule 127  
and 131 of  
Guidelines for  
the Articles

The general manager can submit his resignation before the expiry of his term of office. The procedure concerning the general manager's resignation shall be regulated by the employment contract between the general manager and the Company. Where the general manager cannot perform his duties for special reasons, one deputy general manager designated by the Board shall take up his duties.

A director may concurrently take up the post of general manager or deputy general manager.

**Article 154** The Company's general manager shall be accountable to the Board and shall exercise the following functions and powers:

Clause  
100 of the  
Mandatory  
Provisions

- (1) lead the Company's production, operation and management, and report to the Board;
- (2) organize resources to carry out the Board's resolutions;
- (3) organize the implementation of the Company's annual business plan and investment plan formulated by the Board;
- (4) draft plans for the establishment of the Company's internal management structure;
- (5) draft the basic management system of the Company;
- (6) formulate detailed rules and regulations of the Company;
- (7) propose to the Board the appointment or dismissal of the Company's deputy general manager(s) and person-in-charge of finance;
- (8) appoint or dismiss other senior management other than those required to be appointed or dismissed by the Board;
- (9) exercise other powers conferred by these Articles of Association or the Board.

**Article 155** The Company's general manager shall attend the meetings of the Board. A non-director manager shall not have the right to vote at such meetings.

Clause  
101 of the  
Mandatory  
Provisions

**Article 156** The general manager shall formulate the detailed working rules of the general manager, which shall be submitted to the Board for approval.

Rule 129  
and 130 of  
Guidelines for  
the Articles

The working rules of the general manager include the following:

- (1) conditions, procedures and the number of participants for convening meetings of the managers;
- (2) respective duties and division of labor among general manager and other senior management;

- (3) limits of authority in using company funds and assets as well the signing of significant contracts, together with the system of reporting to the Board and the supervisory committee;
- (4) other matters considered necessary by the Board.

**Article 157** In the exercise of his functions and powers, the manager shall bear the duties of good faith and due diligence in accordance with the law, administrative regulations and these Articles of Association.

Clause 102 of the Mandatory Provisions

## Chapter 13 Supervisory Committee

### Section 1 Supervisors

**Article 158** The term of office of a supervisor shall be 3 years, renewable upon re-election and re-appointment.

Clause 104 of the Mandatory Provisions

**Article 159** The directors, managers and person-in-charge of finance shall not concurrently serve as supervisors.

Clause 106 of the Mandatory Provisions

**Article 160** When a supervisor's term of office expires while a new supervisor is not yet appointed, or when a supervisor resigns during his term of office, leading to the number of members in the supervisory committee falling below the statutory requirement, and before the newly appointed supervisor takes up his appointment, the original supervisor shall continue to perform his duties according to the laws, administrative regulations and these Articles of Association.

Rule 138 of the Guidelines for the Articles

**Article 161** A supervisor shall ensure that the information disclosure of the Company is true, accurate and complete.

Rule 139 of the Guidelines for the Articles

**Article 162** A supervisor may attend meetings of the Board. He can also question or make suggestions concerning proposed resolutions at the Board meeting.

Rule 140 of the Guidelines for the Articles

**Article 163** A supervisor shall not make use of his associated relationship to harm the Company's interests. For any losses caused to the Company arising therefrom, he shall bear the responsibility of compensation.

Rule 141 of the Guidelines for the Articles

**Article 164** A supervisor shall faithfully perform his supervisory duties in accordance with the laws, administrative regulations and these Articles of Association.

Clause 111 of the Mandatory Provisions

If a supervisor contravenes the law, administrative regulations, departmental regulations or these Articles of Association while performing his duties and causing losses to the Company, he shall bear the responsibility of compensation.

Rule 142 of the Guidelines for the Articles

## Section 2 Supervisory Committee

**Article 165** The Company shall establish a supervisory committee.

Clause  
103 of the  
Mandatory  
Provisions

**Article 166** The supervisory committee shall be composed of three persons, one of whom shall be the chairman of the supervisory committee.

Clause  
104 of the  
Mandatory  
Provisions

The appointment and dismissal of the chairman of the supervisory committee shall be passed by more than two-thirds of its members.

Appendix 13  
of the Listing  
Rules

**Article 167** The supervisory committee shall compose of two shareholder representative supervisors and one employee representative supervisor. The shareholder representative supervisors shall be elected and removed by the general meeting, and the employee representative supervisors shall be democratically elected and removed by the Company's employees and represent no less than one third of the members of the supervisory committee.

Appendix 13  
of the Listing  
Rules

**Article 168** The supervisory committee shall be accountable to the general meeting and exercise the following functions and powers according to the laws:

Clause  
108 of the  
Mandatory  
Provisions

- (1) examine the Company's financial standing;
- (2) supervise the directors and senior management during their performance of duties to the Company, and to put forward suggestions for dismissing any directors or senior management who are in breach of the laws, administrative regulations, these Articles of Association or resolutions of the shareholders' general meetings;
- (3) demand rectification from a director and any other senior management when the acts of such persons are harmful to the Company's interest;
- (4) verify the financial information such as the financial reports, business reports and profit distribution plans, etc. to be submitted by the Board to the shareholders' general meetings and, should any queries arise, to authorize, in the name of the Company, certified public accountants and practicing auditors to conduct a re-examination;
- (5) propose convening of extraordinary general meeting and to convene and preside over general meetings when the Board fails to perform such duties;
- (6) submit proposals to the general meetings;
- (7) propose convening of extraordinary meeting of the Board;

- (8) represent the Company in bringing legal action against the directors and senior management in accordance with the Company Law;
- (9) conduct investigations upon discovery of abnormality in the business operation and engage professional firms such as accounting firms and law firms to assist its work where necessary. The cost shall be borne by the Company;
- (10) any other duties as prescribed by the Articles of Association of the Company.

Supervisors shall attend meetings of the Board.

**Article 169** The meeting of a supervisory committee shall be held at least once every six months, which shall be convened and preside over by the chairman of the supervisory committee. A supervisor may propose to convene an extraordinary meeting of the supervisory committee.

Clause 107 of the Mandatory Provisions

Where the chairman of the supervisory committee is incapable of performing or fails to perform his duties, a supervisor elected by not less than half of the supervisors shall convene and preside over the meeting of the supervisory committee.

Rule 117 of the Company Law

**Article 170** The supervisory committee shall formulate the working rules for the supervisory committee in order to ensure working efficiency and the making of scientific decisions. The convening and voting procedures stipulated in the working rules of the supervisory committee (appended to these Articles) shall be drafted by the supervisory committee and approved by the general meeting.

Rule 146 of the Guidelines for the Articles

**Article 171** A meeting of the supervisory committee shall not be conducted unless it is attended by more than half of the supervisors. Voting at the meeting of supervisory committee shall be carried out by disclosed ballot and each supervisor shall have one vote. A supervisor shall attend meetings of the supervisory committee in person, or appoint in writing another supervisor to attend the meeting on his behalf during his absence with cause. The proxy form shall specify the extent of authorization.

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Resolutions at the meeting of the supervisory committee shall be passed by more than two-thirds of the supervisors' votes.

**Article 172** The discussed issues shall be record in the minutes of the meeting of the supervisory committee. Supervisors attending the meeting shall sign on the minutes of meetings.

Rule 147 of Guidelines for the Articles

Supervisors are entitled to request that an explanation of their comments made at the meetings be noted in the minutes. Minutes of meeting of the supervisory committee shall be maintained as corporate archives for at least 10 years.

**Article 173** A notice of the regular meeting of supervisory committee to all supervisors shall be given in writing 10 days prior to the convening of such meeting.

Rule 148 of  
Guidelines for  
the Articles

A notice to a supervisory committee meeting shall include the following contents:

- (1) date, venue, and duration of the meeting;
- (2) reasons and issues of discussion;
- (3) date of issuance of notice.

**Article 174** The reasonable expenses incurred by the supervisory committee in the engagement of professionals such as lawyers, certified public accountants, practicing auditors, etc., to perform its duties shall be borne by the Company.

Clause  
110 of the  
Mandatory  
Provisions

**Article 175** The Company shall bear the reasonable expenses incurred by supervisors in attending meetings of the supervisory committee. Such expenses may include costs for transportation to the venue of the meeting (if not the region where supervisors are stationed) and meal and accommodation expenses.

#### **Chapter 14 Qualifications and Obligations of the Company's Directors, Supervisors and Senior Management**

**Article 176** A person may not serve as a director, supervisor or senior management of the Company if any of the following circumstances applies:

Clause  
112 of the  
Mandatory  
Provisions

- (1) A person without capacity or with restricted capacity for civil acts;
- (2) A person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation;
- (3) A person who is a former director, factory manager or general manager of a company or enterprise which has entered into insolvent liquidation because of mismanagement and who is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date the completion of the insolvency and liquidation of the company or enterprise;
- (4) A person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three (3) years have elapsed since the date of the revocation of the business license;

- (5) A person who has a relatively large amount of debts due and outstanding;
- (6) A person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where said investigation or prosecution is not yet concluded;
- (7) A person who is prohibited from entering the securities market by the CSRC and the aforesaid prohibition period has not yet expired;
- (8) Anyone judged by the competent agencies to have violated the provisions of relevant securities laws, has been involved in deceptive or dishonest acts and is within five years of the date on which the judgment was made;
- (9) Anyone who is not a natural person;
- (10) Circumstances in which a person may not serve as a director, supervisor or senior management of the Company, as required by the laws, administrative regulations or departmental regulations or rules of securities regulators and stock exchange in the place(s) in which the shares of the Company are listed.

**Article 177** The validity of the acts of the director or senior management on behalf of the Company to bona fide third parties shall not be affected by any irregularities in their appointment, election or qualifications.

Clause  
113 of the  
Mandatory  
Provisions

**Article 178** In addition to the obligations imposed by laws, administrative regulations or listing rules of the stock exchange(s) on which shares of the Company are listed, the Company's directors, supervisors and senior management owe a duty to each Shareholder, in the exercise of the functions and powers entrusted to them by the Company:

Clause  
114 of the  
Mandatory  
Provisions

- (1) not cause the Company to exceed the scope of business stipulated in its business licence;
- (2) act honestly in the best interests of the Company;
- (3) not expropriate in any guise the Company's property, including (without limitation) usurpation of opportunities advantageous to the Company; and
- (4) not deprive the shareholders of their individual rights or interests, including (without limitation) rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to Shareholders' general meeting for approval in accordance with these Articles of Association.

**Article 179** Each of the Company's directors, supervisors and senior management owes a duty, in the exercise of his powers and discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Clause  
115 of the  
Mandatory  
Provisions

**Article 180** The Company's directors, supervisors, and senior management must, in the exercise of their duties, abide by the principles of good faith and shall not place themselves in a position where there is a conflict between their personal interests and their duties. This principle shall include (but not limited to) the fulfillment of the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise powers within the scope of their functions and powers and not to exceed such powers;
- (3) to personally exercise the discretion vested in him, not to allow himself to be manipulated by another person and, not to delegate the exercise of his discretion to another party unless permitted by the law and administrative regulations or with the informed consent of the general meeting;
- (4) to treat Shareholders of the same class equally and to treat Shareholders of different classes fairly;
- (5) not to conclude a contract or enter into a transaction or arrangement with the Company except as otherwise provided in these Articles of Association of the Company or with the informed consent of the general meeting;
- (6) not to use the Company property for his own benefit in any way without the informed consent of the general meeting;
- (7) not to exploit his position to accept bribes or other illegal income, misappropriate the Company's funds or expropriate the Company's property by any means, including (without limitation) opportunities advantageous to the Company;
- (8) not to accept commissions in connection with Company's transactions without the informed consent of the general meeting;
- (9) to abide by the Articles of Association of the Company, perform his duties faithfully, and protect the interests of the Company and not to exploit his position and power in the Company to advance his own private interests;
- (10) not to seek for himself or others the business opportunities originally belong to the Company, operate for himself or others business similar to the Company's and compete with the Company in any way without the informed consent of the general meeting;
- (11) not to misappropriate Company funds or deposit the Company funds or assets in an account under his own or other's name;

- (12) not to, in violation of the provisions of these Articles of Association, lend funds to any other person or provide security for the Company's shareholders or other person with any properties of the Company, without the consent of the general meeting or the Board;
- (13) not to harm the interests of the Company through use of his associated relationship;
- (14) not to disclose confidential information relating to the Company that was acquired by him or her during his or her office without the informed consent of the general meeting, and not to use such information except in the interests of the Company; however, such information may be disclosed to the court or other government authorities in any of the following circumstances:
  1. provided by law;
  2. required in the public interest; or
  3. required in the interest of such director, supervisor or senior management of the Company.

Gains generated from the violation of this Article by personnel set forth in this Article above shall belong to the Company, and for any loss caused to the Company arising therefrom, the violating party shall bear the responsibility of compensation.

**Article 181** Each director, supervisor and senior management of the Company shall not cause the following persons or institutions ("Connected Persons") to do what he is prohibited from doing in his capacity as such:

Clause  
117 of the  
Mandatory  
Provisions

- (1) the spouse or minor child of such director, supervisor or senior management of the Company;
- (2) the trustee of a director, supervisor or senior management of the Company or of any person referred to in Item (1) of this Article above;
- (3) the partner of a director, supervisor or senior management of the Company or of any person referred to in Items (1) and (2) of this Article above;
- (4) the company over which a director, supervisor or senior management of the Company, alone or jointly with any person referred to in Items (1), (2) and (3) of this Article above or any other director, supervisor or senior management of the Company, has actual controlled; and
- (5) the director, supervisor or senior management of a company being controlled as referred to in Item (4) of this Article above.

**Article 182** The fiduciary duties of the directors, supervisors and senior management of the Company do not necessarily cease with the termination of their tenure. The duty of confidence in relation to trade secrets of the Company survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination of tenure and the occurrence of the event concerned and the circumstances and conditions under which the relationships between them and the Company are terminated.

Clause  
118 of the  
Mandatory  
Provisions

**Article 183** Except for circumstances prescribed in Article 60 of the Articles of Association, a director, supervisor and senior management of the Company may be relieved from liability for specific breaches of his duty by the informed consent of shareholders given at a general meeting.

Clause  
119 of the  
Mandatory  
Provisions

**Article 184** Where a director, supervisor and senior management of the Company is in any way, directly or indirectly, materially interested in an actual or proposed contract, transaction or arrangement with the Company, (other than his service contract with the Company), he shall disclose the nature and extent of his interests to the Board at the earliest opportunity, whether or not the actual reach or proposal of such contract, transaction or arrangement is otherwise subject to the approval of the Board.

Clause  
120 of the  
Mandatory  
Provisions

Appendix 3  
of the Listing  
Rules

A director shall not vote for a contract, transaction or arrangement in which he himself or any of his associates has a material interest, nor shall such director be included in the quorum for a meeting.

Unless the interested director, supervisor or senior management of the Company has disclosed such interest to the Board as required under the first paragraph of this Article and the matter has been approved by the Board at a meeting where he was not counted in the quorum and had refrained from voting, the Company shall have the right to void the contract, transaction or arrangement, except where the other party is a bona fide party acting without knowledge of the breach of obligation by the director, supervisor or senior management concerned.

A director, supervisor or senior management of the Company shall be deemed to have an interest in any contract, transaction or arrangement in which a Connected Person of that director, supervisor or senior management has an interest.

**Article 185** Where a director, supervisor or senior management of the Company gives a written notice to the Board before the conclusion of the contract, transaction or arrangement is first considered by the Company, stating that due to the contents of the notice, he has an interest in the contract, transaction or arrangement that may subsequently be made by the Company, such director, supervisor or senior management shall be deemed for the purposes of the preceding Articles of this Chapter to have declared his interest, insofar as attributable to the scope stated in the notice.

Clause  
121 of the  
Mandatory  
Provisions

**Article 186** The Company shall not in any manner pay tax for or on behalf of its directors, supervisors or senior management.

Clause  
122 of the  
Mandatory  
Provisions

**Article 187** The Company shall not directly or indirectly provide a loan or loan security for a director, supervisor or senior management of the Company, or Connected Persons of the above-mentioned persons.

Clause  
123 of the  
Mandatory  
Provisions

The provisions of the preceding paragraph shall not apply to the following circumstances:

- (1) the provision of a loan or loan security by the Company for a subsidiary of the Company;
- (2) the provision of a loan or loan security or other funds by the Company to a director, supervisor or senior management of the Company under a service contract approved by the general meeting, so as to enable him pay the expenses incurred for the sake of the Company or for the performance of his Company duties; and
- (3) the provision of a loan or loan security by the Company to a relevant director, supervisor or senior management of the Company or to a Connected Person thereof based on normal commercial terms, if the ordinary business scope of the Company includes the lending of money or the provision of loan security.

**Article 188** A loan provided by the Company in violation of the preceding Article shall be immediately repayable by the recipient of the loan, regardless of the terms of the loan.

Clause  
124 of the  
Mandatory  
Provisions

**Article 189** A loan guarantee provided by the Company in breach of paragraph 1 of Article 187 shall be unenforceable against the Company, except in circumstances where:

Clause  
125 of the  
Mandatory  
Provisions

1. the loan is provided to a Connected Person of a director, supervisor or senior management of the Company without the loan provider being aware of it;
2. the collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.

**Article 190** For the purposes of the preceding article of this chapter, the term “security” shall include an act whereby a guarantor assumes liability or provides property to guarantee or secure the performance of obligations by an obligator.

Clause  
126 of the  
Mandatory  
Provisions

**Article 191** In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor and senior management of the Company is in breach of his duties to the Company, the Company has a right to:

- (1) demand the relevant director, supervisor or senior management to compensate for the losses sustained by the Company as a consequence of his dereliction of duty;
- (2) rescind any contract or transaction concluded by the Company with the relevant director, supervisor or senior management or contracts with a third party (where such third party is aware or is taken to be aware that the director, supervisor or senior management representing the Company is in breach of his obligations to the Company);
- (3) demand the relevant director, supervisor or senior management to surrender the gains derived from the breach of his obligations;
- (4) recover any funds received by the relevant director, supervisor or senior management that shall have been received by the Company, including (but not limited to) commissions;
- (5) demand the relevant director, supervisor or senior management to return the interest earned or possibly earned on the funds that shall have been given to the Company; and
- (6) take legal proceedings to decide that director, supervisor or senior management should return to the Company the property obtained as a consequence of his breach of obligations.

**Article 192** The Company shall enter into a contract in writing with every director and supervisor of the Company concerning his emoluments. Such contract shall be approved by the general meeting before it is entered into. The above-mentioned emoluments shall include:

- (1) emoluments in respect of his service as a director, supervisor or senior management of the Company;
- (2) emoluments in respect of his service as a director, supervisor or senior management of a subsidiary of the Company;
- (3) emoluments otherwise in connection with the management of the Company or any subsidiary thereof; and
- (4) funds as compensation for his loss of office or retirement to the aforementioned directors and supervisors.

A director or supervisor may not sue the Company for benefits due to him on the basis of the abovementioned matters, except under a contract as mentioned above.

In addition, the Company shall enter into a contract in writing with each director, supervisor and senior management containing at least the following provisions:

- (1) an undertaking by the director, supervisor or senior management to the Company that he shall observe and comply with the Company Law, the Special Provisions, these Articles of Association and other regulations of the Hong Kong Exchange, and an agreement that the Company shall have the remedies provided in this Articles of Association and that neither the contract nor his office is assignable;
- (2) an undertaking by the director, supervisor or senior management to the Company that he shall act as an agent for each shareholder to observe and comply with his obligations to shareholders stipulated in these Articles of Association; and
- (3) the arbitration clause as set out in Article 243 thereof.

**Article 193** The contract for emoluments entered into between the Company and its directors or supervisors should provide that in the event of a takeover of the Company, the Company's directors and supervisors shall, subject to the prior approval of the general meeting, have the right to receive compensation or other payment for loss of office or retirement.

Clause  
129 of the  
Mandatory  
Provisions

For the purposes of the preceding paragraph, the term "a takeover of the Company" shall refer to any of the following circumstances:

1. anyone makes a general offer to all the shareholders;
2. anyone makes a general offer so that the offeror becomes a controlling shareholder as defined hereof.

If the relevant director or supervisor fails to comply with this Article, any fund received by him shall belong to those persons that have sold their shares as a result of their acceptance of the above-mentioned offer, and the expenses incurred in distribution of such fund on a pro rata basis shall be borne by the relevant director or supervisor and may not be paid out of such fund.

**Article 194** The Company may establish a liability insurance system as needed for directors, supervisors and senior management in order to reduce the risks which may arise from the ordinary performance of duties by such personnel.

## Chapter 15 Financial Accounting System and Distribution of Profits

**Article 195** The Company shall formulate its own financial and accounting systems in accordance with provisions of the law, administrative regulations and accounting standards developed by the competent department in charge of finance under the State Council.

Clause  
130 of the  
Mandatory  
Provisions

**Article 196** The Company adopts the calendar year as its financial year, which shall begin in each year on 1 January and end on 31 December of the Gregorian calendar.

The Company shall prepare financial reports at the end of each financial year, and such reports shall be examined and verified according to laws.

Clause  
131 of the  
Mandatory  
Provisions

**Article 197** The Board shall place before the shareholders at each annual general meeting such financial reports as relevant laws, administrative regulations and normative documents promulgated by the local governments and the authorities-in-charge require the Company to prepare.

Clause  
132 of the  
Mandatory  
Provisions

**Article 198** The financial reports of the Company shall be made available for inspection by shareholders 20 days prior to an annual general meeting. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this Chapter.

Clause  
133 of the  
Mandatory  
Provisions

At least 21 days before the annual general meeting, the Company shall deliver the aforementioned reports to each holder of overseas listed foreign shares with the postage-paid mail or other means (including through posting at the Company website or other websites designated by the stock exchange in the place in which the shares of the Company are listed) permitted by the stock exchange in the place in which the shares of the Company are listed, at the registered address on the register of shareholders.

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**Article 199** The financial statements of the Company shall be prepared not only in accordance with PRC accounting standards, laws and regulations but also in accordance with international accounting standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed. If there are major differences in the financial statements prepared in accordance with these two sets of accounting standards, such differences shall be stated in notes appended to such financial statements. For the purpose of the Company's distribution of after-tax profits in a given financial year, the smaller amount of after-tax profits shown in the two financial statements prepared as mentioned above shall prevail.

Clause  
134 of the  
Mandatory  
Provisions

**Article 200** Interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards, laws and regulations as well as international standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed.

Clause  
135 of the  
Mandatory  
Provisions

**Article 201** The Company must publish two financial reports in each financial year, namely an interim financial report within 60 days after the end of the first six months of the financial year and an annual financial report within 120 days after the end of the financial year.

Clause  
136 of the  
Mandatory  
Provisions

**Article 202** The Company shall not maintain any account books other than statutory account books.

Clause  
137 of the  
Mandatory  
Provisions

**Article 203** The common capital reserve shall include the following funds:

Clause  
138 of the  
Mandatory  
Provisions

1. the premiums obtained from the issue of shares in excess of the par;
2. other revenue required by the State Council's department in charge of finance to be included in the capital common reserve.

**Article 204** Where a company distributes its after-tax profits of the current year, it shall draw 10 percent of the profits as the Company's statutory common reserve. The Company may stop drawing if the accumulative balance of the common reserve has already accounted for over 50 percent of the Company's registered capital.

Rule 166 of  
the Company  
Law

If the accumulative balance of the Company's statutory common reserve is not enough to make up for the losses of the Company of the previous year, the current year's profits shall first be used for making up the losses before the statutory common reserve is drawn therefrom according to the provisions of the preceding paragraph.

After the Company draws the statutory common reserve from the after-tax profits, it may, upon a resolution made by the general meeting, draw a discretionary common reserve from the after-tax profits.

After the losses have been made up and common reserves have been drawn, the remaining profits shall be distributed to shareholders in light of their proportions of shares held, unless it is not permitted in the Articles of Association to distribute profits according to the proportions of shares held by shareholders.

If the shareholders' general meeting or the board of directors distributes the profits by violating the provisions of the preceding paragraph before the losses are made up and the statutory common reserves are drawn, the profits distributed must be refunded to the Company.

No profit shall be distributed in respect of the shares of the Company which are held by the Company.

**Article 205** The reserve of the Company is used to make up the Company's losses, increase the production operation of the Company or increase the Company's capital. However, capital reserve shall not be used to make up the Company's losses.

Rule 168 of  
the Company  
Law

When legal reserve funds are converted into capital, the remaining balance of that reserve fund shall not be less than 25% of the registered capital of the Company before the conversion.

**Article 206** The Company may distribute dividends in one of the following forms (or in both forms):

Clause 139 of the Mandatory Provisions, Article 27 in the Special Provisions

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

As for cash dividends and other payments to domestic shareholders, the Company shall pay in RMB, and such payments to holders of foreign shares will be denominated and declared in Renminbi and paid in foreign currency. Foreign currency required by the Company to pay cash dividends and other monies to holders of foreign shares shall be obtained in accordance with the relevant provisions on foreign exchange administration of the state.

**Article 207** Any amount paid up in advance of calls on any share of the Company may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

Appendix 3 of the Listing Rules

**Article 208** The Company shall appoint a receiving agent for holders of overseas-listed foreign shares to collect on behalf of the relevant shareholders the dividends distributed and other funds payable in respect of overseas listed foreign shares.

Clause 140 of the Mandatory Provisions

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

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

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Under the premise in pursuant to relevant PRC laws and regulations, the Company may exercise the right to forfeit unclaimed dividends, but that power shall not be exercised until after the expiration of the applicable limitations period for the declaration of dividend distribution.

Appendix 3 of the Listing Rules

The Company has the power to cease sending dividend warrants by post to a holder of overseas-listed foreign shares, provided that such power shall not be exercised until such dividend warrants have been so left uncashed on two consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.

The Company has the power to sell the shares of a holder of the overseas-listed foreign shares who is untraceable by means considered appropriate by the Board under the following circumstances:

- (1) during a period of twelve 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 the twelve years the Company gives notice of its intention to sell the shares by way of an advertisement published in one or more newspapers in the place where the Company's shares are listed and notifies the stock exchange on which such shares are listed of such intention.

**Article 209** After the general meeting has resolved on the plan to allocate profits, the Board shall complete the distribution of dividends (or bonus shares) within 2 months of the meeting.

Rule 154 of  
Guidelines for  
the Articles

**Article 210** The Company will give full consideration to the interests of shareholders and make the implementation of a reasonable profit distribution policy according to business situation and market environment.

## Chapter 16 Appointment of an Accounting Firm

**Article 211** The Company shall engage an independent accounting firm that complies with relevant state regulations to audit the annual and other financial reports of the Company, and provide services such as auditing of accounting statements, verification of net assets and other relevant consultation.

Clause  
141 of the  
Mandatory  
Provisions

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

If the Company's inaugural meeting does not exercise its power under the preceding paragraph, the Board shall exercise such power.

**Article 212** The term of engagement of an accounting firm shall start from the conclusion of the annual general meeting until the conclusion of the next annual general meeting.

Clause  
142 of the  
Mandatory  
Provisions

**Article 213** An accounting firm engaged by the Company shall have the following rights:

Clause  
143 of the  
Mandatory  
Provisions

- (1) the right of access at any time to the account books, records or vouchers of the Company and the right to require directors and other senior management of the Company to provide the relevant information and explanations;
- (2) the right to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform its duties;
- (3) the right to attend general meetings, receive a notice or other information concerning any meetings which shareholders have a right to receive, and to be heard at any general meetings on any matter which relates to it as the accounting firm of the Company.

**Article 214** If the position of accounting firm becomes vacant, the Board may appoint an accounting firm to fill such vacancy before a general meeting is held. However, if there are other accounting firms holding the position of accounting firm of the Company while such vacancy still exists, such accounting firms shall continue to act.

Clause  
144 of the  
Mandatory  
Provisions

**Article 215** The appointment of the accounting firm by the Company must be determined by the general meeting. The Board may not appoint an accounting firm before it is approved by the general meeting.

Rule 159 of  
Guidelines for  
the Articles

The general meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of appointment, notwithstanding anything in the contract between the accounting firm and the Company, but without prejudice to such accounting firm's right, if any, to claim damages from the Company in respect of such dismissal.

Clause  
145 of the  
Mandatory  
Provisions

**Article 216** The amount of remuneration of an accounting firm and the manner in which the remuneration is determined shall be decided upon by the shareholders' general meeting.

Clause  
146 of the  
Mandatory  
Provisions

**Article 217** The appointment, dismissal or refraining from the re-appointment of an accounting firm by the Company shall be decided upon by the shareholders' general meeting and reported to the securities regulatory authorities under the State Council for the record.

Clause  
147 of the  
Mandatory  
Provisions

Where it is intended to pass a resolution at a general meeting to appoint a non-incumbent accounting firm to fill any vacancy of the position of the accounting firm, or to dismiss an accounting firm before the expiry of its term of office, such matters shall be dealt with the following provisions:

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- (1) Before dispatch of the general meeting notice, the proposal on the appointment or dismissal shall be delivered to the accounting firm to be appointed or to leave its office or already retired in the relevant financial year. Leave herein shall include dismissal, resignation and retirement for an accounting firm.
- (2) If the accounting firm to leave its office makes any statement in writing and requires the statement to be informed to shareholders by the Company, unless being too late for the receipt of such statement, the Company shall take the following measures:
  1. Making instructions on the notice to the resolution that the leaving accounting firm has made such a statement; and
  2. Copies of such a statement as the annex to the notice shall be sent to shareholders with the means set forth in these Articles of Association.
- (3) If the Company fails to deliver such statement made by the relevant accounting firm in accordance with the provisions in paragraph (2) of this article, the accounting firm concerned may require the statement to be read out at the general meeting and make further complaints.

- (4) The accounting firm to leave is entitled to attend the following meetings:
1. the general meeting at which its term of office shall expire;
  2. the general meeting at which its dismissal shall be to fill for the corresponding vacancy; and
  3. the general meeting convened for the resignation that it proposes.

The accounting firm to leave is entitled to receive all notices or other information related to the above meetings, and to speak at the aforementioned meetings on matters related to it as the former accounting firm of the Company.

**Article 218** Where the Company dismisses or does not reappoint an accounting firm, it shall notify the accounting firm in advance. The accounting firm is entitled to present its views to the general meeting. Where an accounting firm proposes its resignation, it shall explain to the general meeting whether there are any irregularities in the Company.

Clause  
148 of the  
Mandatory  
Provisions

- (1) The accounting firm may resign from its post through the place of resignation notice in writing at the legal address of the Company. Such notice shall take effect upon the date it is placed at the legal address of the Company or a later date as specified in the notice. And the notice shall include the following statements:
1. that its resignation does not involve any announcement to shareholders or creditors of the Company; or
  2. any other such circumstances that shall be presented.
- (2) Within 14 days upon the receipt of such notice in writing as referred to in paragraph (1) of this Article, the Company shall deliver a copy of the notice to the competent authorities. Provided that the notice contains statements as above mentioned in paragraph (1) 2. of this Article, the Company shall prepare and place copies of such statement at the company for inspection by shareholders. The Company shall also deliver copies of such foregoing statements with postage prepaid mail to each holder of overseas-listed foreign shares by the address registered in the shareholders register, or, under the premise subject to applicable laws, regulations and listing rules, post such information at the company website or a site specified by the stock exchange of the place in which the Company's shares are listed.
- (3) If the accounting firm's resignation notice contains any statement referred to in paragraph (1) 2. of this Article, the accounting firm may request the Board to convene an extraordinary general meeting of shareholders to hear its explanations on the situation of its resignation.

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## Chapter 17 Merger, Demerger, Dissolution and Liquidation

### Section 1 Merger and Demerger

**Article 219** The merger or demerger of the Company shall require the preparation of a proposal by the Board. After such proposal has been adopted in accordance with the procedures specified in the Articles of Association of the Company, relevant examination and approval procedures shall be carried out according to laws. Shareholders that oppose such proposal on the merger or demerger of the Company shall have the right to require the Company or shareholders that are in favor of such proposal to purchase their shares at a fair price. The contents of resolutions approving the merger or demerger of the Company shall be compiled in a special document for inspection by shareholders and delivered to the holders of overseas-listed foreign shares by post or in a manner permitted under the laws, regulations or listing rules of the place in which the shares of the Company are listed.

Clause  
149 of the  
Mandatory  
Provisions

**Article 220** The merger of a company may be effected by way of merger or consolidation.

Clause  
150 of the  
Mandatory  
Provisions

As for a merger, both parties to the merger shall conclude an agreement with each other and prepare balance sheets and checklists of properties. The Company shall notify its creditors within ten days of the date of the Company's resolution on its merger and shall make announcement on newspaper three (3) times within thirty (30) days of the date of the Company's resolution on its merger.

In the case of a merger, the respective accounts payable and receivable will be inherited by the continuing company, or the newly formed company after the merger.

**Article 221** As for the demerger of a company, the properties thereof shall be divided accordingly.

Clause  
151 of the  
Mandatory  
Provisions

In the event of a division of the Company, all parties to the division shall enter into a division agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on its division and shall make announcement on newspaper at least three (3) times within thirty (30) days of the date of the Company's resolution on its division.

Debts owed by the Company prior to the demerger shall be jointly assumed by the companies in existence after the demerger, save as otherwise agreed by written agreement with creditors prior to the demerger.

**Article 222** Where any of the registered items is changed during the process of merger or demerger of a company, the Company shall go through modification registration with the Company registration authority. If it is dissolved, it shall be deregistered according to the law. If any new company is established, it shall go through the procedures for company establishment according to the law.

Clause  
152 of the  
Mandatory  
Provisions

## Section 2 Dissolution and Liquidation

**Article 223** The Company shall be dissolved under any of the following circumstances:

Clause  
153 of the  
Mandatory  
Provisions

- (1) The term of operation expires;
- (2) The general meeting decides to dissolve it;
- (3) It is necessary to be dissolved due to merger or demerger of the Company;
- (4) The Company is declared bankrupt according to the law for being unable to pay its due debts;
- (5) Its business license is canceled or it is ordered to close down or to be dissolved according to the law; or
- (6) The Company has great difficulties in operation or management and cannot be solved by any other means, so that the interests of the shareholders will be subject to heavy loss if it continues to exist. The shareholders who hold ten percent or more of the voting rights of all the shareholders of the Company may plead the people's court to dissolve the Company;
- (7) Any of the matters for dissolution as stipulated in these Articles of Association appears.

**Article 224** Where the Company is dissolved according to the provisions of Article 223 (1), (2) or (6) of these Articles of Association, a liquidation committee shall be formed within 15 days as of the occurrence of the causes of dissolution, to carry out a liquidation. The liquidation committee shall comprise the directors or any other people as determined by the general meeting. Where no liquidation group is formed within the time limit, the creditors may plead the people's court to designate relevant persons to form a liquidation group.

Clause  
154 of the  
Mandatory  
Provisions

Where the Company is dissolved according to the provisions of Article 223 (4) of these Articles of Association, the people's court shall, in accordance with relevant laws, arrange for the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out liquidation.

Where the Company is dissolved according to the provisions of Article 223 (5) of these Articles of Association, the relevant authorities shall arrange for the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out liquidation, or Company shall carry out liquidation with reference to paragraph (1) of this article.

**Article 225** If the Board decides that the Company shall be liquidated (except for the liquidation as a result of the Company's declaration of bankruptcy), the notice of the shareholders' general meeting convened for such purpose shall include a statement to the effect that the Board has made full inquiry into the position of the Company and that the Board is of the opinion that the Company can pay its debts in full within 12 months after the commencement of the liquidation.

Clause  
155 of the  
Mandatory  
Provisions

The functions and powers of the Board shall terminate immediately after the shareholders' general meeting has passed the resolution to carry out liquidation.

The liquidation committee shall take instructions from the shareholders' general meeting and shall make a report to the shareholders' general meeting on the committee's income and expenditure as well as the business of the Company and the progress of the liquidation at least annually. It shall make a final report to the shareholders' general meeting when the liquidation is completed.

**Article 226** The liquidation committee shall, within ten days as of its formation, notify the creditors, and shall, within 60 days, make a public announcement on newspapers recognized by the Exchange for the listing of shares of the Company. Creditors shall, within 30 days as of the receipt of the notice or within 45 days as of the publications of the public announcement in the case of failing to receiving the notice, declare credits against the liquidation committee.

Clause  
156 of the  
Mandatory  
Provisions,  
Rule 185 of  
the Company  
Law

To declare credits, a creditor shall explain the relevant matters and provide relevant evidential materials. The liquidation committee shall register the credits.

The liquidation committee shall not clear off any of the debts of any creditor during the period of credit declaration.

**Article 227** The liquidation committee exercises the following functions during the process of liquidation:

Clause  
157 of the  
Mandatory  
Provisions

- (1) liquidating the properties of the Company, and preparing balance sheets and asset checklists;
- (2) informing creditors by notice or public announcement;
- (3) disposing and liquidating the businesses of the Company that have not been completed;
- (4) clearing off the outstanding taxes and the taxes incurred in the process of liquidation;
- (5) clearing off credits and debts;
- (6) disposing the residual properties after such debt clearing; and
- (7) participating in the civil litigation on behalf of the Company.

**Article 228** The liquidation committee shall, after liquidating the properties of the Company and preparing balance sheets and checklists of properties, make a plan of liquidation, and report it to the shareholders' general meeting or the people's court for confirmation.

Clause  
158 of the  
Mandatory  
Provisions,  
Rule 186 of  
the Company  
Law

The residual assets that result from paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensation, the outstanding taxes and the debts of the Company may be distributed according to the classes and proportions of shares held by the shareholders.

During the period of liquidation, the Company continues to exist, but may not carry out any business operation that is not for purpose of carrying out liquidation. Before the settlement of repayments as prescribed in the preceding article, the Company's property will not be distributed to shareholders.

**Article 229** In case of liquidation upon dissolution, if the liquidation committee notices that the properties of the Company is insufficient for clearing off the debts after liquidating the properties of the Company and preparing balance sheets and checklists of properties, it shall immediately apply to the people's court to declare bankruptcy. Clause 159 of the Mandatory Provisions

Once the people's court declares the bankruptcy of the Company, the liquidation committee shall hand over the liquidation matters to the people's court.

**Article 230** Following the completion of liquidation, the liquidation committee shall formulate a liquidation report, a revenue and expenditure statement and financial accounts in respect of the liquidation period and, after verification thereof by a certified public accountant in China, submit the same to the shareholders' general meeting or the people's court for confirmation. And within 30 days from the date of the shareholders' general meeting's or the people's court's confirmation, the Company should submit the aforementioned documents to the Company registration authority to apply for company de-registration, and announce the Company's termination. Clause 160 of the Mandatory Provisions

**Article 231** The members of the liquidation committee shall devote themselves to their duties and fulfill their obligations of liquidation according to the law. Rule 189 of the Company Law

None of the members of the liquidation committee may take any bribe or any other illegal proceeds by taking advantage of his position, nor may he misappropriate any of the properties of the Company.

Where any of the members of the liquidation committee causes any loss to the Company or any creditor by intention or due to gross negligence, he shall make corresponding compensations.

## Chapter 18 Amendment to Articles of Association

**Article 232** The Company may amend its Articles of Association in accordance with the law, administrative regulations and these Articles of Association.

Clause  
161 of the  
Mandatory  
Provisions

**Article 233** In any one of the following circumstances, the Company shall amend its Articles of Association:

Rule 188 of  
Guidelines for  
the Articles

- (1) After amendment of the Company Law or relevant laws or administrative regulations, the contents of the Articles of Association conflict with the amended laws or administrative regulations;
- (2) The circumstances of the Company have changed so that they are not in line with the contents of the Articles of Association; or
- (3) The shareholders' general meeting decides that the Article of Association should be amended.

**Article 234** Amendments to the Articles of Association passed by resolutions at the shareholders' general meeting, which require examination and approval by the competent authorities, shall be submitted to the competent authorities for approval. Any amendments requiring alternation registration shall be filed for alteration registration according to the law.

Rule 189 of  
Guidelines for  
the Articles

**Article 235** The Board shall amend these Articles of Association according to the resolutions of the shareholders' general meeting and the opinions of the relevant competent authority.

Rule 190 of  
Guidelines for  
the Articles

Notwithstanding the foregoing paragraph, in the following circumstances, the shareholders' general meeting may pass a resolution to authorize the Board to amend these Articles of Association in line with the following principles:

- (1) Where as a result of the implementation of the shareholders' general meeting's resolution, there is the need to make necessary non-substantive modifications (as required in accordance with the resolutions of the shareholders' general meeting which involve amendments to the registered capital amount, shares capital, the company name and address in the Articles of Association), the Board shall have the right to modify these Articles of Association according to specific circumstances;
- (2) If the shareholders' general meeting adopts these Articles of Association and files it to the competent institutions for approval, it is necessary to change the text or the order of articles, the Board is entitled to amend these Articles of Association in accordance with the requirements of the competent authority.

**Article 236** Amendments to the Articles of Association which involve the content of the Mandatory Provisions shall become effective upon approval by the company examination and approval department authorized by the State Council and the State Council Securities Commission. If there is any change to the registered particulars of the Company, such change shall be registered in accordance with law.

Clause  
162 of the  
Mandatory  
Provisions

**Article 237** Any amendment to these Articles of Association which involves information to be disclosed as required by the law, regulations or the Listing Rules, shall be publicly announced as required.

## Chapter 19 Notice

**Article 238** Notices of the Company may be served through means as follows:

Rule 163 of  
Guidelines for  
the Articles

- (1) delivery by hand;
- (2) by post;
- (3) by fax or email;
- (4) subject to the law, regulations and listing rules of the place(s) in which the shares of the Company are listed, post at the Company's website or such website designated by relevant stock exchange;
- (5) by public announcement;
- (6) the prescribed means between the Company and the recipient or the confirmed means by such recipient; or
- (7) other means approved by the relevant regulatory agency of the listing place or as set out in these Articles of Association.

Where the Company issues a notice by public announcement, all relevant personnel shall be deemed to have received such notice once the public announcement has been made.

Unless the context otherwise requires, "announcement" referred to in these Articles of Association shall refer to (i) if issued to shareholders of domestic shares and shareholders of unlisted foreign shares or within the PRC in accordance with relevant regulations and these Articles of Association, the announcement published in such Chinese newspapers as specified by the Chinese laws and regulations or the State securities regulatory agency; and (ii) if issued in Hong Kong to holders of H shares in accordance with the relevant provisions or these Articles of Association, announcement being published in Hong Kong newspapers specified in relevant listing rules. All notices or other documents required under Chapter 13 of the Listing Rules to be sent by the Company to shall be in the English language, or accompanied by a certified English translation.

Appendix 3  
of the Listing  
Rules

Under the premise of the Company's observation to the relevant listing rules of the place(s) in which the shares of the Company are listed, regarding the provision and/or distribution by the Company of corporate communications to holders of the overseas-listed foreign shares in accordance with requirements of such listing rules, the Company may also electronically or at the company's website or such website of the stock exchange post such information so as to send out such information to such holders, instead of such delivery by hand or postage prepaid mail.

**Article 239** Unless otherwise provided in other Articles of these Articles of Association, the notice means as set out in the preceding Article may also be applicable to notices for shareholders' general meeting, meetings of Board or the supervisory committee.

Rule 165-167  
of Guidelines  
for the  
Articles

**Article 240** If the notice is served by hand, the date of service is the date of acknowledgement of receipt by signature or affixed seal on the service return slip. If the notice is sent by post, the date of service is the fifth working days from the date of delivery at the post office. If the notice is made via facsimile, e-mail or website or other electronic means, the date of service is the date of transmission. If the notice is made by public announcement, the date of service is the date of the first publication of the public announcement.

Rule 168 of  
Guidelines for  
the Articles

**Article 241** Where relevant corporate documents must be in the English language and be accompanied by a Chinese version and be served through delivery, post, distribution, sending out, announcement or other means according to the requirements of listing rules of the place(s) in which the shares of the Company are listed, in respect of shareholders who under proper arrangements by the Company confirm to receive such information only in English or Chinese version as well as to the extent of the applicable laws and regulations, the Company may send such documents in the English or Chinese version to relevant shareholders according to their prescribed wills.

Appendix 3  
of the Listing  
Rules

## Chapter 20 Settlement of Disputes

**Article 242** The Company shall comply with the following rules in settling disputes:

Clause  
163 of the  
Mandatory  
Provisions

- (1) Whenever any disputes or claims arise from these Articles of Association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company between (i) the Company and its directors or senior management; and (ii) a holder of overseas-listed foreign shares and the Company, between a holder of overseas-listed foreign shares and a director or supervisor or the general manager or other senior management of the Company, and between a holder of overseas-listed foreign shares and a holder of domestic shares or a holder of unlisted foreign shares, the parties concerned shall resolve such disputes and claims through arbitration.

Where a dispute or claim described above is submitted for arbitration, the entire dispute or claim shall be resolved through arbitration; 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, if they are shareholders, directors, supervisors, general manager or other senior management of the Company or the Company, shall submit to arbitration.

Disputes over who is a shareholder and over the share register do not have to be resolved through arbitration.

- (2) The party seeking arbitration may elect to have the dispute or claim arbitrated either by the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or by the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once the party seeking arbitration submits a dispute or claim to arbitration, the other party must submit to the arbitral body selected by the party seeking the arbitration.

If the party seeking arbitration elects to arbitrate the dispute or claim at the Hong Kong International Arbitration Centre, then either party may apply to have such arbitration conducted in Shenzhen according to the securities arbitration rules of the Hong Kong International Arbitration Centre.

- (3) The laws of People's Republic of China shall govern the arbitration of disputes or claims described in clause (1) above, unless otherwise provided by the law or administrative regulations.
- (4) The award of the arbitral body is final and shall be binding on the parties thereto.

## **Chapter 21 Supplementary Articles**

### **Article 243** Definition

- (1) In these Articles of Association, "acting in concert" means the act of two or more people that in form of agreement (whether oral or written) reaching a consensus that, through take-over of the Company's voting rights by any one of them to achieve the purpose of controlling the Company or to consolidate such control;
- (2) A "de facto controller" means a person, though not a shareholder, but through investment relationship, agreement, or other arrangement, can actually control the activities of the Company;
- (3) "Associated relationship" is the relationship between the controlling shareholder, de facto controller, directors, supervisors or senior management, and enterprises directly or indirectly controlled by them, as well as other relationships which may possibly cause the transfer of the Company's interests. However, enterprises owned by the State will not be regarded as having associated relationship only because they are owned by the State.

**Article 244** In these Articles of Association, the terms "not less than", "within", "not more than" and "previous" shall include the given figure, and the terms "more than half", "under", "beyond", "exceeding", "below", "less than", "not more than" and "more than" shall not include the given figure.

**Article 245** The term "accounting firm" as used in these Articles of Association shall have the same meaning as "auditor".

**Article 246** These Articles of Association are in Chinese. If it conflicts with a version in any other language, the Chinese version which was most recently filed and registered at the Tianjin Binhai New Area Market and Quality Supervision and Administration Bureau shall prevail.

**Article 247** The Board shall be responsible for the interpretation of these Articles of Association.

Clause  
165 of the  
Mandatory  
Provisions