



**中国交建**  
CHINA COMMUNICATIONS CONSTRUCTION

**CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED**

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

**ARTICLES OF ASSOCIATION**

Approved at the EGM of the Company on 8 October 2006 with the first amendments made at the AGM of 2008 of the Company on 18 June 2009, the second amendments made at the Second EGM of 2011 of the Company on 25 March 2011, the third amendments made at the AGM of 2011 of the Company on 6 June 2012, the fourth amendments made at the First EGM of 2015 of the Company on 15 January 2015, and the fifth amendments made at the Second EGM of 2017 of the Company on 22 November 2017, respectively

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## Chapter 1 General Provisions

**Article 1** These Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the "Special Regulations"), the Mandatory Provisions for Articles of Association of Companies Listed Overseas (hereinafter referred to as the "Mandatory Provisions"), the Guidelines on Articles of Association of Listed Companies (hereinafter referred to as the "Guidelines on Articles"), the Listing Rules of the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the State Council Guiding Opinions on the Experimental Development of Preference Shares, the Experimental Administrative Measures on Preference Shares, the Constitution of the Communist Party of China (hereinafter referred to as the "Party Constitution") and other relevant requirements with an aim to safeguard the legal interests of China Communications Construction Company Limited (hereinafter referred to as the "Company"), its shareholders and creditors and regulate the organization and conduct of the Company.

**Article 2** The Company is a joint stock limited company incorporated in accordance with the Company Law, the Securities Law, the Special Regulations and other applicable laws and administrative rules of the People's Republic of China (the "PRC"; which, for the purposes of these Articles of Association, does not include the Hong Kong Special Administrative Region, the Macao Special Administrative Region or Taiwan).

The Company was established by way of promotion with sole promoter and with the approval from the PRC State Council. The promoter is China Communications Construction Group (Limited). It was registered with the State Administration for Industry and Commerce, and obtained its business license on 8 October 2006. The current unified social credit code of the Company is 91110000710934369E.

**Article 3** Registered Chinese name: 中國交通建設股份有限公司 English name: China Communications Construction Company Limited

**Article 4** Company domicile: 85 De Sheng Men Wai Street, Xicheng District, Beijing  
Postcode: 100088  
Telephone: 010-82016655  
Facsimile: 010-82016500

**Article 5** The legal representative of the Company is the Chairman of the Board.

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

All assets of the Company shall be divided into shares with various classes, and each share of the same class shall have equal value. Shareholders shall be liable to the Company to the extent of the shares subscribed. The Company shall be liable for its debts to the extent of all its assets.

**Article 7** These Articles of Association are passed by way of a special resolution at the general meeting of the Company with the approval of the relevant authorities of the State, and come into effect from the date of listing and trading of the Company's RMB ordinary shares on the Shanghai Stock Exchange (hereinafter referred to as the "SSE").

From the effective date onwards, the Articles of Association shall be a legally binding document governing the Company's organization and conduct, and the rights and obligations between the Company and its Shareholders, and among the Shareholders, and shall be binding on the Company, its Shareholders, Directors, Supervisors and senior management.

Subject to Article 290 hereof, Shareholders may take legal actions against other Shareholders or the Directors, Supervisors, President and other senior management of the Company; Shareholders may take legal actions against the Company and vice versa, the Company may take legal actions against the Directors, Supervisors, President and other senior management pursuant to the Articles of Association.

The legal actions as mentioned in the preceding clause include lawsuits brought to courts or claims referred to arbitration.

**Article 8** The other senior management in these Articles of Association refers to the Vice President, Chief Financial Officer and Board secretary of the Company.

**Article 9** The Articles of Association shall have binding effects on the Company, and its Shareholders, Directors, Supervisors, President, and other senior management. The foregoing persons have the right to make claims in relation to matters of the Company pursuant to the Articles of Association.

**Article 10** The Company may invest in other companies with limited liability and joint stock limited companies, to which the Company shall be liable to the extent of the amount of capital contribution.

**Article 11** As required by the Party Constitution, the Company shall establish an organization of the Communist Party of China, in which the Party organization shall play the core leadership role and core political role, providing direction, managing the overall situation and ensuring implementation. The Company shall establish the working institutions of the Party, which shall be equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.

## Chapter 2 Objectives and Scope of Business

**Article 12** The Company's business objectives are to, adhering to the corporate mission of "trustworthy services to clients, quality returns to Shareholders and consistent out-performance", dedicate itself to the transportation construction business in China and the world, staying market-oriented, with talents as support, technology development and innovative management as vehicles and corporate culture building as philosophy of growth, to optimize industrial structure, adjust product portfolio and improve its core competitiveness, so as to make the stock company a modern enterprise with flexible mechanism, all-rounded functions, scientific management, leading technology as well as edges in the international markets.

**Article 13** The business scope of the Company shall be consistent with and subject to that as approved by the competent authority in charge of the registration of companies.

The business scope of the Company includes:

Permitted business: secondment of labour abroad to implement offshore works

General businesses:

- (1) The general contracting of the construction projects of ports, seaways, highways and bridges;
- (2) Technological research and consultation;
- (3) Project design, surveying, design, construction, supervision as well as the procurement, supply and installation of the relevant integrated equipment and materials;
- (4) General contracting of the construction projects of industrial and civil construction, railways, metallurgy, petrochemical, tunnels, electricity, mines, water conservancy, public utilities;
- (5) General contracting of the building of all types of specialized vessels;
- (6) Leasing and maintenance of specialized vessels and construction machinery;
- (7) Professional services in relation to towing and offshore engineering;
- (8) Technical consultation services of vessels and ancillary port equipment;
- (9) Import and export business;
- (10) International technological co-operation and communication;
- (11) Investment and management of logistics, transportation, hotels, tourism business;
- (12) Design, installation, repair and technological development of subway transportation, subway vehicles and subway equipment.

The Company may change its business scope and complete relevant alteration procedures as required in light of the market conditions both at home and abroad, the development of its business and capabilities.

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

**Article 14** There must be ordinary shares in the Company. Subject to the approval from examination and approval departments authorized by the State Council, the Company may create preference shares and other classes of shares. Preference shareholders and ordinary shareholders are regarded as different classes of shareholders.

Preference shares refer to the other class of shares governed separately under the Company Law as compared to the ordinary shares governed by the general provisions. Preference shareholders shall participate in the distribution of profits and residual assets of the Company in priority to ordinary shareholders, but their rights in respect of participating in decision making and management of the Company are restricted. Special matters relating to preference shares of the Company are set out separately in Chapter 22 of these Articles of Association.

**Article 15** The shares issued by the Company shall have a par value. Of which the ordinary shares have a par value of RMB1 per share, and the preference shares have a par value of RMB100 per share. “RMB” referred to in the previous clause means the legal currency of the People’s Republic of China.

**Article 16** The issuance of shares by the Company shall adhere to the principles of openness, fairness and justice. Ordinary shares shall rank pari passu with each other; preference shares of the same terms of issuance shall rank pari passu with each other.

Shares of the same class issued at the same time shall have the same terms of issuance and issue price; any entity or person shall pay the same amount for each of the same class of shares subscribed for.

**Article 17** Subject to the approval from securities authorities authorized by the State Council, the Company may issue shares to domestic investors and foreign investors.

“Foreign investors” referred to in the previous clause represent investors domiciled in foreign countries and Hong Kong, Macau and Taiwan who subscribe for the issued shares of the Company; “domestic investors” refer to investors within the territory of the People’s Republic of China (other than the foregoing regions) who subscribe for the issued shares of the Company.

**Article 18** Shares issued by the Company to domestic investors for subscription in RMB shall be referred to as “domestic shares”. Domestic shares listed within the territory of the PRC shall be referred to as “domestic-listed shares” (A shares). Shares issued by the Company to foreign investors for subscription in foreign currencies shall be referred to as “foreign shares”. Foreign shares listed overseas shall be referred to as “overseas-listed foreign shares”. Overseas-listed foreign shares issued by the Company and listed on the Main Board of The Stock Exchange of Hong Kong Limited (“SEHK”) which are denominated in RMB and subscribed for in Hong Kong dollars shall be referred to as “H Shares”. “Foreign currencies” referred to in the previous clause represent legal currencies of other countries and regions (excluding RMB) which are recognized by national foreign exchange authorities and can be used for the payment of share prices to the Company.

Subject to the approval from securities regulatory bodies of the State Council, shareholders of domestic shares of the Company may transfer the shares to foreign investors and have the shares listed and traded overseas. The shares transferred shall comply with the regulatory procedures, provisions and requirements of the overseas securities market when listed and traded in an overseas stock exchange. The listing and trading of the transferred shares in an overseas stock exchange are not subject to the voting of a class meeting.

**Article 19** With the approval from examination and approval departments authorized by the State Council, the Company issued 10,800,000,000 ordinary shares to the promoter at the time of establishment, all of which have been subscribed for and held by China Communications Construction Group (Limited).

**Article 20** With the approval from securities authorities of the State Council, the Company issued 4,025,000,000 overseas-listed foreign shares (H shares) (including the shares issued upon the exercise of the overallotment option, but excluding part of shares transferred/reduced from state-owned shares) in 2006 after its incorporation. Upon completion of the abovementioned issuance, the registered capital of the Company was changed to RMB14,825,000,000 and the total share capital was changed to 14,825,000,000 shares.

With the approval from the China Securities Regulatory Commission, the Company issued 1,349,735,425 domestic-listed shares (A shares) (excluding part of shares transferred/reduced from state-owned shares) under the initial public offering in 2012. Upon completion of the aforementioned share offering, the registered capital of the Company was changed to RMB16,174,735,425, and the total share capital was changed to 16,174,735,425 shares, among which 11,747,235,425 shares are RMB-denominated ordinary shares and 4,427,500,000 shares are overseas-listed foreign shares, representing 72.63% and 27.37% respectively.

With the approval from the China Securities Regulatory Commission, the Company issued a total of 145,000,000 preference shares under the non-public offering in 2015.

**Article 21** All of the domestic-listed shares issued by the Company are deposited with China Securities Depository and Clearing Corporation Limited.

The H shares of the Company are deposited with the CCASS Depository under Hong Kong Securities Clearing Company Limited or registered in the names of shareholders as beneficiary owners.

**Article 22** The Board of the Company may arrange separate implementations of the plans for the issuance of overseas-listed foreign shares and domestic-listed shares approved by securities authorities of the State Council.

The Company may conduct separate issuances of overseas-listed foreign shares and domestic-listed shares within fifteen months upon obtaining the approval from securities authorities of the State Council pursuant to the provision set out in the previous clause.

**Article 23** When conducting separate issuance of up to the total number of shares determined by the issuance plans, the overseas-listed foreign shares and domestic-listed shares shall be fully subscribed for at their respective offering. If the shares cannot be fully subscribed for all at once due to special circumstances, the shares may, subject to the approval from the securities authorities of the State Council, be issued in separate branches.

**Article 24** The initial registered capital of the Company upon its incorporation was RMB10,800,000,000. After the initial public offering of overseas-listed foreign shares and/or domestic-listed shares, the registered capital of the Company are subject to changes in line with the results of the issuance and relevant filing with the examination and approval departments and securities regulatory departments authorized by the State Council.



**Article 25** Unless otherwise required by laws and administrative regulations, the shares of the Company shall be freely transferable and are not subject to any lien.

**Article 26** The Company does not accept the shares of the Company as the subject matter of any pledge.

**Article 27** The shares of the Company held by the promoters shall not be transferred within one year upon the incorporation of the Company. The shares of the Company issued before the initial public offering shall not be transferred within one year since the listing and trading of the Company's shares on the stock exchange(s).

The Directors, Supervisors and senior management of the Company shall declare to the Company their holdings in the Company's shares (including preference shares) and inform the same if there are any changes in their holdings subsequently. During their terms of office, shares being transferred every year must not exceed twenty-five percent of their holdings in the Company's shares in the same class. No transfer of their holdings shall be made within one year after the Company's ordinary shares were listed; their holdings in the Company's preference shares can apply for trading or transferring upon issuance without restricted period. No transfer of their holdings in the Company's shares shall be made within six months after they cease to hold their respective offices.

**Article 28** When Directors, Supervisors or senior management of the Company or shareholders holding more than 5% of the voting shares of the Company sell their ordinary shares within six months from the acquisition of such shares, or purchase shares within six months from the disposal of such shares, the Board of the Company shall repatriate any profits derived from such dealings and the profits derived shall be vested in the Company. However, securities companies holding over five percent of the ordinary shares of the Company as a result of acquiring remaining ordinary shares as an underwriter are not subject to the six-month restriction when selling shares.

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

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

## Chapter 4 Change in and Buyback of Shares

**Article 29** The Company may increase its capital by the following methods in line with the needs for operations and development according to laws and regulations after respective resolutions are made at a shareholders' general meeting:

- (1) public offering of shares;
- (2) non-public offering of shares;
- (3) distribution of bonus shares to existing shareholders;
- (4) increase in capital by transfers from reserves;
- (5) other methods approved by laws, administrative regulations and relevant regulators.

The Company's increase in its capital by issuing new shares shall be conducted in accordance with the procedures under relevant laws and administrative regulations of the State after being approved in accordance with the provisions hereof.

**Article 30** The Company may reduce its registered capital. The reduction of the Company's registered capital shall be carried out in accordance with the Company Law and other relevant regulations as well as the procedures prescribed herein.

**Article 31** The Company shall prepare a balance sheet and a property list for the reduction of its registered capital.

The Company shall notify the creditors within ten days from the date of making a resolution on the reduction of registered capital, and make an announcement within thirty days in a newspaper approved by the stock exchange of the place of listing of the Company. The creditors shall have the right to require the Company to pay off debts or provide a debt guarantee accordingly within thirty days from the date of receiving the notice or within forty-five days from the date of making the first announcement in case they have not received such notice.

The registered capital of the Company after the reduction of capital shall not be less than the statutory minimum limit.

**Article 32** The Company may buy back its shares in accordance with laws, administrative regulations, departmental rules and provisions hereof after reporting such buyback to the competent authorities of the State for approval if:

- (1) it reduces its registered capital;
- (2) it merges with another company that holds the shares of the Company;
- (3) it grants the shares to the employees of the Company as an award;
- (4) shareholders require the Company to purchase their shares because of their objection to the resolution made at a shareholders' general meeting on the merger or division of the Company;
- (5) other circumstances permitted under laws or administrative regulations.

The Company may repurchase and cancel the Company's preference shares in accordance with the Articles of Association and subject to the relevant laws, regulations and regulatory documents; The Company shall repurchase and cancel such preference shares when the Company merges with other companies holding the Company's preference shares.

**Article 33** The Company may buy back shares by any of the following methods after such buyback is approved by the relevant competent authorities of the State:

- (1) the Company makes a buyback offer to all shareholders in the same proportion;
- (2) the Company buys back shares through open trading on a stock exchange;
- (3) The Company buys back shares by an over-the-counter agreement;
- (4) other methods approved by laws, administrative regulations, departmental rules and relevant regulators.

**Article 34** In the event that the Company purchases its shares due to the reasons stated in (1) to (3) of Article 32 hereof, a resolution thereon shall be made at a shareholders' general meeting. In the event that the Company purchases its ordinary shares in accordance with Article 32 of the Articles of Association due to the reason stated in (1), the shares shall be cancelled within ten days from the date of purchase; in the event that it is due to the reason stated in (2) or (4), the shares shall be transferred or cancelled within six months.

The ordinary shares of the Company purchased by the Company in accordance with (3) of Article 32 shall not exceed five percent of the total issued shares of the Company; the funds used for the purchase shall be paid out of the after-tax profits of the Company; the shares so purchased shall be transferred to the employees within one year.

The total number of outstanding preference shares shall be written down accordingly upon repurchase of preference shares by the Company in accordance with the provisions of this Article.

**Article 35** The Company shall obtain prior approval at a shareholders' general meeting in accordance herewith if it buys back shares through over-the-counter agreement. If the prior approval is granted by the shareholders' general meeting in the same way, the Company may terminate or alter the contract concluded in the way referred to above or waive any of its rights therein.

For the purposes of the preceding paragraph, the term "contract for the buyback of ordinary shares" shall include (but not limited to) an agreement to undertake the obligations for the buyback of ordinary shares and obtain the rights to buy back shares.

No contracts for the buyback of the ordinary shares thereunder shall be assigned by the Company.

For the redeemable ordinary shares which the Company has the rights to buy back, the buyback price shall be limited to a maximum price if the buyback is not carried out in the market or by tender; invitations of tender shall be made to all shareholders under the same conditions if a buyback is carried by tender.

**Article 36** If the Company cancels those shares it has bought back, which results in the change in the Company's registered capital, it shall apply for altering the registration of registered capital at the former registry. The total nominal value of the cancelled shares mentioned-above shall be subtracted from the Company's registered capital.

**Article 37** Except that the Company has entered a liquidation phase, the Company shall comply with the following requirements during the buyback of its outstanding ordinary shares:

- (1) in case the ordinary shares are bought back by the Company at the price of their nominal value, the money used for such buyback shall be deducted from the book balance of the distributable profits of the Company and from the proceeds from the issuance of new shares as a result of the buyback of old shares;
- (2) in case the ordinary shares are bought back by the Company at a price higher than the price of their nominal value, the portion equivalent to the nominal value shall be deducted from the book balance of the distributable profits of the Company and from the proceeds from the issuance of new shares as a result of the buyback of old shares; the portion above the nominal value shall be handled in the following methods:
  - (i) in case the bought-back ordinary shares are issued at the price of their nominal value, such portion shall be deducted from the book balance of the distributable profits of the Company;
  - (ii) in case the bought-back ordinary shares are issued at a price higher than the price of their nominal value, such portion shall be deducted from the book balance of the distributable profits of the Company and from the proceeds from the issuance of new shares as a result of the buyback of old shares; however, the amount deducted from the issuance of new shares shall not exceed total the premium income from the previous issuance of the old shares so bought back, and shall not exceed the amount in the premium account (or capital reserve account) of the Company (including the premium amount of the issuance of new shares) during the buyback.
- (3) The Company shall pay out of its distributable profits for the following purposes:
  - (i) the acquisition of its buyback rights to buy back its ordinary shares;
  - (ii) the alteration of a contract to buy back its ordinary shares;
  - (iii) the discharge of its obligations in a buyback contract.
- (4) After the total nominal value of the cancelled ordinary shares is subtracted from the Company's registered capital in accordance with the relevant regulations, the amount deducted from the distributable profits and used for buying back the nominal value of the ordinary shares shall be included in the Company's premium account (or capital reserve account).

## Chapter 5 Financial Assistance to Purchase of Shares of the Company

**Article 38** The Company or its subsidiaries (including affiliates of the Company) shall not at any time provide any financial assistance in any way to any persons who purchase or propose to purchase the shares of the Company. The persons who purchase the shares of the Company referred to above shall include those persons who directly or indirectly undertake obligations as a result of the purchase of the shares.

The Company or its subsidiaries (including affiliates of the Company) shall not at any time provide any financial assistance in any way to the obligors referred to above for minimizing or discharging their obligations.

This Article shall not apply to the cases described in Article 40 hereof.

**Article 39** For the purposes hereof, the term “financial assistance” shall include (but not limited to) the following methods:

- (1) presentation of a gift;
- (2) guarantee (including the undertaking of liability or the provision of property by a guarantor to ensure that an obligor fulfills his obligations), compensation (but not including any compensation caused by the fault of the Company) and discharge or waiver of rights;
- (3) provision of a loan or conclusion of a contract under which the Company has priority over other parties in fulfilling its obligations, as well as changes in the loan or the parties to the contract, and transfer of the loan or the rights in such contract; and
- (4) financial assistance provided by the Company in any ways when the Company becomes insolvent or does not have any net assets, or there are cases leading to a substantial reduction of net assets.

For the purposes hereof, the term “undertaking of obligations” shall include the obligations undertaken by an obligor whose financial status is changed as a result of concluding a contract or making an arrangement (whether or not such contract or arrangement is enforceable or is undertaken by the obligor or jointly with any other persons), or otherwise.

**Article 40** The following acts shall not be deemed as acts banned under Article 38 hereof:

- (1) the financial assistance is provided by the Company in good faith in the interests of the Company, and not for the purpose of purchasing the shares of the Company, or does not form a supplementary part of a certain master project of the Company;
- (2) the Company distributes its property as dividends according to law;
- (3) the dividends are distributed in the form of shares;
- (4) the registered capital is reduced, shares are bought back, shareholding structure is adjusted according hereto;
- (5) the Company provides a loan within its scope of business for its normal business activities (but this should not lead to a decrease in the Company's net assets, or even a decrease was caused, such financial assistance is made available from the Company's distributable profits); and
- (6) the Company provides funds for the employee stock ownership plan (but this should not lead to a decrease in the Company's net assets, or even a decrease was caused, such financial assistance is made available from the Company's distributable profits).

## Chapter 6 Shares and Register of Shareholders

**Article 41** The shares of the Company shall be registered shares.

The shares of the Company shall state the details as prescribed under the Company Law. In addition to this, they shall also include other details that are required to be stated by the stock exchange on the which these shares are listed.

Overseas listed foreign shares issued by the Company may take the form of other derivatives such as depository receipts or share certificates in accordance with the law and the securities registration and depository practices of the place of listing.

**Article 42** Shares shall be signed by the Chairman. In the event that the stock exchange on which the shares of the Company are listed require that other senior management of the Company sign, the shares shall be signed by such other relevant senior management. Shares shall be valid after being affixed or printed with the Company seal. The affixment of the Company seal shall be authorized by the Board. The signatures of the Chairman or other senior management on the shares may take the printed form.

In the event that paperless shares of the Company are issued and traded, separate requirements of laws and regulators of the place of listing shall apply.

**Article 43** The Company shall create a register of shareholders based on the evidence provided by a securities registry to record the following particulars:

- (1) the name, address (residence), occupation or type 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 numbers in the shares held by each shareholder;
- (5) the date of registering as a shareholder by each shareholder;
- (6) the date of terminating as a shareholder by each shareholder.

The register of shareholders shall be sufficient evidence substantiating that the shareholders hold the shares of the Company, unless there is evidence to the contrary.

**Article 44** The Company may, in accordance with the understanding or agreement reached between the securities competent authorities of the State Council and overseas securities regulators, keep the original register of holders of overseas-listed foreign shares at the location where such shares were listed, and may appoint a foreign agency to manage it. The original register of holders of Hong Kong-listed foreign shares shall be kept in Hong Kong.

A copy of the register of holders of overseas listed foreign shares shall be made available at the Company's domicile; the appointed foreign agency shall at any time ensure the original and the copy of the register of holders of overseas-listed foreign shares are consistent.

In the event that the records in the original and the copy of the register of holders of overseas-listed foreign shares are inconsistent, the original shall prevail.

**Article 45** The Company shall keep a complete register of shareholders.

A register of shareholders shall contain the following sections:

- (1) a register of shareholders, other than those prescribed in (2) and (3), kept at the Company's domicile;
- (2) the Company's register of holders of overseas-listed foreign shares kept at the location of the stock exchange on which such shares are listed;
- (3) a register of shareholders, which the Board of Directors has decided that it shall be kept in other places for the needs of the listing of the shares of the Company.

**Article 46** Each section of the register of shareholders shall not overlap each other. In the event that the shares registered in a section of the register of shareholders are transferred, they may not be registered to other sections of the register of shareholders during the period of the registration.

Alterations or corrections to each section of the register of shareholders shall be made in accordance with the laws of the place where each section of the register of shareholders is kept.

**Article 47** All transfer of overseas-listed foreign shares all be carried out in general or common format, or any other written transfer instrument format acceptable to the Board of Directors. A written transfer document may be signed under hand without a seal. In the event that the transferor or transferee of the shares of the Company is a recognized clearing house ("recognized clearing house") as defined under the law of Hong Kong or his agent, a written transfer document may be signed in a machineprinted form.

All Hong Kong-listed foreign shares with paid-up share capital may be freely transferable hereunder; however unless the following requirements are met, the Board of Directors may refuse to recognize any transfer instrument without stating any reasons:

- (1) a transfer document or other documents that are related to or that may affect the ownership of any shares are required to be registered, and a fee of HK\$2.5 (based on each transfer document) or a higher fee determined by the Board of Directors must be paid to the Company for the registration. However, such fees must not exceed the maximum fees prescribed by the Hong Kong Stock Exchange from time to time under its Listing Rules;
- (2) the transfer instrument is only related to Hong Kong-listed foreign shares;
- (3) a payable stamp duty has been paid for the transfer instrument;
- (4) the related shares and other evidence, as reasonably requested by the Board of Directors, on the shares which the transferor has the right to transfer have been submitted;
- (5) the number of joint holders must not exceed four (4) in case shares are transferred to joint holders;
- (6) the shares are free from any lien of the Company.



**Article 48** No changes shall be made in the registration in the register of shareholders as a result of the transfer of shares within thirty days prior to a shareholders' general meeting or within five days prior to the base date on which the Company decides to distribute dividends. This Article shall not apply to the changes in the registration in the register of shareholders as a result of Company's increase in capital in accordance with Article 29 hereof.

The laws, administrative regulations, department rules, other regulatory documents and other requirements of the securities regulatory authorities of the locality where the Company's shares are listed shall prevail.

**Article 49** When the Company needs to confirm the identity of a shareholder for holding a shareholders' general meeting, distributing dividends, conducting liquidation and engaging in other acts, the Board of Directors or the convenor of the shareholders' general meeting shall determine a record date. Shareholders registered in the register after close of market on the record date shall be those shareholders entitled to the relevant rights and interests of shareholders.

**Article 50** In the event that any person has an objection to the register of shareholders and asks for registering his name in or removing his name from, the register of shareholders, he may apply to a court of competent jurisdiction for correcting the register of shareholders.

**Article 51** For any shareholder who is registered in the register of shareholders or any person who asks for registering his name in the register of shareholders, if his shares (i.e. "original shares") are lost, he may apply to the Company for issuing replacement shares in respect of those shares (the "underlying shares").

In the event that a holder of domestic shares has lost his shares and applies for issuing replacement shares, he shall handle the matter in accordance with the relevant requirements of the Company Law.

In the event that a holder of overseas listed foreign shares has lost his shares and applies for issuing replacement shares, he shall handle the matter in accordance with the laws of the place where the original register of holders of overseas listed foreign shares is kept, the rules of the stock exchange or other relevant stipulations.

In the event that a holder of Hong Kong-listed foreign shares has lost his shares and applies for issuing replacement shares, the issuance of his replacement shares shall meet the following requirements:

- (1) the applicant must file an application in the standard format designated by the Company and attach a notarial certificate or a statutory declaration document. The notarial certificate or statutory declaration document must contain particulars such as the reasons of the applicant for the application, details of the lost shares and evidence thereon as well as a statement saying that no any other persons have asked for registering as shareholders in respect of the underlying shares.
- (2) before the Company decides to issue replacement shares, it has not received any statement from any persons other than the applicant asking for registering as shareholders of those shares.

- (3) after the Company decides to issue replacement shares to the applicant, it shall publish an announcement in the newspapers designated by the Board of Directors on its preparations to issue replacement shares for a period of ninety days. The announcement shall be republished once every thirty days at least. The newspapers designated by the Board of Directors shall be Chinese and English language newspapers (at least one of each of them) approved by the Hong Kong Stock Exchange.
- (4) before the Company publishes an announcement on its preparations to issue replacement shares, it shall submit a copy of the announcement to the stock exchange on which it is listed, and may immediately publish it after receiving a reply from the stock exchange confirming that the announcement has been displayed on the stock exchange. The announcement shall be displayed on the stock exchange for a period of ninety days.

In the event that an application for the issuance of replacement shares is not approved by the shareholder of the underlying shares recorded in the register, the Company shall mail a copy of the announcement to be published to the shareholder.

- (5) upon expiry of the period of ninety days for the display of the announcement prescribed in (3) and (4) hereof, the Company may issue replacement shares based on the application of the applicant in the event that it has not received any objection from any person to the issuance of replacement shares.
- (6) when the Company issues replacement shares hereunder, it shall immediately cancel the original shares, and have the cancellation and replacement recorded in the register of shareholders.
- (7) all expenses of the Company on the cancellation of the original shares and issuance of replacement shares shall be borne by the applicant. The Company has the right to refuse to take any action before the applicant provides reasonable security.

**Article 52** After the Company issues replacement shares in accordance with the requirements hereof, the name of the bona fide purchaser who has obtained such replacement shares or the shareholder subsequently registered as the owner of such replacement shares (in the case of bona fide purchaser) may not be removed from the register of shareholders.

**Article 53** The Company shall not be under any obligations to compensate any person who incurs damages as a result of the cancellation of the original shares or the issuance of the replacement shares, unless the person can prove that the Company has fraudulent conduct.

## Chapter 7 Rights and Obligations of Shareholders

**Article 54** The shareholders of the Company shall be the persons who hold the shares of the Company in accordance with laws, and whose names are recorded in the register of shareholders.

Public shareholders shall be entitled to rights and undertake obligations according to the class and portion of shares they hold; shareholders holding the same class of shares shall be entitled to equal rights and undertake the same obligations.

When two or more persons are registered as joint holders of any shares, they shall be regarded as joint owners of the underlying shares to be subject to the following terms:

- (1) the Company needs not register more than four persons as joint holders of any shares;
- (2) all joint holders of any shares shall be jointly and severally liable for the payment of all amounts payable for the underlying shares. In the case of joint holders:
  - (i) in the event that one of the joint holders dies, only the other surviving persons among the joint holders shall be deemed by the Company as the persons with ownership of the underlying shares. However, the Board of Directors has the right to require such surviving persons to provide a death certificate as deemed appropriate by the Board of Directors for the purpose of amending the register of shareholders;
  - (ii) in respect of the joint holders of any shares, only the joint holder who stands first on the register of shareholders has the right to take over the share certificates of the underlying shares from the Company, receive notices from the Company, attend shareholders' general meetings of the Company or exercise the voting rights of the underlying shares. Any notices served to the aforesaid person shall be deemed to have been served to all joint holders of the underlying shares.

In the event that any one of the joint holders issues a receipt to the Company for the payment of any dividend, bonus or capital return to those joint holders, the receipt shall be deemed as a valid receipt issued by the joint holders to the Company.

**Article 55** A shareholder holding ordinary shares of the Company shall be entitled to the following rights:

- (1) receive dividends and benefit distributions in other forms according to the portion of shares he holds;
- (2) make a request to, convene, preside over and attend or appoint a proxy to attend a shareholders' general meeting, and exercise the corresponding voting rights in accordance with the law;
- (3) carry out supervision and management of the Company's business operations, and make recommendations or raise questions;
- (4) transfer, grant or pledge the shares he holds in accordance with the laws, administrative regulations and the provisions hereof;

- (5) Access relevant information in accordance with the provisions hereof, including:
- (i) obtain these Articles of Association upon payment of cost expenses;
  - (ii) upon payment of a reasonable fee, he has the right to gain access to and make copies of:
    - (a) the registers of shareholders in all sections;
    - (b) the personal information of the directors, supervisors, president and other senior management staff of the Company, including:
      - a. the current and former names and aliases;
      - b. the principal addresses (residence);
      - c. the nationality;
      - d. the full-time jobs and all other part-time jobs and positions;
      - e. the identity documents and their numbers.
    - (c) details of the issued share capital of the Company;
    - (d) the total par value, quantity, highest and lowest prices of each class of his own shares bought back by the Company since the previous fiscal year, and the report on the all the expenses paid by the Company therefor;
    - (e) the counterfoils of corporate bonds, minutes of shareholders' general meetings, resolutions of the Board of Directors, resolutions of the Supervisory Committee as well as financial and accounting reports.

The Company shall make the above documents available at the Company's domicile and place of business in Hong Kong for inspection by shareholders.

- (6) during the termination or liquidation of the Company, participate in the distribution of surplus property of the Company according to the portion of shares he holds;
- (7) those shareholders who object to a resolution made at a shareholders' general meeting on the merger or division of the Company request that the Company purchase their shares;
- (8) other rights conferred by laws, administrative regulations, departmental rules or these Articles of Association.

Company shall not prejudice any rights of a person attached to shares by freezing such rights or otherwise as a result of such person, who directly or indirectly owns interests, exercising his power without having disclosed such interests to the Company.

**Article 56** In the event that a shareholder wants to access the relevant information as described in the preceding article, or to obtain information, he shall provide a written document to the Company proving the class and number of shares of the Company he holds. Such information shall be provided to the shareholder at his request after the Company verifies the identity of the shareholder, and a reasonable fee may be charged for providing copies of the above information.

**Article 57** In the event that the particulars of a resolution passed at a shareholders' general meeting or a Board meeting are in violation of laws or administrative regulations, the shareholders shall have the right to petition a court to establish such particulars as invalid.

In the event that the procedures for convening a shareholders' general meeting or a Board meeting, or the voting methods thereof are in violation of laws, administrative regulations or the Articles of Association, or the particulars of a resolution are in violation hereof, the shareholders shall have the right to petition a court to make revocation within sixty days from the date of the resolution.

**Article 58** In the event that a director or a senior management officer violates laws, administrative regulations or the Articles of Association when performing his duties for the Company, thus causing losses to the Company, the shareholders who either alone or jointly having been holding more than one percent of voting shares of the Company for one hundred eighty consecutive days or more shall have the right to request in writing that the Supervisory Committee bring legal action before a court. In the event that the Supervisory Committee violates laws, administrative regulations or the Articles of Association when executing its duties for the Company, thus causing losses to the Company, shareholders who hold the voting shares may request in writing that the Board of Directors bring legal action before a court.

In the event that the Supervisory Committee or the Board of Directors refuses to take legal action upon receipt of the request in writing from the shareholders as prescribed in the preceding paragraph, or does not take legal action within thirty days of receiving such a request, or any emergency or failure to take immediate legal action will cause irreparable damage to the interests of the Company, the shareholders prescribed in the preceding paragraphs shall have the right to bring legal action directly before a court in their own names in the interests of the Company.

In the event that some other persons infringe the legitimate rights and interests of the Company, thus causing losses to the Company, the shareholders prescribed in the first paragraph of this Article may bring legal action before a court in accordance with the provisions of the preceding two paragraphs.

**Article 59** In the event that a director or a senior management officer violates laws, administrative regulations or these Articles of Association, thus causing damage to the interests of shareholders, the shareholders may bring legal action before a court.

**Article 60** A shareholder of the Company shall undertake the following obligations:

- (1) Comply with laws, administrative regulations and these Articles of Association;
- (2) pay equity capital according to his shares subscribed and the method of equity capital injection;
- (3) may not withdraw equity shares unless provided by laws, administrative regulations, the Articles of Association or the agreed terms for the subscription of shares;

- (4) may not abuse the rights of a shareholder to prejudice the interests of the Company or other shareholders; may not abuse the Company's independent status of legal person and shareholders' limited liability to prejudice the interests of the Company's creditors;

In the event that a shareholder abuses his rights, thus causing losses to the Company or other shareholders, he shall be liable for compensation in accordance with the laws.

In the event that a shareholder of the Company abuses the Company's independent status of legal person and shareholders' limited liability to evade debts, thus seriously prejudicing the interests of the Company's creditors, he shall be jointly and severally liable for the Company's debts.

- (5) other obligations to be undertaken as prescribed by laws, administrative regulations and these Articles of Association.

Except the conditions agreed by a subscriber for shares during the subscription, shareholders shall not be liable for any subsequent contribution of additional share capital.

**Article 61** In the event that a shareholder holding more than five percent of the voting shares of the Company pledges the shares he holds, he shall report to the Company in writing on the date of making the pledge.

**Article 62** The controlling shareholders and de facto controllers of the Company shall not prejudice the Company's interests by taking advantage of their connections. They shall be liable for compensation for losses caused to the Company as a result of their violation.

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

In addition the obligations required under laws, administrative regulations or the listing rules of the stock exchange on which the shares of the Company are listed, the controlling shareholders, in the exercise of their powers, may not make any decision on the following issues to jeopardize the interests of all or some of shareholders as a result of exercising their rights to vote:

- (1) removing a director or a supervisor to reflect, in good faith, the responsibility of doing so in the best interests of the Company as a starting point;
- (2) approving a director or a supervisor (for his own or others' benefits) of depriving the property of the Company in any way, including (but not limited to) any opportunity beneficial to the Company;
- (3) approving a director or a supervisor (for his own or others' benefits) of depriving the personal rights and interests of other shareholders, including (but not limited to) any distribution rights and voting rights, but excluding corporate restructuring submitted to a shareholders' general meeting for approval in accordance herewith.

## Chapter 8 Shareholders' General Meetings

**Article 63** The shareholders' general meeting shall be the Company's authority and shall exercise duties and powers according to law.

**Article 64** A shareholders' general meeting shall exercise the following duties and powers:

- (1) decide on the Company's business policies and investment plans;
- (2) elect and replace directors and decide on the remuneration of directors;
- (3) elect and replace supervisors from non-employees' representatives, and decide on the remuneration of supervisors;
- (4) consider and approve the report of the Board of Directors;
- (5) consider and approve the report of the Supervisory Committee;
- (6) consider and approve the Company's annual budget and final accounts proposals;
- (7) consider and approve the Company's profit distribution plan and loss recovery plan;
- (8) make a resolution on the increase or decrease of the registered capital of the Company;
- (9) make a resolution on the merger, division, dissolution or liquidation of the Company, or on the change in the type of the Company;
- (10) make a resolution on the issuance of corporate bonds;
- (11) make a resolution on the Company's engagement, dismissal or non-reappointment of an accounting firm;
- (12) amend these Articles of Association;
- (13) consider and approve the guarantees prescribed in Article 65 hereof;
- (14) consider the Company's purchase or sale of major assets within one year in excess of thirty percent of the Company's latest audited total assets;
- (15) consider and approve changes in the use of proceeds;
- (16) consider an equity incentive plan;
- (17) consider the proposals by shareholders representing more than three percent of the voting shares of the Company;
- (18) consider other matters on which resolutions shall be made by a shareholders' general meeting as required by laws, administrative regulations, departmental rules, regulatory rules of the place of listing or these Articles of Association.

None of the above duties and powers of a shareholders' general meeting may be exercised by the Board of Directors, other organizations or individuals on its behalf by means of authorization.

**Article 65** The following external guarantees by the Company shall be considered and approved by a shareholders' general meeting.

- (1) any guarantee provided after the total amount of external guarantees by the Company and its holding subsidiaries meet or exceed fifty percent of the latest audited net assets;
- (2) any guarantee provided after the total amount of external guarantees by the Company meet or exceed thirty percent of the latest audited net assets;
- (3) any guarantee provided for a target party whose asset-liability ratio is over seventy percent;
- (4) any guarantee with a single guaranteed amount in excess of ten percent of the latest audited net assets;
- (5) any guarantee with a guaranteed amount in excess of thirty percent of the latest audited total assets of the Company on a cumulative basis within consecutive twelve months;
- (6) any guarantee with a guaranteed amount in excess of fifty percent of the latest audited total assets of the Company on a cumulative basis within consecutive twelve months;
- (7) any guarantee provided to shareholders, de facto controllers and their connected parties;
- (8) other guarantees that shall be considered by a shareholders' general meeting as required by the regulators or the stock exchange of the place of listing of the Company's shares.

The term "external guarantees" referred to above shall mean guarantees provided by the Company to others, including the guarantees provided by the Company to its holding subsidiaries. The expression "the total amount of external guarantees by the Company and its holding subsidiaries" shall mean the sum of the total amount of the Company's external guarantees comprising the guarantees provided by the Company for its holding subsidiaries, plus the total amount of external guarantees provided by the holding subsidiaries of the Company.

**Article 66** Except that the Company is in crisis or other special circumstances where prior approval must be granted by special resolution at a shareholders' general meeting, the Company may not conclude any contract with any person other than the directors, supervisors, president and other senior management officers for handing over the management of all or important businesses of the Company to that person.

**Article 67** Shareholders' general meetings include annual meeting of shareholders (i.e. annual general meeting, similarly hereinafter) and extraordinary general meeting. An annual general meeting shall be convened once each year, and held within six months after the end of the previous fiscal year.



**Article 68** The Company shall convene an extraordinary general meeting within two months of the happening of an event if:

- (1) the number of directors is below the required quorum as prescribed in the Company Law or is less than two-thirds of the required quorum hereunder;
- (2) the losses not yet made up by the Company account for one-third of the total paid-up share capital;
- (3) the shareholders individually or jointly holding more than ten percent of total voting shares of the Company make a request (the number of shares held is calculated based on that as at the date when the shareholders propose a written request);
- (4) the Board of Directors considers it necessary or the Supervisory Committee proposes convening the meeting;
- (5) more than half of all the independent directors of the Company agree with the proposal of holding such a meeting;
- (6) other cases as required by laws, administrative regulations, departmental rules or these Articles of Association.

In calculating the proportion of the shareholdings as prescribed in item (3) of this Article, only votes of ordinary shares and votes of preference shares with voting rights restored shall be counted.

**Article 69** A shareholders' general meeting of the Company shall be convened at the domicile of the Company or other specific locations notified by the convenor of the shareholders' general meeting.

A venue shall be available for a shareholders' general meeting which shall be held as an on-site meeting. The Company shall also provide a network or otherwise to facilitate the attendance of shareholders at the shareholders' general meeting. Shareholders attending a shareholders' general meeting in the above methods shall be deemed being present at the meeting.

**Article 70** When the Company holds a shareholders' general meeting, a lawyer shall be engaged to present a legal opinion on the following matters and make an announcement:

- (1) whether or not the procedures for convening and holding the meeting are in compliance with laws, administrative regulations and these Articles of Association;
- (2) whether or not the qualifications of the officers present at the meeting, and of the convenor are lawful and valid;
- (3) whether or not the voting procedures at the meeting and the voting results are lawful and valid;
- (4) other legal opinions to be presented on other relevant matters at the request of the Company.

**Article 71** Independent directors shall have the right to propose to the Board of Directors the convening of an extraordinary general meeting. With respect to this proposal, the Board of Directors shall, in accordance with laws, administrative regulations and these Articles of Association, bring forward a feedback opinion in writing, within ten days of receiving the proposal, on agreeing or disagreeing with convening the extraordinary general meeting.

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

**Article 72** The Supervisory Committee shall have the right to propose to the Board of Directors the convening of an extraordinary general meeting and shall do so in writing. The Board of Directors shall, in accordance with laws, administrative regulations and these Articles of Association, bring forward a feedback opinion in writing, within ten days of receiving the proposal, on agreeing or disagreeing with convening the extraordinary general meeting.

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

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

**Article 73** Shareholders individually or jointly holding more than ten percent of voting shares of the Company shall have the right to request the Board of Director for convening an extraordinary general meeting, and shall do so in writing. The Board of Directors shall, in accordance with laws, administrative regulations and these Articles of Association, bring forward a feedback opinion in writing, within ten days of receiving the request, on agreeing or disagreeing with convening the extraordinary general meeting.

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

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

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

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

Shareholders who request the convening of a class meeting shall do so according to the following procedures:

- (1) two or more shareholders who jointly hold more than ten percent (including ten percent) of the voting shares at a proposed meeting may sign one or several copies of written request with the same format and particulars to be submitted to the Board of Directors for convening a class meeting, and state the agenda of the meeting. The Board of Directors shall, after receipt of the above written request, convene the class meeting as soon as possible. The number of shares held as referred to above shall be calculated on the basis of the date of making the written request by the shareholders.
- (2) in the event that the Board of Directors does not issue a notice to convene the meeting within thirty days of receiving the above written request, the shareholders who have made such request may convene their own meeting within four months after the Board of Directors' receipt of the request. The procedures for convening the meeting shall be as similar as possible to the Board of Directors' procedures for convening a shareholders' general meeting.

In the event that the shareholders convene and hold their own meeting because the Board of Directors does not hold the meeting at the request above, the reasonable expenses incurred therefrom shall be borne by the Company, and deducted from the amount of the Company owed to delinquent directors.

**Article 74** In the event that the Supervisory Committee or a shareholder decides to convene a shareholders' general meeting on its own, it or he shall notify the Board of Directors in writing and report the same to the local representative office of CSRC and the stock exchange of the place where the Company is located for the record, and shall issue the notice for convening an extraordinary general meeting, the contents of which shall comply with Article 84 of these Articles of Association and shall also meet the following requirements:

- (1) new contents are not allowed to be added to the resolutions, otherwise the Supervisory Committee or the convening shareholders shall request for convening an extraordinary general meeting to the Board of Directors according to the above procedures once again;
- (2) the venue of the meeting shall be the Company's domicile.

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

The Supervisory Committee or the convening shareholders shall submit relevant evidence to the local representative office of CSRC and the stock exchange of the place where the Company is located when giving a notice of shareholders' general meeting and making an announcement on the resolutions made at such meeting.

**Article 75** The Board of Directors and the secretary of the Board of Directors shall cooperate with the Supervisory Committee or the shareholders in convening a shareholders' general meeting on their own. The Board of Directors shall provide the register of shareholders as at the record date, failing which the convenor may apply to the securities registration and clearing institution or agency for obtaining the register on the strength of the relevant notice or announcement on convening such shareholders' general meeting. The register obtained by the convenor may not be used for purposes other than convening the shareholders' general meeting.

**Article 76** The Company shall bear the expenses necessary for a shareholders' general meeting convened by the Supervisory Committee or the shareholders on their own.

**Article 77** The particulars of a proposal shall be part of the terms of reference of a shareholders' general meeting, containing clear issues and specific matters for resolutions, and being in compliance with laws, administrative regulations and relevant provisions hereof.

**Article 78** The Board of Directors, the Supervisory Committee and shareholders individually or jointly holding more than three percent of voting shares of the Company shall have the right to submit proposals to the Company on holding a shareholders' general meeting.

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

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

No voting may take place and no resolutions may be made at the shareholders' general meeting on proposals which are not set out in the notice of shareholders' general meeting or do not meet the requirements of Article 77 hereof.

**Article 79** To hold a shareholders' general meeting, the Company shall give a written notice of the meeting to shareholders who are entitled to attend the shareholders' general meeting forty-five days prior to the meeting. Shareholders who intend to attend the shareholders' general meeting shall serve a written reply on attending the meeting to the Company twenty days prior to the meeting.

The notice of shareholders' general meeting shall be given in any methods (including but not limited to mail, e-mail, fax, announcement and publication on the website of the Company and/or the stock exchange in the place of listing of the Company's shares, etc.) permitted under the regulatory rules in the place of listing of the Company's shares. In the event that the notice is sent by mail, it shall be sent to the addresses of the recipients recorded in the register of shareholders.

**Article 80** Based on the written replies received twenty days prior to a shareholders' general meeting, the Company shall calculate the number of shares with voting rights represented by the shareholders who intend to attend the meeting. In the event that the number of shares with voting rights represented by the shareholders who intend to attend the meeting reach more than half of the total number of shares of the Company with voting rights, the Company may hold the shareholders' general meeting. In the event that there is less than half of the total number of shares with voting rights, the Company shall within five days notify shareholders who are entitled to attend the shareholders' general meeting once again of the matters to be considered at the meeting as well as the date and venue of meeting by way of announcement. Once a notice is made by announcement, the Company may hold the shareholders' general meeting.

Matters not stated in an announcement may not be decided at an extraordinary general meeting.

**Article 81** A notice of shareholders' general meeting shall meet the following requirements:

- (1) it shall be given in writing;
- (2) it shall designate the time, place and duration of the meeting;
- (3) it shall contain matters and proposals to be considered at the meeting;
- (4) it shall provide shareholders with required information and explanations to enable the shareholders to make sensible decisions on the matters discussed. This policy shall include (but not limited to) the provision of specific conditions and contracts (if any) for a contemplated transaction at the time when the Company proposes a merger, buyback of shares, reorganization of share capital or other reorganization, as well as the giving of serious explanations as a result of the causes and consequences thereof ;
- (5) in the event any directors, supervisors, president or other senior management officers have a significant interest in the matters to be discussed, they shall disclose the nature and extent of such interest; in the event that the impact of the matters to be discussed on the directors, supervisors, president and other senior management officers as shareholders is different from that on the other shareholders of the same class, the notice shall explain the difference;
- (6) it shall contain the full text of any special resolution to be passed at the meeting;
- (7) it shall explain in clear text can appoint a proxy in writing to attend the meeting and to vote thereat. The proxy needs not be a shareholder of the Company;
- (8) it shall contain the time and place of serving a power of attorney of the voting proxy at the meeting;
- (9) it shall contain the record date on which shareholders have the right to attend the shareholders' general meeting;
- (10) it shall contain the names and telephone numbers of permanent contact persons for the affairs of the meeting.

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

In the event that a shareholders' general meeting is held through a network or otherwise, the notice of shareholders' general meeting shall explicitly state the voting time and voting procedures on the network or otherwise. Voting at the shareholders' general meeting on the network or otherwise shall commence not earlier than 3:00 pm on the day prior to an on-site shareholders' general meeting, and not later than 9:30 am on the day of the on-site shareholders' general meeting, and shall finish not earlier than 3:00 pm on the day of closing the on-site shareholders' general meeting.

**Article 82** In the event that the election of directors and supervisors is to be discussed at a shareholders' general meetings, the notice of shareholders' general meetings shall fully disclose details of candidates for the directors and supervisors, and shall at least include the following particulars:

- (1) their educational background, work experience, part-time jobs and other personal details;
- (2) whether or not they have any connections with the Company or the Company's controlling shareholders and de facto controllers;
- (3) the disclosed number of shares of the Company they hold;
- (4) whether or not they have penalized by the CSRC and other relevant departments, and disciplined by the stock exchange.

In addition to adopting the cumulative voting system to elect directors and supervisors, a single proposal on each of the candidates for directors and supervisors shall be submitted.

**Article 83** In the event that there is failure to give the notice of a meeting to persons entitled to such notice as a result of accidental omission or that those persons do not receive the notice of the meeting, the meeting and the resolutions made thereat shall not be invalid as result thereof.

**Article 84** After a notice of shareholders' general meeting is given, the shareholders' general meeting shall not be postponed or canceled, and the proposals set out in the notice of shareholders' general meeting shall not be canceled without due reason. Once the meeting is postponed or cancelled, the convenor shall make an announcement and explain the reasons at least two working days prior to the scheduled meeting date. In the event that the meeting is postponed, the postponed date of the meeting shall also be expressly stated in the announcement. In the event that the listing rules in the place of listing of the Company's shares provide for the above matter otherwise, such provisions shall be followed.

**Article 85** The Board of Directors of the Company and other convenors shall take necessary measures to ensure the normal order of a shareholders' general meeting. They shall take measures to prevent and promptly report to the relevant departments for investigating any interference with the shareholders' general meeting, disturbance and violation of the legitimate rights and interests of shareholders.

**Article 86** Shareholders who hold the voting shares or their proxies recorded in the register on the record date shall have the right to attend shareholders' general meetings and exercise the rights to vote in accordance with relevant laws, regulations and these Articles of Association.

Shareholders may attend a shareholders' general meeting in person, and also may appoint a proxy to attend and vote on their behalf.

**Article 87** In the event that an individual shareholder attends a shareholders' general meeting, he shall produce his own identity card or other valid documents or proof capable of identifying himself, and the stock account card; in the event that a proxy is appointed to attend the meeting for someone else, he shall produce his own valid identity documents and the power of attorney from the shareholder.

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

**Article 88** Any shareholder who has the right to attend a shareholders' general meeting and vote thereat shall the right to appoint one or several persons (who need not be shareholders) as his proxy to attend and vote on his behalf. The proxy may exercise the following rights according to the appointment by the shareholder:

- (1) the right of the shareholder to speak at the shareholders' general meeting;
- (2) the proxy individually or jointly with others requires voting by ballot;
- (3) exercise his right to vote by show of hands or by ballot, but if the appointed proxy is more than one person, these proxies may only exercise their rights to vote by ballot.

**Article 89** A shareholder shall appoint a proxy in writing, signed by the principal or by the proxy appointed in writing; in the event that the principal is a legal entity, the written appointment shall be affixed with the seal of the legal entity or signed by the director or the duly appointed proxy of the principal.

The power of attorney issued by a shareholder to appoint another party to attend a shareholders' general meeting shall contain the following particular:

- (1) the name of the proxy;
- (2) whether the proxy has the right to vote;
- (3) the instructions to vote in favour of or against, or to abstain from voting on, each matter set out on the agenda of the shareholders' general meeting;
- (4) the date and validity of the power of attorney;
- (5) the signature (or seal) of the principal. In case the principal is a corporate shareholder, it shall be affixed with the seal of the legal entity;
- (6) the portion of shares of the principal represented by the proxy;
- (7) in the event that several people are appointed as proxies, the power of attorney shall indicate the portions of shares represented by each proxy.

**Article 90** Proxy forms shall be made available at least twenty-four hours prior to a meeting at which voting is appointed in such proxy forms or twenty-four hours prior to the designated voting time at the Company's domicile or elsewhere specified in the notice of convening the meeting. In the event that the proxy forms are signed by other persons authorized by the principals, the letter of authority authorizing the signatures or other authority shall be notarized. Notarized letter of authority or other authority together with the proxy forms shall be made available at the Company's domicile or elsewhere specified in the notice of convening the meeting.

In case the principal is a legal entity, its legal representative or board of directors, or other person authorized by the resolution of decision-making bodies shall be represented at the shareholders' general meeting of the Company.

In the event that the shareholder is a recognized clearing house (or its agent), the shareholders may authorize one person or more as it deems appropriate to act as his representative in any shareholders' general meeting or any class meeting; However, in the event that more than one person is authorized, the letter of authority shall specify the number and type of shares of each of those persons covered by this authorization. The persons so authorized may represent the recognized clearing house (or its agent) to exercise their rights, as if the persons were the Company's individual shareholders.

**Article 91** The format of any letter of authority given by the Board of Directors of the Company to shareholders using for appointing proxies shall allow shareholders to choose freely to instruct proxies to vote in favour of or against a matter, and give respective instructions in respect of resolutions made on each of the matters at a meeting. The letter of authority shall indicate that in case the shareholders do not give any instructions, the proxies may vote after their fashion.

**Article 92** In the event that a principal has died, lost the capacity for acts, withdrawn the appointment or withdrawn the authorization signed for the appointment, or the shares have been transferred prior to voting, as long as the Company has not received a written notice of such matters prior to a meeting, the votes cast by a proxy according to the letter of authority shall remain valid.

**Article 93** A meeting attendance register of attendants at a meeting shall be compiled by the Company. The meeting attendance register shall state the names (or names of work units), identity card numbers and home addresses of attendants, number of shares held or representing voting shares, the names of principals (or names of work units) and so on.

**Article 94** The convenor and the lawyers engaged by the Company shall jointly verify the legitimacy of the qualifications of shareholders based on the register of shareholders provided by a securities registration and clearing institution, and record the names of shareholders and the type and number of voting shares held by them. Meeting registration shall be terminated before the chairman of the meeting announces the number of shareholders and proxies physically present at the meeting as well as the type and total number of voting shares held.

**Article 95** During a shareholders' general meeting, all the directors and supervisors of the Company and secretary of the Board of Directors shall attend the meeting. Except for legitimate reasons, the president and other senior management officers shall sit in on the meeting.



**Article 96** A shareholders' general meeting shall be convened and chaired by the chairman. In the event that the chairman is unable to or fails to perform his duties, the vice-chairman (in case the Company has two or more vice-chairmen, the vice-chairman jointly elected by more than half of the directors shall chair the meeting) shall convene and chair the meeting. In the event that the vice-chairman is unable to or fails to perform his duties, a director of the Company jointly elected by more than half of the Directors shall convene and chair the meeting on his behalf. In the event that the chairman of the meeting is not specified, the shareholders present at the meeting may elect one person as a chairman; if for any reason shareholders cannot elect a chairman, the shareholder (including proxy) present at the meeting with the largest number of the voting shares shall chair the meeting.

A shareholders' general meeting convened by the Supervisory Committee on its own shall be chaired by the chairman of the Supervisory Committee. In the event that the chairman is unable to or fails to perform his duties, the vice-chairman of the Supervisory Committee shall chair the meeting. In the event that the vice-chairman is unable to or fails to perform his duties, a supervisor jointly elected by more than half of the supervisors shall chair the meeting.

A shareholders' general meeting convened by shareholders on their own shall be chaired by a representative elected by the convenor.

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

**Article 97** The Company shall establish rules of procedure for a shareholders' general meeting to govern in detail various particulars of the procedures for convening a shareholders' general meeting and voting thereat, such as notice, registration, review of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, meeting minutes and the signing thereof and the announcement thereon, as well as the principles of authorizing the Board of Directors by a shareholders' general meeting. The rules of procedures for a shareholders' general meeting shall form an annex hereto and be prepared by the Board of Directors and approved at a shareholders' general meeting.

**Article 98** At an annual general meeting, the Board of Directors and the Supervisory Committee shall report to the meeting on their work over the past one year. Each of the independent directors shall also make their personal work reports.

**Article 99** Directors, supervisors and senior management officers shall explain and illustrate the questions and suggestions made by shareholders at a shareholders' general meeting, except for national secrets or trade secrets of the Company that cannot be disclosed at a shareholders' general meeting.

**Article 100** The chairman of a meeting shall announce, before voting takes place, the number of shareholders and proxies physically present at the meeting as well as the total number of all kinds of voting shares held. The total number of voting shares held by shareholders and proxies physically present at the meeting shall be based on the registration at the meeting.

**Article 101** Minutes shall be prepared for a shareholders' general meeting by the Secretary of the Board of Directors. The minutes of a meeting shall record the following particulars:

- (1) the time, place, agenda and name of the convenor of the meeting;
- (2) the names of the chairman of the meeting and the directors, supervisors, president and other senior management officers attending or sitting in on the meeting;
- (3) the total number of voting shares held by holders of domestic listed shares (including proxies) and holders of overseas-listed foreign shares (including proxies) attending the shareholders' general meetings and their respective percentages of total number of shares of the Company;
- (4) the process of considering each proposal, main points of remarks and voting results of each resolution by the holders of domestic listed shares and holders of overseas-listed foreign shares;
- (5) questions, comments or suggestions by shareholders, and the replies thereto or explanations thereof;
- (6) the names of lawyers, counters and scrutineers of votes;
- (7) other particulars that shall be recorded into the meeting minutes as prescribed hereunder.

**Article 102** A convenor shall ensure that the particulars of meeting minutes are true, accurate and complete. Directors, supervisors, secretary of the Board of Directors, convenor or his representative and the chairman of the meeting who attended the meeting shall sign the minutes of the meeting. The minutes of the meeting shall be kept together with the valid data on the signature book of shareholders physically present at the meeting, powers of attorney of proxies present, details of voting on the network and other voting methods shall be kept for a period of not less than ten years.

**Article 103** A convenor shall ensure that a shareholders' general meeting shall be held consecutively until a final resolution is formed. In the event that a shareholders' general meeting is suspended or no resolutions can be made thereat due to special reasons such as force majeure, the convenor shall take necessary measures to restore the meeting as soon as possible or directly terminate the meeting, and make an announcement promptly. Meanwhile, the convenor shall report to the local representative office of CSRC and the stock exchange of the place where the Company is located.

**Article 104** Resolutions made at a shareholders' general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution made at a shareholders' general meeting shall be passed by more than half of voting rights held by the shareholders (including proxies) present at the meeting.

A special resolution made at a shareholders' general meeting shall be passed by more than two-thirds of the voting rights held by the shareholders (including proxies) present at the meeting.

Shareholders (including proxies) present at the meeting shall expressly indicate whether they vote in favour of, against or abstain from voting in respect of every matter that requires voting.

**Article 105** When shareholders (including proxies) vote at a shareholders' general meeting, they shall exercise their voting rights represented by the number of voting shares. Each share held by ordinary shareholders shall have one voting right; the holders of preference shares with voting rights restored shall be entitled to have such voting rights in accordance with the provisions of Article 297 and Article 300 of the Articles of Association.

The shares of the Company held by the Company shall not have voting rights, and these shares shall not be included in the total number of voting shares at a shareholders' general meeting.

The Board of Directors, independent directors and shareholders who meet relevant requirements may collect the voting rights from shareholders. Information including the specific voting preference shall be fully disclosed to the shareholders for whom voting rights are being collected. Consideration or de facto consideration for collecting shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limitation for collecting voting rights.

In accordance with applicable laws, regulations and the listing rules of the stock exchange on which the shares of the Company are listed, in the event that any shareholder needs to abstain from voting or is restricted to vote only in favour of or only against a particular resolution, such voting made in violation of relevant requirements or by imposition of restrictions on shareholders (or their proxies) shall not be included into the total number of valid votes.

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

**Article 106** Voting at a shareholders' general meeting shall take place by open ballot or other methods required under the listing rules of the place of listing.

**Article 107** In the event that a matter required to be voted by poll is the election of the chairman of a meeting or the suspension of a meeting, voting shall immediately take place by poll; other matters required to be voted by poll shall be decided by the chairman when voting takes place, and the meeting may continue to discuss other matters. The voting results shall still be considered as resolutions passed at the meeting.

**Article 108** During voting by poll, shareholders (including proxies) who have two voting rights or more need not cast all the voting rights in favour or against a matter.

**Article 109** The following matters shall be passed by ordinary resolution at a shareholder's general meeting:

- (1) the work report of the Board of Directors and the Supervisory Committee;
- (2) Board of Directors' proposed profit distribution plan and loss recovery plan;
- (3) the appointment and removal of members of the Board of Directors and the Supervisory Committee (other than supervisor from employees' representative) and their remuneration and payment methods;
- (4) the Company's annual budget and final accounts report, balance sheet, income statement and other financial statements;

- (5) matters other those that are required to be passed by special resolution under laws, administrative regulations or provisions hereof.

**Article 110** The following matters shall be passed by special resolution at a shareholder's general meeting:

- (1) the Company's increase or decrease of registered capital and issuance of any class of shares, warrants and other similar securities;
- (2) the Company's issuance of corporate bonds;
- (3) the division, merger, dissolution and liquidation of the Company;
- (4) amendments to these Articles of Association;
- (5) Company's purchase or sale of major assets or guaranteed amounts within one year in excess of thirty percent of the latest audited total assets of the Company;
- (6) equity incentive plans;
- (7) other matters which are required to be passed by special resolution under laws, administrative regulations or these Articles of Association, which are supposed to have a significant impact on the Company if they are passed by ordinary resolution at a shareholders' general meeting, and which are required to be passed by special resolution.

**Article 111** The chairman of a meeting shall decide on whether a resolution at a shareholders' general meeting is passed according to the voting results. His decision shall be final, and he shall announce the voting results at the meeting, which shall be recorded in the minutes.

**Article 112** Interested shareholders shall not take part in voting when connected transactions are being considered at a shareholders' general meeting. The number of shares with voting rights represented by them shall not be included in the total number of valid votes; The announcement on the resolutions made at a shareholders' general meeting shall fully disclose details of voting by non-interested shareholders.

**Article 113** Provided the Company ensures that shareholders' general meetings are legal and valid, the Company shall facilitate the attendance of shareholders at shareholders' general meetings by various ways and means, including the provision of modern information technology means such as a network-based voting platform.

**Article 114** A list of candidates for directors and supervisors shall be submitted as a proposal to a shareholders' general meeting for voting.

For voting on the election of directors and supervisors at a shareholders' general meeting, the cumulative voting system may be implemented in accordance with the provisions hereof or the resolution at the shareholders' general meeting.

For the purpose of the preceding paragraph, the term "cumulative voting system" shall mean that when directors or supervisors are elected at a shareholders' general meeting, each of the voting rights equivalent to the number of directors or supervisors to be elected may be used in a pool. The Board of Directors shall announce to shareholders the biographical notes and general information on the candidates for directors and supervisors.

**Article 115** The methods and procedures for nominating a director and a supervisor shall be:

- (1) shareholders who hold or jointly hold more than three percent of the Company's total outstanding voting shares may, by written proposals, propose to a shareholders' general meeting non-employees' representatives as candidates for directors and supervisors, but the number of nominations shall be in compliance with the Articles of Association, and shall not be more than the number of persons to be elected. The proposal shall be served to the Company fourteen days prior to the shareholders' general meeting.
- (2) the Board of Directors and the Supervisory Committee may submit a proposed list of candidates for directors and supervisors within the number of persons prescribed hereunder according to the number of persons to be elected, and submit the list to the Board of Directors and the Supervisory Committee for review. The Board of Directors and the Supervisory Committee shall conduct a review and pass a resolution to determine the candidates for directors and supervisors, and shall submit a written proposal to the shareholders' general meeting.
- (3) Nomination of independent directors shall be in compliance with Article 148 hereof and a separate special policy established by the Company for independent directors.
- (4) the intention to nominate candidates for directors and supervisors, the written notice indicating the nominees' willingness to accept the nominations, and the relevant written materials about details of the nominees shall be sent to the Company not less than seven days prior to the date of a shareholders' general meeting. The Board of Directors and the Supervisory Committee shall provide shareholders with the biographical notes and general information on the candidates for directors and supervisors.
- (5) The period given by the Company to nominators and for nominees to submit the aforesaid notice and documents (such period shall commence from the date after the date of giving the notice of shareholders' general meeting) shall not be less than seven days.
- (6) each of the candidates for directors and supervisors shall be voted one by one at the shareholder's general meeting, except for cases where the cumulative voting system applies.
- (7) any provisional additional election of directors and supervisors shall be proposed by the Board of Directors and the Supervisory Committee and recommended to the shareholders' general meeting for election or replacement.

**Article 116** Except the cumulative voting system, all proposals shall be voted one by one at a shareholders' general meeting. In the event that there are different proposals on the same matter, they shall be voted in chronological order of proposing such proposals. Except for special reasons such as force majeure that result in suspending a shareholders' general meeting or failing to make any resolution, no proposals may be shelved or may not be voted at a shareholders' general meeting.

**Article 117** When a proposal is being considered at a shareholders' general meeting, no modifications may be made to the proposal, otherwise the modifications shall be deemed as a new proposal and shall not be voted at the shareholders' general meeting.

**Article 118** The same voting right may only be exercised at either an on-site meeting, on the network or in another voting method. In the event that the same voting right is repeated, the result of the first vote shall prevail.

**Article 119** Before voting takes place on a proposal at a shareholders' general meeting, two shareholders' representatives shall be elected to participate in vote counting and scrutinizing. In the event that a shareholder has an interest in a matter to be considered, the relevant shareholder and his proxy shall not participate in the vote counting and scrutinizing.

When voting takes place on a proposal at a shareholders' general meeting, lawyers and representatives of shareholders and supervisors shall be jointly responsible for vote counting and scrutinizing, and shall announce the voting results on the spot. The voting results of resolutions shall be recorded in the minutes.

Shareholders of the Company or their proxies who cast their votes through the network or by another method shall have the right to inspect their own voting results through an appropriate voting system.

**Article 120** An on-site shareholders' general meeting shall not end earlier than the one held on the network or in another method. The chairman of the meeting shall announce details and results of the voting on each proposal, and announce whether a proposal is passed according to the voting results.

Before the formal announcement of voting results, the Company, vote counters, vote scrutineers, major shareholders, network services providers and other related parties involved at the on-site shareholders' general meeting, on the network and in another voting method shall be under a confidentiality obligation for the details of the voting.

**Article 121** Shareholders present at a shareholders' general meeting shall express one of the following opinions on a proposal submitted for voting: being in favour of, being against or abstaining from voting, unless securities registration and settlement institutions, as the nominal holders of shares that can be traded through Shanghai-Hongkong stock connect, declare to report according to the intentions of actual holders.

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

**Article 122** In the event that the chairman of a meeting has any doubt about the results of a resolution submitted to voting, he may arrange the counting of the votes cast; in the event that the chairman of the meeting has not counted the votes but shareholders or their proxies present at the meeting disagree with the results announced by the chairman, they shall have the right to request vote counting immediately after the voting results are announced. The chairman shall immediately arrange the counting of votes.

**Article 123** In the event that votes are counted at a shareholders' general meeting, the counting results shall be recorded in the minutes. The minutes together with the signature book containing the attending shareholders and the powers of attorney of the attending proxies shall be kept in the Company's domicile.

**Article 124** Resolutions made at a shareholders' general meeting shall be announced promptly in accordance with the listing rules of the place of listing of the Company's shares. The announcement shall set out details on the number of shareholders and proxies present at the meeting, the total number of voting shares held and the percentage of the total number of voting shares of the Company, voting method, voting results of each proposal and the details of the resolutions passed. The announcement shall contain respective statistical figures on the holders of domestic and foreign shares, and preference shareholders with voting rights present at the meeting as well as their voting, and an announcement thereon shall be made.

**Article 125** In the event that a proposal is not passed, or a resolution passed at a previous shareholders' general meeting is modified at this shareholders' general meeting, a special note shall be made in the announcement on the resolutions made at the shareholders' general meeting.

**Article 126** In the event that a proposal on the election of directors and supervisors is passed at a shareholders' general meeting, the new directors and supervisors shall assume office at the time of passing the relevant election proposal at the shareholders' general meeting.

**Article 127** In the event that a proposal on the distribution of cash dividends or bonus shares or on share capital increase with transfers from the capital reserves is passed at a shareholders' general meeting, the Company shall implement a specific scheme thereon within two months after the end of the shareholders' general meeting.

**Article 128** Shareholders may inspect a copy of the minutes free of charge during the office hours of the Company. In the event that a shareholder wants to obtain a copy of the relevant minutes from the Company, the Company shall send out the copy within seven days of verifying the identity of the shareholder and charging a reasonable fee.

## Chapter 9 Special Procedures for Voting by Class Shareholders

**Article 129** Shareholders holding shares that are a different class of shares shall be class shareholders holding that class of shares.

Class shareholders shall enjoy rights and undertake obligations in accordance with laws, administrative regulations and the provisions hereof.

**Article 130** In the event that the Company intends to alter or abolish the rights of class shareholders, such alteration or abolition may only be made after it is passed by special resolution at a shareholders' general meeting, and at shareholders' meetings respectively convened by affected class shareholders in accordance with Article 132 to Article 136.

In the event that any changes in the domestic and foreign laws, administrative regulations and the listing rules of the place of listing as well as any decisions made by domestic and foreign regulators according to law result in any alteration or abolition of the rights of class shareholders, approval of a shareholders' general meeting or class meeting shall not be required.

For the purpose of Article 18, the transfer by the Company's holders of domestic shares of the shares held thereby to overseas investors for listing overseas shall not be deemed as the Company's intention to alter or abolish the rights of class shareholders.

**Article 131** The following scenarios shall be deemed as alteration or abolition of the rights of a class shareholder:

- (1) increase or decrease the number of shares of that class, or increase or decrease the number of shares of a class entitled to equal or more voting rights, distribution rights and other privileges as the shares of that class;
- (2) change all or part of the shares of that class to the shares of another class, or change all or part of the shares of another class to the shares of that class or grant the conversion rights thereto;
- (3) cancel or reduce the rights owned by the shares of that class to acquire the accrued dividends or cumulative dividends;
- (4) reduce or cancel the rights owned by the shares of that class to the priority to obtain dividends or the distribution of property during the liquidation of the Company;
- (5) increase, cancel or reduce the share conversion rights, options, voting rights, transfer rights, priority placement rights and the rights to obtain securities of the Company owned by the shares of that class;
- (6) cancel or reduce the rights owned by the shares of that class to receive payables from the Company in a particular currency;
- (7) establish a new class entitled to equal or more voting rights, distribution rights or other privileges as the shares of that class;
- (8) impose restrictions on or increase such restrictions on the transfer or ownership of the shares of that class;



- (9) issue share options or share conversion rights in respect of the shares of that or another class;
- (10) increase the rights and privileges of the shares of other classes;
- (11) a corporate restructuring programme constitutes the unproportionate distribution of responsibilities undertaken by the shareholders of different classes in the restructuring;
- (12) modify or repeal the clauses hereof.

**Article 132** Affected class shareholders, regardless of formerly having at shareholders' general meetings or not, shall have voting rights relation to matters in (2) to (8) and (11) to (12) of Article 131. Shareholders shall not have any voting rights at class meetings.

For the purpose of the preceding paragraph, the expression "interested shareholders" shall have the following meanings:

- (1) when the Company makes a buyback offer to all shareholders by the same proportion in accordance with Article 33 hereof, or buys back its own shares through public trading on a stock exchange, "interested shareholders" mean the controlling shareholders as defined under Article 304 hereof;
- (2) when the Company buys back its own shares by agreement outside a stock exchange in accordance with Article 33 hereof, "interested shareholders" mean the shareholders in relation to that agreement;
- (3) in a corporate restructuring programme, "interested shareholders" mean the shareholders who undertake obligations at a proportion lower than that of the other shareholders of the same class, or the shareholders having an interest different from that of other shareholders of that class.

**Article 133** Resolutions may only be made at a class meeting after they are passed by votes representing more than two-thirds of the shareholders with voting rights present thereat in accordance with Article 132 hereof.

The quorum for convening meetings of shareholders of various classes of shares for altering the rights of any class of shares (other than adjourned meetings) shall be at least one-third of the holders of the issued shares of that class.

**Article 134** To convene a class meeting, the Company shall issue a written notice forty-five days prior to the meeting, notifying all the shareholders of that class of shares on the register of the matters to be considered thereat as well as the date and venue of the meeting. The shareholders who intend to attend the meeting shall serve written replies to the Company twenty 20 days prior to the meeting.

In the event that the number of shares with voting rights at the meeting represented by the shareholders who intend to attend the meeting reach more than half of the total number of shares of that class with voting rights thereat, the Company may hold the class meeting, if not, the Company shall within five days notify shareholders once again of the matters to be considered as well as the date and venue of meeting by way of announcement. Once a notice is made by announcement, the Company may hold the class meeting.

In the event that the listing rules in the place of listing of the Company's shares provide otherwise, such provisions shall be followed.

**Article 135** In the event that a class meeting is held by sending a notice of the meeting, it shall only need to give the notice to the shareholders with the rights to vote thereat.

The procedures for convening a class meeting shall be as similar as possible to those for convening a shareholders' general meeting. The clauses herein regarding the procedures for convening a shareholders' general meeting shall apply to class meetings.

**Article 136** Other than the shareholders of other classes of shares, holders of domestic shares and overseas-listed foreign shares shall be deemed as shareholders of different classes.

The following scenarios shall not apply to the special procedures for voting by class shareholders:

- (1) with the approval by special resolution at a shareholders' general meeting, the Company issues either domestic shares or overseas-listed foreign shares and both of them at an interval of twelve months, and the respective number of the proposed domestic shares and overseas-listed foreign shares does not exceed twenty percent of the outstanding shares of that class;
- (2) the Company's plan to issue domestic shares and overseas-listed foreign shares during its establishment is completed within fifteen months of the approval by the securities competent authority of the State Council;
- (3) with the approval by the securities regulatory authority of the State Council, the Company's holders of domestic shares transfer their shares to overseas investors for listing overseas.

## **Chapter 10 The Board**

### **Section 1 Directors**

**Article 137** Directors shall be elected or changed by the general meeting. The term of office of directors is three (3) years, renewable upon re-election at its expiry.

Written notice of the intention to nominate director candidates and their consent to accept the nomination shall be lodged with the Company no later than seven (7) days before the holding of the general meeting.

The general meeting may by ordinary resolution remove any director before the expiry of his term of office (but without prejudice to such director's right to claim damages under any contract), subject to full compliance with the relevant laws and administrative regulations.

The term of office of directors commences from the date of appointment up to the expiry of the current term of office of the Board. In the event that the term of a director falls upon expiry whereas the new member of the Board is not re-elected in time, the existing director shall continue to perform his duties in accordance with laws, administrative regulations, rules of regulatory authorities and the provisions of the Articles of Association until the re-elected director assumes office.

Directors may hold a concurrent post as President or other senior management member of the Company, provided that the total number of directors who are serving concurrently as President or other senior management members shall not exceed half of the total number of the Company's directors.

Directors are not required to hold any shares in the Company.

**Article 138** A director who cannot attend the meetings of the Board in person twice consecutively nor appointed any other directors to attend on his behalf is deemed as failure in performing the duties, and shall be subject to replacement as recommended by the Board at the general meeting.

**Article 139** Directors may request to resign before expiry of their terms of office. The directors to resign shall submit to the Board a written report in relation to their resignation. The Board shall disclose the relevant information within two (2) days.

In the event that the resignation of any director results in the number of members of the Board falling below the quorum, the existing director shall continue to perform his duties in accordance with the laws, administrative regulations, rules of regulatory authorities and the provisions of the Articles of Association until the re-elected director assumes office.

Other than the circumstances referred to in the preceding paragraph, the resignation of a director shall become effective upon submission of his resignation report to the Board.

**Article 140** Upon a director's resignation becoming effective or at the expiry of his office, the director shall complete all handover procedures to the Board, and his fiduciary obligations to the Company and the shareholders shall not necessarily cease after the termination of tenure and shall remain effective within a reasonable period stipulated under the Articles of Association.

**Article 141** No directors shall act, in their personal capacity, on behalf of the Company or the Board if not provided in the Articles of Association or appropriately authorised by the Board. A director shall, when acting in his personal capacity, state his standing and identity in advance whenever a third party may reasonably believe that the said director is acting on behalf of the Company or the Board.

**Article 142** A director who violates any laws, administrative regulations, rules of regulatory authorities or the Articles of Association during the course of performing his duties shall be liable for indemnification to any loss so caused to the Company.

## Section 2 Independent Directors

**Article 143** The Company shall have independent directors. In performing their duties, independent directors shall pay close attention to legitimate rights and interests of minority shareholders.

Unless otherwise specified in this section, independent directors are subject to provisions regarding the qualifications and obligations of directors as set out in Chapter 14 hereof and the relevant provisions of the regulations of the jurisdiction where the shares of the Company are listed.

**Article 144** Independent director of the Company refers to a director who holds no position other than as a director of the Company, has no connection with the Company and its substantial shareholders (defined as shareholders severally or jointly holding five percent or more interests in total number of shares in the Company with voting rights) which might hamper his independent and objective judgment, and complies with the requirements on independence as stipulated in the rules of the stock exchange(s) on which the Company's shares are listed.

**Article 145** An independent director shall have the qualifications that matches the duties he performs and meet the following basic requirements:

- (1) being qualified for holding the position of independent director in a listed company in accordance with the laws, administrative regulations and other relevant requirements;
- (2) performing duties independently and not being affected by any of substantial shareholders and ultimate beneficial owner of the Company or any other entity or individual that is materially interested in the Company;
- (3) having basic knowledge on operation of listed companies and familiar with the relevant laws, administrative regulations and rules;
- (4) having at least five (5) years of work experience in legal or economic areas or other experience indispensable for performing the duties as an independent director;
- (5) ensuring sufficient time and energy to effectively perform the duties as an independent director;
- (6) having obtained the qualification certificate for independent directorship as required by the applicable regulations of the jurisdiction where the shares are listed;
- (7) other conditions on qualifications of independent directors provided in the regulations of the jurisdiction where the shares are listed or the Articles of Association. other conditions on qualifications of independent directors provided in the regulations of the jurisdiction where the shares are listed or the Articles of Association.

**Article 146** The following persons shall not serve as independent directors:

- (1) any person employed by the Company or its subsidiaries and his immediate family members and major social connections (the former refer to spouses, parents and children, and the latter refer to siblings, parents-in-law, sons/daughters-in-law, spouses of siblings, siblings of spouses, etc.);
- (2) any natural person shareholders who directly or indirectly hold one percent or more of the Company's voting shares or are among the top ten shareholders of the Company and their immediate family members;
- (3) any person employed by a corporate shareholder which directly or indirectly holds five percent or more of the Company's voting shares or employed by a corporate shareholder which is among the top five corporate shareholders of the Company and his immediate family members;
- (4) any person employed by the ultimate beneficial owner of the listed company and its subsidiaries;
- (5) any persons providing financial, legal or consulting services to the Company and its controlling shareholders or their respective subsidiaries, including all members of the project team of intermediaries, reviewing officers at all levels, persons signing the report, partners and principal officers in charge;
- (6) any person serving as director, supervisor or senior management member in the companies which have significant business relations with the Company and its controlling shareholders or his respective subsidiaries, or any person serving as director, supervisor or senior management members in the controlling shareholders of the said companies;
- (7) any person who fell into to the aforesaid categories (1) to (6) within the preceding year;
- (8) any other person excluded from the position of independent director by the Articles of Association;
- (9) any other person determined by the CSRC or the stock exchange(s) as inappropriate candidates to independent directors.

**Article 147** At least one-third of the members of the Board shall be independent directors, including at least one accounting professional. The Company shall make up for the number of independent directors as required herein to fill a vacancy due to any independent director failing to meet the requirements on independence or otherwise being found unsuitable for performing the duties as an independent director.

**Article 148** Independent directors of the Company shall be elected in accordance with the following procedures:

- (1) The Board, the supervisory committee or shareholder(s) severally or jointly holding one percent or more of the Company's voting shares shall have the right to nominate candidates for independent directors to be elected at a general meeting.
- (2) The nominator shall have adequate knowledge of the profession, education, professional title and detailed work experience as well as status of all part-time jobs of the nominee, and shall comment on the qualification and independence of the nominee as an independent director. The nominee shall make a public statement disclaiming any relationship between him and the Company that would affect an independent and objective judgment.
- (3) Before convening the general meeting for the election of independent directors, the Board shall make announcement regarding the above matters as required.
- (4) Before convening the general meeting for the election of independent directors, the Company shall submit the relevant information of all the nominees to the CSRC and its local office for the Company's domicile and the stock exchange(s) on which the Company's shares are listed. Dissenting opinions of the Board with regard to the nominees, if any, shall also be submitted in written.

Nominees of independent directors objected by the CSRC may be candidates for directors (but not independent directors) of the Company.

At the general meeting for the election of independent directors, the Board shall make clear whether the nominees of independent directors are objected to by the CSRC.

**Article 149** The term of office of independent directors is the same as other directors of the Company, renewable upon re-election at its expiry, provided that the renewed term shall not exceed six (6) years.

**Article 150** Independent directors shall have the following special duties and powers in addition to those vested to directors of the Company:

- (1) any major connected transaction as defined in the listing rules of the jurisdiction where the shares are listed shall be approved by independent directors before being submitted to the Board for discussion;
- (2) before making a judgement, independent directors may engage an intermediary to issue the independent financial adviser's report as the basis for their judgment;
- (3) to propose to the Board for the appointment or dismissal of accounting firms;
- (4) to propose to the Board for the convening of extraordinary general meeting;
- (5) to propose the convening of board meetings;
- (6) to independently engage external auditing firms and consultancy firms;
- (7) to openly solicit and collecting proxies before the convening of a general meeting.

The expenses incurred for engagement of intermediaries by independent directors and other expenses for performing their duties and powers shall be borne by the Company.

**Article 151** To exercise the aforesaid duties and powers of independent directors, the consents of more than half of all independent directors shall be secured. In the event that any of the aforesaid proposals are not adopted or any of the aforesaid duties and powers cannot be exercised properly, the Company shall disclose the details thereof.

**Article 152** In addition to exercising the aforesaid duties, independent directors shall also express their independent opinions to the Board or the general meeting on the following matters:

- (1) nomination, appointment and removal of directors;
- (2) appointment or removal of senior management members;
- (3) remuneration of the Company's directors and senior management members;
- (4) the existing or new loans or other current accounts repayable to the Company by its shareholders, ultimate beneficial owner and their affiliates with a total amount in excess of RMB three million or five percent of the Company's latest audited net asset value, and whether or not the Company has taken effective measures to recover the amounts due;
- (5) any matters that, in the opinion of independent directors, may impair the rights and interests of the minority shareholders;
- (6) impact of the issuance of preference shares on all kinds of shareholders' equity;
- (7) other matters required by the relevant laws and regulations or the Articles of Association.

Independent directors shall express one of the following opinions in respect of the aforesaid matters: consent opinion; qualified opinion and the reasons thereof; objection opinion and the reasons thereof; unable to express an opinion and the reasons thereof.

In the case that the relevant matters are discloseable, the Company shall make an announcement of the opinions of independent directors. Should no consensus be reached by independent directors, the Board shall disclose the opinion of each independent director respectively.



### **Section 3 The Board**

**Article 153** A board of directors of the Company shall be established to report to the Shareholders' general meeting.

**Article 154** The Board shall consist of seven (7) to nine (9) members, including one Chairman and one to two Vice Chairmen.

Chairman and Vice Chairman shall be elected and removed by a simple majority of votes of all directors. The term of office of Chairman and Vice Chairman is three (3) years and renewable upon re-election.

**Article 155** The Board shall exercise the following duties and powers:

- (1) to convene general meetings and report to the meetings;
- (2) to implement the resolutions passed at general meetings;
- (3) to determine the Company's business plans and investment and financing schemes;
- (4) to prepare the Company's annual financial budget and final accounts;
- (5) to formulate the Company's profit distribution plan and loss recovery plan;
- (6) to formulate proposals for increases or reductions of the Company's registered capital and for the issuance and listing of corporate bonds or other securities;
- (7) to draft plans for material acquisition, share repurchase, merger, division, dissolution or change in corporate form;
- (8) to determine matters relating to the Company's external investment, asset acquisition and disposal, asset mortgage/pledge, external guarantee, asset management mandate and connected transaction within the authorisation of the general meeting;
- (9) to determine the establishment of the Company's internal management structure;
- (10) to determine the plans for conversion, division, reorganisation or dissolution of the Company's subsidiaries;
- (11) to determine the income distribution plans for the Company's employees;
- (12) to determine the establishment and cancellation of the Company's branches;
- (13) to appoint or dismiss the Company's President, the secretary of the Board and the chairmen of the special committees of the Board; and pursuant to the president's nominations, to appoint or dismiss senior officers including vice presidents and chief financial officer of the Company and to decide on their remuneration, rewards and penalties;

- (14) to appoint or replace any directors and supervisors representing shareholders of the Company's wholly-owned subsidiaries, and to appoint, replace or nominate shareholders' representatives, directors (candidates) and supervisors representing shareholders (candidates) of the Company's subsidiaries and associated companies;
- (15) to formulate the Company's basic management system;
- (16) to determine and to monitor the implementation of the Company's risk management system, including risk assessments, financial control, internal audit and legal risk control;
- (17) to formulate the proposed amendments to the Articles of Association;
- (18) to deal with information disclosures of the Company;
- (19) to propose to the general meeting for appointment or replacement of the accounting firms serving as the auditors of the Company;
- (20) to receive work report submitted by the president and to review his performance;
- (21) to exercise other duties and powers specified in the laws, administrative regulations, rules of regulatory authorities or the Articles of Association and conferred by the shareholders at general meetings.

The Board's resolutions on the matters in the preceding paragraph, save for items (6), (7) and (17) which shall require the consent of two-thirds or more of the directors, shall be passed by a simple majority of all directors unless otherwise expressly specified in the listing rules of the jurisdiction where the shares are listed or the Articles of Association.

Under necessary, reasonable and legitimate circumstances, the Board may authorise the president and the management of the Company to determine the specific issues which are relevant to the matters being resolved but are unable or unnecessary to be determined immediately at a board meeting.

In case of a subject matter falling within the scope of ordinary resolution, an authorisation by the Board to the president and the management shall be passed by a simple majority of all directors; or in case of a significant matter, by two-thirds or more of all members of the Board. The content of authorisation shall be clear and specific.

Resolutions made by the Board in relation to connected transactions shall not come into effect until signed by independent directors.

**Article 156** The Board shall formulate the rules of procedures for the Board to ensure its implementation of the resolutions passed at the general meeting to enhance efficiency and to ensure scientific decisionmaking. Such rules of procedures, as one of the appendices to the Articles of Association defining the convening and voting procedure of board meetings, shall be formulated by the Board and subject to approval by the general meeting.

**Article 157** Prior to making decisions on material issues of the Company, the Board of Directors shall first hear the opinions of the Party Committee. When the Board appoints senior management members of the Company, the Party Committee shall consider and provide opinions on the candidates nominated by the Board of Directors or the president, or recommend nominees to the Board of Directors or the president.

**Article 158** The Board shall set up special committees to assist the Board fulfil the duties as authorised by the Board. The special committees under the Board include strategy and investment committee, audit and internal control committee, remuneration and review committee, nomination committee, etc. The special committees shall be accountable to the Board and consist of directors. In the remuneration and review committee, independent directors shall be the majority and shall act as Chairman. The nomination committee shall be chaired by the chairman of the Board or an independent non-executive director, and independent non-executive directors shall be the majority or the diversity policy of the Board shall be specified. The policy or summary shall be disclosed in corporate governance report. In the audit and internal control committee, independent directors shall be the majority and shall act as Chairman, who must have relevant professional experience in accounting or financial management, and all members of the audit and internal control committee shall have special knowledge and business experience capable of fulfilling duties of the audit and internal control committee. Where necessary, the Board may also set up other committees and adjust the existing committees. The Board shall formulate rules of procedures for respective special committees.

**Article 159** The main duties of the strategy and investment committee under the Board are:

- (1) to study corporate development strategies and mid-to long-term development plans, make recommendations, conduct assessment and monitor the implementation thereof;
- (2) to study the proposal for increases or reductions of the Company's registered capital, issuance of corporate bonds, merger, division and dissolution and make recommendations;
- (3) to study material business restructuring, external acquisition, merger and disposal of assets of the Company and make recommendations;
- (4) to study the development initiatives of new markets and businesses and make recommendations;
- (5) to study the Company's annual investment plans and make recommendations, to study the Company's plans on investments, financing and capital operations that are subject to the approval of the Board and make recommendations;
- (6) to study the Company's material organisational restructuring and adjustment proposals and make recommendations;
- (7) to instruct and oversee the implementation of relevant resolutions of the Board;
- (8) other duties and powers as authorised by the Board.

**Article 160** The main duties of the audit and internal control committee under the Board are:

- (1) to supervise and assess the work of external auditors;
- (2) to instruct the work of internal auditors;
- (3) to review and comment on the financial report of the Company;

- (4) to assess the effectiveness of the Company's internal control system, to examine and monitor the effectiveness of the Company's financial reporting system, internal control system and risk management framework;
- (5) to serve as an intermediate between the management, internal auditors and relevant departments and external auditors;
- (6) to conform with the due duties and responsibilities as prescribed under the Corporate Governance Code formulated by The Stock Exchange of Hong Kong Limited;
- (7) other affairs as authorised by the Board and other issues involved in related laws and regulations.

**Article 161** The main duties of the remuneration and review committee under the Board are:

- (1) to define the performance assessment criteria for directors, supervisors and senior management members, conduct such assessments and make recommendations;
- (2) to define and review the remuneration policies and packages for directors, supervisors and senior management members;
- (3) other duties and powers as authorised by the Board.

**Article 162** The main duties of the nomination committee under the Board are:

- (1) to set up a policy concerning diversity of the members of the Board and disclose its policy or summary on the Corporate Governance Report;
- (2) to review the structure, size and composition of the Board (including the skills, knowledge and experience) at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (3) to study the selection criteria, procedures and methods for the Company's directors, the president and the secretary of the Board, and make recommendations to the Board;
- (4) to review the candidates to directors, the president and the secretary of the Board and make recommendations;
- (5) to assess the independence of independent directors;
- (6) to make recommendations to the Board on relevant matters relating to the appointment or reappointment of directors and succession planning for directors in particular the Chairman and the Chief Executive Officer;
- (7) to assess the candidate to the secretary of the Board nominated by the Chairman and candidates to vice presidents, chief financial officer and other executives nominated by the president, and submit an assessment report to the Board;

- (8) to recommend the candidates to directors and supervisors representing shareholders of the wholly-owned subsidiaries as well as shareholders' representatives, directors (candidates) and supervisors representing shareholders (candidates) of the subsidiaries and associated companies, subject to the approval by the Board;
- (9) to identify candidates for the recruiting posts from domestic and overseas talent markets and internal resources;
- (10) other duties and powers as authorised by the Board.

**Article 163** The Board shall not, without prior approval of shareholders in a shareholders' general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate of the expected value of the consideration for the proposed disposal and the value of the consideration for any disposal of fixed assets in the four months immediately preceding the proposed disposal exceeds thirty-three percent of the value of the Company's fixed assets as stated in the latest balance sheet approved by the general meeting.

A "disposal of fixed assets" as referred to in this Article includes the transferral of interest in certain assets but excludes the usage of fixed assets for provision of guarantee.

The effectiveness of transaction of the Company's disposal of fixed assets will not be affected by a breach of the first paragraph of this Article.

**Article 164** The Board shall explain to the general meeting any non-standard audit opinions issued by the certified public accountants on the Company's financial statements.

**Article 165** In making decisions on issues such as external investment, asset acquisition and disposal, asset mortgage or pledge, external guarantee, asset management mandate and connected transaction, the Board shall establish strict examination and decision making procedures; and organise relevant experts and professionals to make assessments on major investment projects.

The aforesaid matters, if subject to consideration at the general meeting under relevant laws and regulations or the regulations of the jurisdiction where the shares are listed, shall be approved by the Board before submitting to the general meeting for approval.

**Article 166** The Chairman of the Board shall perform the following duties and powers:

- (1) to preside over general meetings and to convene and preside over board meetings;
- (2) to check the implementation of resolutions of board meetings;
- (3) to sign securities certificates issued by the Company;
- (4) to define the systems necessary for the operations of the Board, and to coordinate its operation;
- (5) to sign important documents of the Board and, on behalf of the Company, the legally binding important documents;

- (6) to exercise special disposition power on corporate events in accordance with the laws and the Company's interests in case of force majeure or an emergency that precludes the convening of a board meeting on a timely basis, and provide post-event reports to the Board;
- (7) to exercise certain duties and powers of the Board as authorised by the Board during the intermission of board meetings;
- (8) other duties and powers under the laws and regulations and the Articles of Association;
- (9) other duties and powers as authorised by the Board.

In the event that the Chairman is unable to exercise his duties and powers, the Chairman may designate a Vice Chairman to exercise on his behalf.

**Article 167** The Vice Chairman shall assist the Chairman in performing his duties. If the Chairman is unable or fails to perform his duties, such duties shall be performed by the Vice Chairman (or by the Vice Chairman to be elected by half or more of all directors in the event that there are two or more Vice Chairmen); If the Vice Chairman is unable or fails to perform his duties, a director shall be elected jointly by half or more of all directors to perform such duties.

**Article 168** Board meetings include regular meetings and extraordinary meetings. The Board shall at least hold one regular meeting in the first half and in the second half of each year respectively. Board meetings shall be convened by the Chairman. Notice of the meeting shall be served on all directors and supervisors ten (10) days before the date of the meeting.

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

- (1) it is proposed by shareholders holding more than one-tenth of the Company's voting shares;
- (2) it is proposed by more than one-third of the Directors;
- (3) it is proposed by the Supervisory Committee;
- (4) the Chairman of the Board deems it necessary;
- (5) it is proposed by more than half of independent directors;
- (6) it is proposed by the president;
- (7) other circumstance specified in laws, administrative regulations and these Articles of Association arises.

**Article 169** The Board Office shall send the written notice of meeting bearing its seal to all directors and supervisors, president and the secretary of the Board by hand, fax, email or other modes within ten (10) days or five (5) days respectively before a regular or extraordinary board meeting. Where the notice is not served by direct delivery, telephone acknowledgement and relevant records shall be made.

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

**Article 170** A written notice of board meeting shall at least include:

- (1) time and venue of the meeting;
- (2) the form of the meeting;
- (3) matters to be considered (proposals to the meeting);
- (4) convener and chair of the meeting, the proponent of the extraordinary meeting and his written proposal;
- (5) meeting materials needed for voting of directors;
- (6) requirement for directors to attend the meeting in person or by proxy;
- (7) date on which the notice is sent, contact person and means of contact.

An oral notice of the meeting shall at least include (1) and (2) above and the explanation for the urgent convention of the extraordinary board meeting due to emergency.

**Article 171** A board meeting shall be attended by a simple majority of all directors. If the quorum of the meeting cannot be met as a result of any director's refusal to attend or absence without reasons, the Chairman and the secretary of the Board shall report to the regulatory authorities in time.

Supervisors may attend board meetings. The President and the secretary of the Board, if not serving as directors concurrently, shall attend board meetings. The chair of meeting may, if considered necessary, notify other relevant persons to attend the board meeting.

**Article 172** In principle, directors shall attend board meetings in person. If a director is unable to attend the meeting in person for any reason, he shall review the meeting materials and furnish clear opinions in advance and appoint other director to attend the meeting on his behalf. The power of attorney shall set out:

- (1) names of the principal and the proxy;
- (2) brief opinions of the principal on each proposal;
- (3) scope and term of validity of the authorisation and the principal's directions for voting intent on respective proposals;
- (4) signature of the principal, date, etc.

The director who appoints other director to sign a written confirmation on regular report on his behalf shall specify such authorisation in the power of attorney.

The proxy director shall present the power of attorney in written to the chair of meeting and explain proxy attendance in the attendance book, and shall exercise rights of directors within the scope of authorisation. A director failing to attend a board meeting either in person or by proxy shall be deemed as having waived his right to vote at the meeting.

**Article 173** After adequate discussion of each proposal, the chair of meeting shall timely request the attending directors to vote.

Each director attending the meeting has a ballot of voting right in the forms such as open ballot and written.

The voting intent of a director may be “for”, “against” or “abstain”, from which each attending director shall choose one. The chair of meeting shall require those who fail to choose or simultaneously choose two or more intents to re-choose, otherwise such directors shall be deemed as having abstained from voting; anyone who has left the meeting midway without coming back and failed to choose shall be deemed as having abstained from voting.

**Article 174** Except as specified in Article 175 herein, a resolution on a proposal considered and passed at a board meeting shall be voted for by more than half of all directors, each entitled to one ballot. If the approval of more directors is required in reaching the resolutions of the board meeting by laws, administrative regulations and the Articles of Association, such requirements shall apply.

A resolution made by the Board on any guarantee within its scope of authority in accordance with the Articles of Association shall be subject to the approval of a simple majority of all directors and two-thirds or more of the directors present at the meeting.

If different resolutions conflict with each other in content and meanings, the resolution formed later shall prevail.

**Article 175** In any of the following circumstances, a director shall abstain from voting on relevant proposals and shall not vote on half of other directors:

- (1) where the director shall abstain from voting as required by the listing rules of the stock exchange(s) on which the Company’s shares are listed;
- (2) where the director himself considers he should abstain from voting;
- (3) other circumstances that the director is connected with the enterprises that are involved in proposals of the meetings and shall therefore abstain from voting as required by the Articles of Association.

Where any director abstains from voting, the relevant board meeting may be held with attendance of a simple majority of non-connected directors, and the resolutions made shall be passed by a simple majority of non-connected directors. If the number of non-connected directors present at the meeting is less than three (3), the relevant proposals shall not be voted on and shall be submitted to the general meeting for consideration.

**Article 176** Where one-fourth or more of the attending directors or two or more independent directors consider any proposal not clear or specific, or that judgement cannot be made due to other reasons including inadequate meeting materials, such directors may jointly request that the board meeting or the discussion of certain matters at the meeting to be postponed, and the Board shall accept such request.

The directors who propose for postponing the voting shall put forward specific requirements for reconsideration of the subject proposal.



**Article 177** The decisions on the matters considered at board meetings shall be recorded as minutes, which shall be signed by the attending directors, the secretary of the Board and persons recording the minutes. Directors shall be liable for the resolutions of the Board. Where a resolution of the Board violates the laws, administrative regulations or the Articles of Association and results in serious losses to the Company, the directors involved in such resolution shall be liable for indemnification to the Company, provided that the director who has expressly objected to the resolution put forward for voting which is proven and recorded in the minutes of the meeting can be exempted from such liabilities.

**Article 178** The meeting minutes shall include the following:

- (1) numbering and session, time, venue and form of the meeting;
- (2) despatching of the notice of meeting;
- (3) convener and chair of the meeting;
- (4) information of the directors attending in person or by proxy;
- (5) the proposals considered at the meeting; the gist of speech, key opinions on relevant matters and voting intents for the proposals of each director;
- (6) voting method and result in respect of each proposal (provide the number of votes of “for,” “against” and “abstain” respectively);
- (7) other matters to be recorded in the opinion of the attending directors.

**Article 179** Archives of board meetings, including notices of meeting, meeting materials, attendance book, power of attorney for attendance by proxy, voice recording of meeting, ballots, meeting minutes signed by the attending directors for confirmation, meeting summaries, resolution records, announcement of resolutions, etc., shall be kept by the secretary of the Board.

Archives of board meetings shall be kept for at least ten (10) years.

## Chapter 11 Secretary of the Board

**Article 180** The Company shall have a secretary of the Board, who shall be a senior management member.

**Article 181** The secretary of the Board shall be a natural person who has the necessary professional knowledge and experience and shall be appointed by the Board, with tasks mainly including:

- (1) to ensure that the Company has complete organisational documents and records, to assist directors to deal with daily work of the Board, to continuously provide directors with, remind them of, and ensure that they are informed of, laws, regulations, policies and requirements of both domestic and overseas regulatory authorities concerning the Company's operations, and to assist directors and the president to follow domestic and overseas laws and regulations, the Articles of Association and any other relevant regulations in performing their duties and powers;
- (2) to be responsible for the organisation and preparation of documents for board meetings and general meetings, to take meeting minutes, to ensure that the decision-making at meeting is in conformity with statutory procedures, and to keep informed of the progress of implementation of resolutions of the Board;
- (3) to be responsible for the organisation and coordination of information disclosure to enhance the transparency of the Company;
- (4) to well handle the Company's relationship with intermediaries, regulatory authorities and the press as well as public relations.

The major duties of the secretary of the Board are:

- (1) to organise and prepare for board meetings and general meetings, prepare meeting materials, arrange for meeting affairs, take minutes of meeting and ensure their accuracy, keep meeting documents and minutes, and proactively monitor the progress of implementation of relevant resolutions; to report any important issues during the implementation to the Board and make recommendations;
- (2) to ensure significant matters decided by the Board to be carried out strictly in accordance with the procedures stipulated; at request of the Board, to participate in and arrange consultation and analysis of the matters to be resolved by the Board and propose relevant opinions and recommendations; to handle the day-to-day affairs of the Board and its committees as entrusted;
- (3) to act as the liaison officer of the Company with securities regulatory authorities; to be responsible for organising, preparation and timely submission of the documents required by regulatory authorities as well as accepting and organising the implementation of the assignments from regulatory authorities;
- (4) to coordinate and organise the Company's information disclosure, establish and improve the information disclosure system, participate in all meetings involving information disclosure of the Company, and keep informed of the Company's major operation decisions and related information in a timely manner;

- (5) to keep confidential the Company's price-sensitive information and establish effective confidentiality systems and measures; to take necessary remedial measures such as explanation and clarification in a timely manner in case of any divulgence of the Company's price-sensitive information due to any reason, and notify the regulatory authorities in overseas jurisdictions where the shares of the Company are listed and the CSRC;
- (6) to coordinate reception of visitors, maintain relationship with the media, coordinate replies to enquiries from the public, and take care of the reports to the CSRC;
- (7) to ensure that the Company's register of members is properly maintained, and that the persons entitled to access to the relevant records and documents are furnished with such records and documents timely;
- (8) to assist directors and the president performing their duties and powers in full compliance with the domestic and foreign laws, regulations, the Articles of Association and other relevant provisions; upon knowing the Company passing or likely to pass a resolution in violation of relevant provisions, to be obliged to give timely reminder and have the right to faithfully report the fact to the CSRC and other regulatory authorities;
- (9) to coordinate the provision of necessary information to the supervisory committee of the Company and other supervising bodies, and assist in the investigations on whether the Company's chief financial officer, directors and the president have acted in good faith in performing their duties;
- (10) to perform other duties and powers as conferred by the Board and as required by the laws of the jurisdictions where the Company's shares are listed.

**Article 182** A director or other senior management member may also serve as the secretary of the Board. An accountant of the accounting firm appointed by the Company shall not act as the secretary of the Board.

Where a director concurrently acts as the secretary of the Board, and in the event an action shall be done by a director and the secretary of the Board separately, the person who holds the offices of director and the secretary of the Board shall not act in dual capacity.

## Chapter 12 President and Other Senior Management Members

**Article 183** The Company shall have one (1) president and several vice presidents who shall be appointed or removed by the Board. The term of office of the president and vice presidents is three (3) years, renewable upon re-election.

Vice presidents and chief financial officer shall assist the president's work and report to the president.

A director may serve as the president or a vice president concurrently.

**Article 184** Persons assuming offices other than director in the controlling shareholder and/or in the ultimate beneficial owner of the Company shall not serve as senior management members of the Company.

**Article 185** The president shall be accountable to the Board and perform the following duties and powers:

- (1) to be in charge of the Company's production, operation and management, to organise the implementation of the resolutions of the Board, and to report to the Board;
- (2) to organise the implementation of the Company's annual business plans and investment schemes;
- (3) to prepare the Company's annual financial budget and final accounts, and make recommendations to the Board;
- (4) to draft the plans for conversion, division, reorganisation or dissolution of the Company's wholly-owned subsidiaries;
- (5) to formulate the salary level and distribution plan for employees, and determine the employment and dismissal of employees of the Company;
- (6) to draft plans for the establishment of the Company's internal management structure;
- (7) to draft plans for the establishment of the Company's branches;
- (8) to draft the Company's basic management system;
- (9) to formulate specific rules and regulations of the Company;
- (10) to propose to the Board for appointment or removal of the Company's vice presidents and chief financial officer;
- (11) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board;
- (12) to propose to convene an extraordinary board meeting;
- (13) other duties and powers conferred by the Articles of Association and the Board.

**Article 186** The president shall be in attendance at board meetings, where the president, if not being a director, shall have no right to vote.

**Article 187** The president shall formulate the work rules, subject to the approval by the Board before implementation.

**Article 188** The work rules for the president shall include the following:

- (1) conditions, procedures and participants of the president's meetings;
- (2) specific duties and the assignment of responsibility for the president and other senior management members;
- (3) usage of capital and assets, authorities to enter into major contracts, and the systems for reporting to the Board and the supervisory committee;
- (4) other matters deemed as necessary by the Board.

**Article 189** The president may request to resign before expiry of his terms of office. The procedures and formalities of such resignation shall be governed by the employment contract between the president and the Company.

**Article 190** The senior management of the Company shall, in performing duties and powers, act in good faith and with due diligence in accordance with the laws, administrative regulations and the Articles of Association. If the senior management of the Company violates the laws or breaches the Articles of Association in the course of performing duties, which causes losses to the Company, the senior management shall be liable for damages.

**Article 191** The president of the Company is in charge of the daily management of the Company and shall hear the opinions of the Party Committee of the Company in advance for study and decision on material issues in relation to the production, operation and management of the Company

## **Chapter 13 Supervisory Committee**

### **Section 1 Supervisors**

**Article 192** Directors, the president and other senior management members of the Company shall not serve concurrently as supervisors.

**Article 193** The term of office of supervisors is three (3) years, renewable upon re-election at its expiry.

**Article 194** In the event that the term of a supervisor falls upon maturity whereas new member of the supervisory committee is not re-elected in time or the resignation of any supervisor results in the number of members of the supervisory committee falling below the quorum, the existing supervisor shall continue to perform his duties in accordance with laws, administrative regulations and the Articles of Association until the re-elected supervisor assumes office.

**Article 195** Supervisors shall ensure the truthfulness, accuracy and completeness of the information disclosed by the Company.

**Article 196** Supervisors may attend board meetings as non-voting participants, and make enquiry or suggestion regarding matters to be resolved thereat.

**Article 197** Supervisors shall not use their relationship to prejudice the Company's interests, and shall be liable for indemnification to any loss so caused to the Company.

**Article 198** A supervisor who violates any laws, administrative regulations, rules of regulatory authorities or the Articles of Association during the course of performing his duties shall be liable for indemnification to any loss so caused to the Company.

## **Section 2 Supervisory Committee**

**Article 199** The Company shall establish a supervisory committee. The supervisory committee shall comprise three (3) supervisors, including a chairman.

The appointment and removal of the chairman of the supervisory committee shall be determined by the affirmative votes of more than two-thirds of its members.

**Article 200** The proportion of employee representatives shall not be lower than one-third of all members of the supervisory committee. Appointment and removal of supervisors representing shareholders shall be subject to election at the general meeting, while appointment and removal of supervisors representing the staff shall be subject to democratic election of the staff.

**Article 201** The supervisory committee shall be accountable to the general meeting and perform the following duties and powers in accordance with laws:

- (1) to review and provide written opinions on the regular reports of the Company prepared by the Board;
- (2) to examine the Company's financial affairs;
- (3) to supervise the work of directors and senior management members and to propose removal of directors and senior management members who have violated laws, administrative regulations, the Articles of Association or resolutions of general meetings; to represent the Company in negotiating with or bringing an action against a director;
- (4) to demand rectification by directors and senior management members when the acts of such persons are harmful to the Company's interest and, if necessary, report to the general meeting or the state's relevant authorities;
- (5) to propose the convening of an extraordinary general meeting, and to convene and preside over the general meeting when the Board fails to perform such duties as specified by the Company Law;
- (6) to put forward proposals to general meetings;
- (7) to propose the convening of an extraordinary board meeting;
- (8) to conduct investigation on any abnormality identified in the Company's business operation or any doubt in financial information such as financial report, business report and profit distribution plan to be submitted by the Board to the general meetings; to engage experts including accounting firm and law office to provide professional assistance, when necessary, at costs of the Company;
- (9) other duties and powers specified by the laws and regulations and the Articles of Association.

Supervisors shall be in attendance at board meetings.

**Article 202** The supervisory committee shall convene at least one (1) meeting every six (6) months, which shall be convened by the chairman of the supervisory committee. Where the chairman of the supervisory committee is unable to perform the duty of convening a supervisory committee meeting, a supervisor shall be elected by half or more of supervisors to convene and preside over the meeting.

Supervisors may propose the convening of extraordinary meeting of the supervisory committee.

**Article 203** The supervisory committee shall formulate the rules of procedures for the supervisory committee, specifying the consideration method and voting procedures of meetings in order to ensure its work efficiency and proper decision making. Such rules of procedure, as one of the appendices to the Articles of Association defining the convening and voting procedure of meetings of the supervisory committee, shall be formulated by the supervisory committee, subject to approval by the general meeting.

**Article 204** A meeting of the supervisory committee shall be attended by a simple majority of all supervisors. If the quorum of the meeting cannot be met as a result of any supervisor's refusal to attend or absence without reasons, other supervisors shall report to the general meeting or the state's regulatory authorities in time.

The secretary of the Board shall be in attendance at meetings of the supervisory committee.

**Article 205** At a meeting of the supervisory committee, each supervisor has a ballot of voting right in the forms such as open ballot and written.

The voting intent of a supervisor may be "for", "against" or "abstain" from which each attending supervisor shall choose one. The chair of meeting shall require those who fail to choose or simultaneously choose two or more intents to re-choose, otherwise such supervisors shall be deemed as having abstained from voting; anyone who has left the meeting midway without coming back and failed to choose shall be deemed as having abstained from voting.

Resolutions of the supervisory committee shall be passed by more than two-thirds of its members.

**Article 206** The supervisory committee shall keep minutes of onsite meetings. The meeting minutes shall include the following:

- (1) numbering and session, time, venue and form of the meeting;
- (2) despatching of the notice of meeting;
- (3) convener and chair of the meeting;
- (4) attendance of the meeting;
- (5) the proposals considered at the meeting; the gist of speech, key opinions on relevant matters and voting intents for the proposals of each supervisor;
- (6) voting method and result in respect of each proposal (provide the number of votes of "for", "against" and "abstain" respectively);



- (7) other matters to be recorded in the opinion of the attending supervisors.

For a meeting of the supervisory committee held by correspondence, the supervisory committee shall sort out the meeting minutes with reference to the aforesaid requirements.

**Article 207** Meetings minutes shall be signed and confirmed by the attending supervisors. Where a supervisor holds different opinions on the minutes, written explanation may be made upon signing. If necessary, it shall be timely reported to regulatory authorities or announced through public statements.

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

**Article 208** The notice of a meeting of the supervisory committee shall contain the following:

- (1) the time, venue and duration of the meeting;
- (2) the matters proposed to be considered (proposals of the meeting);
- (3) the convener and chair of the meeting, and the proposer of the extraordinary meeting and its written proposal;
- (4) the essential meeting materials for supervisors to vote;
- (5) the request for the supervisors to attend the meeting in person;
- (6) the contact person and means of contact;
- (7) the date of issuing the notice.

A verbal meeting notice shall at least include items (1) and (2) above and an explanation that an extraordinary meeting of the supervisory committee requires to be convened as soon as possible due to emergency.

**Article 209** Archives of the meetings of the supervisory committee, including notices of meeting, meeting materials, attendance books, voice recordings of meeting, ballots, meeting minutes signed by the attending supervisors, announcements of resolutions, etc. shall be kept by the dedicated person appointed by the chairman of the supervisory committee. Archives of the meetings of the supervisory committee shall be kept for at least ten (10) years.

**Article 210** Supervisors shall faithfully perform their supervisory duties pursuant to the laws, administrative regulations and the Articles of Association.

## **Chapter 14 Qualification and Obligations of Directors, Supervisors, President and Other Senior Management Members of the Company**

**Article 211** A person in any of the following circumstances shall be disqualified for serving as a director, supervisor, president or other senior management members of the Company:

- (1) civil incompetence or limited civil competence;
- (2) no more than five (5) years have lapsed since termination of the execution period for penalty on a crime of corruption, bribery, encroachment of property, embezzlement or disrupting socialist economic order, or no more than five (5) years have lapsed since termination of the execution period for deprivation of political rights due to committing a crime;
- (3) no more than three (3) years have lapsed since conclusion of liquidation owing to the bankruptcy of a company or enterprise where the person served as a director or factory manager or president and was personally liable for the bankruptcy;
- (4) no more than three (3) years have lapsed since the date of cancellation of the business license and winding-up of a company or enterprise on account of illegal business operations where the person served as the legal representative and was personally liable;
- (5) a relatively large amount of personal debt is overdue but remains unpaid;
- (6) the person is under investigation by the judicial authorities after a claim has been brought for breaking criminal law, pending conclusion of the case;
- (7) the person is currently being prohibited from participating in securities market by the CSRC and such barring period has not elapsed;
- (8) no more than five (5) years have lapsed since the person was found guilty of violating relevant securities regulations and involved in fraud or dishonesty as adjudged by relevant regulatory authorities;
- (9) the person is not a natural person;
- (10) other circumstances specified by the laws, administrative regulations and rules of regulatory authorities or required by the applicable securities regulators and stock exchange(s).

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

**Article 212** The validity of an act of directors, the president and other senior management members on behalf of the Company is not, vis-a-vis a bona fide third party, affected by any irregularity in their office, election or qualification.

**Article 213** In addition to the obligations required by the laws, administrative regulations or the listing rules of the stock exchange(s) on which the Company's shares are listed, directors, supervisors, president and other senior management members of the Company shall, in performing duties and powers conferred by Company, take the following obligations towards each shareholder:

- (1) not to cause the Company to go beyond the scope of business stipulated in its business license;
- (2) to act honestly in the best interests of the Company;
- (3) not to expropriate in any guise the Company's property, including but not limited to usurpation of opportunities advantageous to the Company;
- (4) not to expropriate the individual rights of shareholders, including but not limited to rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to shareholders for approval in accordance with the Articles of Association.

**Article 214** In excising rights or fulfilling obligations, directors, supervisors, president and senior management members of the Company have the duty to act with due discretion, diligence and skills as a reasonable discreet person should do in similar circumstances, and shall fulfill the following obligations with due diligence:

- (1) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the state's laws, administrative regulations and economic policies, not going beyond the scope of business specified in the Company's business license;
- (2) to treat all shareholders impartially;
- (3) to keep informed of the business operations and management of the Company;
- (4) to ensure the information disclosed by the Company is true, accurate and complete within the scope of their duties;
- (5) to honestly provide the supervisory committee with relevant information, and not to interfere with the supervisory committee or supervisors in performing their duties and powers;
- (6) to fulfill other due diligence obligations stipulated by laws, administrative regulations, rules of regulatory authorities and the Articles of Association.

**Article 215** In performing their duties, directors, supervisors, president and senior management members of the Company shall follow the principle of good faith and shall not put themselves in a situation where their own interests may conflict with their obligations. This principle shall include (but not be limited to) fulfilment of the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise powers within the terms of reference without ultra vires;

- (3) to exercise the discretion vested in him personally and not to allow himself to act under the control of any other party; unless and to the extent permitted by laws, administrative regulations or with the consent of informed shareholders at a general meeting, not to delegate the exercise of his discretion;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) unless otherwise stipulated in the Articles of Association or otherwise consented by informed shareholders at a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) without the consent of informed shareholders at a general meeting, not to use the Company's property for his own benefits;
- (7) not to exploit his position to accept bribes or other illegal income or expropriate the Company's property by any means, including but not limited to opportunities advantageous to the Company;
- (8) without the consent of informed shareholders at a general meeting, not to accept commissions in connection with any of the Company's transactions;
- (9) to abide by the Articles of Association, perform his official duties faithfully and protect the Company's interests, and not to exploit his position and power in the Company to advance his own private benefits;
- (10) without the consent of informed shareholders at a general meeting, not to exploit his position to seek for himself or others any business opportunities that would otherwise belong to the Company, or to operate on his own or for others any business that is of the same kind as the Company's business;
- (11) not to misappropriate the Company's funds, and not to open accounts in his own name or other names for the deposit of the Company's assets or funds;
- (12) not to lend the Company's funds to others or provide a guarantee to a shareholder of the Company or other individuals with the Company's assets in violation of the Articles of Association or without consent of the general meetings or the Board;
- (13) not to use his relationship to prejudice the Company's interests;
- (14) unless otherwise permitted by informed shareholders at a general meeting, not to disclose the information acquired by him in confidentiality during his tenure; not to use such information other than in furtherance of the interests of the Company, save and except that disclosure of such information to the court or other competent government authorities is permitted in any of the following circumstances:
  - (i) when so prescribed by the laws;
  - (ii) when public interests so warrants;
  - (iii) when so required for the own interests of the director, supervisor, president or other senior management member.

Gains obtained by the aforesaid persons in violation of this Article shall be counted in the interest of the Company and any loss incurred to the Company shall be compensated.

**Article 216** A director, supervisor, president and any other senior management member of the Company shall not cause the following persons or institutions (“associates”) to do what he is prohibited from doing:

- (1) the spouse or minor children of that director, supervisor, president and other senior management member;
- (2) a person acting in the capacity of a trustee of that director, supervisor, president and other senior management member or any person referred to in sub-paragraph (1) of this Article;
- (3) a person acting in the capacity of partner of that director, supervisor, president and other senior management member or any person referred to in sub-paragraphs (1) and (2) of this Article;
- (4) a company in which that director, supervisor, president and other senior management member, either alone or jointly with one or more personnel referred to in sub-paragraphs (1), (2) and (3) of this Article or other directors, supervisors, president and other senior management members, has a de facto controlling interest; and
- (5) directors, supervisors, president and other senior management members of the controlled company referred to in sub-paragraph (4) of this Article.

**Article 217** The fiduciary duties of directors, supervisors, president and other senior management members of the Company shall not be necessarily ceased with the termination of their tenures. The duty of confidentiality in relation to trade secrets of the Company shall survive upon termination of their tenures. Other duties may continue for such period as fairness may require depending on the time lapses between the termination and the act concerned and the circumstances and conditions under which the relationships with the Company are terminated.

**Article 218** Except as provided in Article 62 hereof, directors, supervisors, president and any other senior management members of the Company may be relieved of liability for specific breaches of duties by the consent of informed shareholders at a general meeting.

**Article 219** Where a director, supervisor, president and any other senior management member of the Company is in any way, directly or indirectly, is materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company (other than an employment contract of a director, supervisor, president and any other senior management member with the Company), he shall declare the nature and extent of his interests to the Board at the earliest opportunity, whether or not the relevant issues shall be otherwise subject to approval of the Board.

A director shall not vote on any contract, transaction or arrangement in which he is materially interested, and shall not be counted in the quorum of the relevant meeting.

Unless an interested director, supervisor, president and other senior management member has disclosed his interests in accordance with the first paragraph of this Article and the contract, transaction or arrangement was approved by the Board at a meeting at which such interested director, supervisor, president or other senior management member was not counted in the quorum and abstained from voting, the contract, transaction or arrangement is voidable at the instance of the Company, except as against a bona fide party thereto acting without being aware of the breach of duty by the interested director, supervisor, president or other senior management member.

A director, supervisor, president and other senior management member of the Company shall be deemed to be interested in a contract, transaction or arrangement in which any of his associates is interested.

**Article 220** Where a director, supervisor, president and other senior management member of the Company gives to the Board, before the Company's first consideration of the entering of any contract, transaction or arrangement, a general notice in writing stating that, by reason of the facts specified in the notice, he is interested in such contracts, transactions or arrangements of any description which may subsequently be made by the Company, the content stated in such notice shall be deemed for the purposes of the preceding Article of this chapter to be a sufficient disclosure of the interests of the director, supervisor, president and other senior management member.

**Article 221** The Company shall not in any manner pay taxes for or on behalf of its directors, supervisors, president and other senior management members.

**Article 222** The Company shall neither directly or indirectly make a loan to or provide any loan guarantee to directors, supervisors, president and other senior management members of the Company and its parent, nor make a loan to or provide any loan guarantee to any of their respective associates.

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

- (1) the provision by the Company of a loan or a loan guarantee to a subsidiary of the Company;
- (2) the provision by the Company of a loan or a loan guarantee or any other funds to a director, supervisor, president and other senior management member of the Company to meet expenditures incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to properly perform his duties, in accordance with the terms of a employment contract approved by shareholders at a general meeting; and
- (3) the Company may make a loan to or provide a loan guarantee to any of the relevant directors, supervisors, president and other senior management members or their respective associates in the ordinary course of business on normal commercial terms, provided that the ordinary course of business of the Company should include the lending of money or the provision of guarantees.

**Article 223** A loan made by the Company in breach of the preceding Article shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.

**Article 224** A loan guarantee provided by the Company in breach of the first paragraph of Article 222 shall not be enforceable against the Company, unless:

- (1) the guarantee was provided in connection with a loan to an associate of any of directors, supervisors, president and other senior management members of the Company or its parent and the lender were not aware of the relevant circumstances at the time the loan was advanced;
- (2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

**Article 225** For the purpose of the foregoing paragraph of this chapter, a “guarantee” shall include an undertaking or property provided to secure the performance of obligations by the obligor.

**Article 226** In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, president or other senior management member of the Company is in breach of his duties to the Company, the Company shall have a right to:

- (1) claim damages from the director, supervisor, president and other senior management member in compensation for losses sustained by the Company as a result of such breach;
- (2) rescind any contract or transaction entered into by the Company with the director, supervisor, president and other senior management member or with a third party (where such third party is or should be aware that there is such a breach of obligations by the director, supervisor, president and other senior management member who acts on behalf of the Company);
- (3) demand an account of the profits made by the director, supervisor, president and other senior management member as a result of the breach of his obligations;
- (4) recover any monies received by the director, supervisor, president and other senior management member which should otherwise have been received by the Company, including but not limited to commissions;
- (5) require such director, supervisor, president and other senior management member to return the interests accrued or potentially accrued on the monies which otherwise should have been paid to the Company; and
- (6) take legal proceedings to claim the properties arising from the breach of duties by the director, supervisor, president and other senior management member.

**Article 227** The Company shall, with prior approval of shareholders at a general meeting, enter into a written contract with each director and supervisor on his remuneration. The aforesaid remuneration shall include:

- (1) the remuneration for the office as a director, supervisor or senior management member of the Company;
- (2) the remuneration for the office as a director, supervisor or senior management member of a subsidiary of the Company;
- (3) the remuneration for providing management services for the Company and its subsidiaries;

- (4) the payment by way of compensation to a director or supervisor for his loss of office or retirement.

Except under a contract mentioned in the foregoing paragraph, no proceedings may be brought by a director or supervisor against the Company for any benefits due to him in respect of the matters mentioned above.

**Article 228** The contract on remunerations between the Company and its directors or supervisors shall provide that in the event of a takeover of the Company, the Company's directors and supervisors shall, subject to prior approval of shareholders at a general meeting, have the right to receive compensation or other payment in respect of his loss of office or retirement.

A takeover of the Company referred to in the preceding paragraph includes any of the following circumstances:

- (1) a general offer made by any person to all shareholders;
- (2) an offer made by any person with a view to make the offeror the controlling shareholder (as defined in the Articles of Association).

Where the relevant director or supervisor is in breach of this Article, any sum so received by him shall belong to those who have sold their shares as a result of the acceptance of the said offer. The expenses incurred in distributing such sum pro rata shall be borne by the relevant director or supervisor and shall not be deductible from the sum.



## Chapter 15 Party Organization

**Article 229** The Company shall set up the CPC Party Committee of China Communications Construction Company Limited (hereinafter referred to as the “Party Committee”). The Party Committee shall consist of one secretary and certain other members. The Chairman of the Board and the secretary to the Party Committee shall be held by the same individual in principle and the Company shall appoint a deputy secretary who shall be mainly responsible for Party construction. Eligible Party members may join the Board, Supervisory Committee and management through statutory procedures. Eligible Party members in the Board, Supervisory Committee and management may join the Party Committee in accordance with relevant requirements and procedures. Based on the working needs, the Party Committee of the Company shall set up a standing party committee (hereinafter referred to as the “Standing Party Committee”) in accordance with relevant rules. Meanwhile, the Company shall set up a discipline committee according to relevant requirements, which shall consist of one secretary and certain other members.

**Article 230** The Company shall ensure the drawing of plans on Party building, establish Party organization and working bodies, equip responsible members for Party organization and relevant personnel for Party-related affairs and commence Party construction works amid the reform of the Company so as to achieve the interconnection of mechanisms, policies, systems and works.

**Article 231** The Party Committee of the Company shall perform its duties pursuant to the Party Constitution, the Working Rules for the CPC Party Group and other regulations of the Party.

- (1) To ensure and supervise the effective implementation of directions and policies of the Party and the state as well as the execution of material strategic decisions of the Party Central Committee and the State Council and the arrangement on relevant material works of the Party Committee of the SASAC and Party organization of higher levels in the Company;
- (2) To strengthen the leadership and gate keeping role in the process of selection and appointment of personnel and adhere to the principle of the Party exercising leadership over the cadres, the principle of the legitimate selection of operators by the Board, and the exercise of power as regards the right of cadres’ appointment by the operators in accordance with laws. The Party Committee shall deliberate and give opinions on the proposed candidates nominated by the Board or the president or recommend candidates to be nominated to the Board or the president as well as assess the proposed candidates and give opinions collectively upon inspection over such candidates with the Board;
- (3) To study and discuss reform, development and stability of the Company, and substantial matters on operation and management decided by the Company as well as material issues relating to the interests of the Company’s staff, and provide advices and recommendations in this regard. To support the general meeting, the Board, the Supervisory Committee and the management in performing their duties according to laws and support the congress of employee representatives in carrying out its work;

- (4) To assume full responsibility for enforcing strict discipline of the Party. To lead the Company's ideological and political work, united front work, creation of spiritual civilization, creation of corporate culture as well as mass organizations such as the labour union and the Communist Youth League. To play a leading role in the construction of the Party's working style and a clean and honest government, and support the disciplinary committee in fulfilling its responsibility of supervision in practice;
- (5) To strengthen the building of the Company's primary Party organization and ranks of Party members, to give full play to the role of Party branches as militant bastions and to the role of Party members as vanguard and exemplar, to unite and lead cadres and employees to devote themselves into the reform and development of the Company;
- (6) Other material matters that fall within the scope of duties of the Party Committee.

**Article 232** The Party Committee shall formulate the relevant working rules and rules of procedures to have detailed requirements on the working rules for the Party Committee as well as the contents and decision making procedures for the Standing Party Committee of the Company in order to ensure the work quality and efficiency of the Party Committee and Standing Party Committee of the Company, improve and complete the system and mechanism for the Party Committee's participating in the decision making process on major issues and give full play to the core role of the Party Committee of the Company.

## Chapter 16 Financial Accounting System and Distribution of Profits

### Section 1 Financial Accounting System

**Article 233** The Company formulates its financial accounting system in accordance with the laws, administrative regulations and requirements of the relevant authorities of the PRC.

**Article 234** The accounting year of the Company shall be consistent with the Gregorian calendar year, i.e. from January 1 to December 31 on the Gregorian calendar.

The Company shall prepare its financial reports at the end of each accounting year and conduct review and verification as required by law.

Pursuant to the regulatory requirements of the listing locations, the Company may prepare its financial statements in accordance with the PRC Accounting Standards and/or International Accounting Standards or the accounting standards of the relevant overseas listing locations.

Distribution of after-tax profits of the relevant accounting year shall be calculated in accordance with the after-tax profits reported in the two types of financial statements aforementioned, whichever is lower.

**Article 235** The Company shall deliver its annual financial accounting reports to the China Securities Regulatory Commission (“CSRC”) and the stock exchange within four months from the conclusion of each accounting year. It shall deliver its interim financial accounting reports to the branch organizations of the CSRC and the stock exchange within two months from conclusion of the first six months of each accounting year. And its shall deliver its quarterly financial accounting reports to the branch organizations of the CSRC and stock exchange within one month from the end of the first three months and first nine months of each accounting year respectively.

The Company shall follow other regulations as required by the listing rules of the listing locations.

**Article 236** At each annual general meeting, the Board of the Company shall submit to the Shareholders financial reports as prepared by the Company in accordance with the relevant laws, administrative regulations and regulatory documents as promulgated by local governments and authorities.

**Article 237** Save for the statutory books of account, the Company will not maintain other books of account. Assets of the Company shall not be maintained by any account opened in the name of an individual.

**Article 238** The financial reports of the Company shall be available for inspection by Shareholders at the Company’s place of business twenty days before the annual general meeting is convened. Each Shareholder of the Company shall be entitled to receive the financial reports mentioned in this chapter.

The Company shall deliver the aforementioned reports to the Shareholders of H shares by any means as approved by the stock exchange of the listing locations (including but not limited to mail, email, facsimile, announcement, dissemination through the website of the stock exchange of the listing locations of the Company and/or shares of the Company) twenty-one days before the annual general meeting is convened. If the reports are delivered by mail, the addresses of the recipients shall be the addresses of the Shareholders as specified in the register of members.

**Article 239** The Company shall announce its financial reports or other financial information as required by the relevant regulatory requirements of the listing locations of the shares.

Pursuant to the regulatory requirements of the listing locations, the interim results or financial information announced or disclosed by the Company may be prepared in accordance with the PRC Accounting Standards and Regulations and/or International Accounting Standards or accounting standards of the relevant overseas listing locations.

**Article 240** The capital reserve includes:

- (1) the amount of share premium arising from the issue of shares at a premium;
- (2) other income required by the competent financial department of the State Council to be appropriated to the capital reserve.

**Article 241** The Company shall allocate ten percent of its profits to the statutory reserve of the Company when distributing its after-tax profits for the year, provided that no further appropriation is required if the accumulated statutory reserve exceeds fifty percent of the registered capital of the Company.

If the statutory reserve of the Company is insufficient to make up for the losses brought forward from the previous year, profits for the current year shall be applied to make up for such losses before making allocations to the statutory reserve in accordance with the aforementioned requirement.

Upon allocation of the after-tax profits to the statutory reserve, the Company may allocate a part of the after-tax profits to the discretionary reserve as approved by a resolution passed at the general meeting.

Upon making up for the losses incurred and allocating to the statutory reserve, the balance of after-tax profits shall be paid for the preference shares dividends at first and the remaining should be distributed to the ordinary Shareholders in proportion to their shareholding, save for distribution which is not made in proportion to shareholding as specified in these articles of association.

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

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

**Article 242** The Company will implement a sustainable and stable profit distribution policy so as to place emphasis on the reasonable investment return to the investors while securing the sustainable development of the Company.

**Article 243** The Company may distribute dividends by either or both of the following means:

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

The Company actively promotes the way to distribute dividends with cash bonus. If the Company has the condition for cash dividends, priority should be given to distribute profits by way of cash dividends.

The Company may distribute interim cash bonus. If the accumulated cash distribution for the past three years was less than 30% of the yearly average distributable profits realized in the past three years, the Company shall not issue shares and convertible bonds (including convertible bonds with warrants).

**Article 244** The profit distributed to the Ordinary Shareholders in cash by the Company for each year shall not be less than ten percent of the distributable profit available for the Ordinary Shareholders realized in such year. The Board of the Company shall make plan regarding the profit distribution in cash. If the Board fails to make such plan regarding profit distribution in cash, the reasons shall be disclosed in the regular report and the independent directors shall express their independent opinion on so.

**Article 245** The Board of the Company shall have comprehensive consideration of the factors including its industry characteristics, development stage, operation mode, profitability level and whether there is any significant payment arrangement for funds etc., make the differentiated cash bonus policy according to the program prescribed by the Articles of Association, and identify the proportion of the cash bonus in the profit distribution in the current year, with proportion in compliance with the relevant stipulations of laws, administrative regulations, normative documentation and stock exchanges.

During the formulation of the Company's specific cash bonus scheme, the Board of Directors shall earnestly study and demonstrate the timing, condition, lowest proportion, adjustment condition and its decision-making program requirement for the cash bonus of the Company. The independent directors shall express their explicit opinions.

The independent directors may solicit the opinions of the minority shareholders to make the bonus proposal for direct submission to the Board of Directors for consideration.

**Article 246** In accordance with its production and operation situation, investment planning and long-term development requirements, in the event of actual necessity for the Company to adjust or change the profit distribution policy and the shareholders' bonus return planning, it shall be on the basis of protecting the shareholders' interests and the adequate opinions from the shareholders (especially shareholders from the general public), the independent directors and the Supervisory Committee. In the event that the Board of Directors proposes the adjustment or change of the profit distribution policy (especially the cash bonus policy), the Board of Directors shall make detailed demonstration and explain the reasons, and the independent directors and relevant intermediaries (if any) shall express their explicit opinions for the profit distribution policy especially whether the proposal for the adjustment or change of the cash bonus policy jeopardizes the lawful interests of minority shareholders. The profit distribution policy (especially the cash bonus policy) for consideration at the shareholders' general meeting shall be adopted by more than 2/3 of the voting rights held by the shareholders present at the shareholders' general meeting.

**Article 247** The common reserve of the Company is used to make up for the losses of the Company, expand the business operation of the Company or increase the capital of the Company. However, capital reserve shall not be applied to make up for the losses of the Company.

Upon transfer from the statutory reserve to capital, the remainder of such reserve shall not be less than twenty-five percent of the registered capital of the company before such transfer takes effect.

**Article 248** Any amount paid up for the shares by Shareholders in advance of calls will be entitled to interests, but such shares are not entitled to dividends announced thereafter.

**Article 249** The Company shall appoint a collection agent for the holders of overseas listed foreign shares. The collection agent shall collect on behalf of the relevant Shareholders dividends distributed and other payables in relation to the overseas listed foreign shares, and hold such payment on behalf of the Shareholders pending payment to them.

The collection agent appointed by the Company shall abide by the laws of the listing locations or the relevant regulations as required by the stock exchange.

The collection agent appointed by the Company for the holders of overseas listed foreign shares listed on the Hong Kong Stock Exchange shall be a trustee company registered in accordance with the “Trustee Ordinance” of Hong Kong.

In accordance with the relevant laws and regulations of the PRC, the Company may exercise its power to forfeit any unclaimed dividends, provided that such power may only be exercised after the expiry of the effective period set for the relevant dividends declared.

The Company may terminate the distribution of dividend coupons to a certain owner of overseas listed foreign shares by mail, provided that such power may only be exercised when the dividend remain unclaimed for two consecutive times. However, the Company may also exercise such power if the dividend coupons failed to deliver to the recipient and is returned at the first attempt.

The Company may sell shares in ways as the Board thinks fit if the holders of overseas listed foreign shares are untraceable, provided that:

- (1) dividends have been declared in relation to the relevant shares for at least three times within a period of twelve years, and the dividends were unclaimed within that period;
- (2) upon the expiry of the twelve-year period, the Company has published an announcement on one or more newspapers of the listing locations expressing its intention to sell the shares and notified the stock exchange on which such shares are listed.

**Article 250** Upon a resolution on the profit distribution proposal is passed at the general meeting, the Directors of the Company shall complete the distribution of dividends (or shares) within two months after the general meeting.

If the Company does need adjust its profits distribution plan based on its production and operation conditions, investment plan and long-term development needs, the revised profit distribution plan may not breach the relevant provisions set out by the CSRC and the stock exchange(s) where the shares of the company are listed, and such revised profits distribution plan shall be approved at the general meeting.

**Article 251** Cash dividends and other payments made by the Company to the holders of domestic shares shall be made in RMB. Cash dividends and other payments made by the Company to the holders of overseas listed foreign shares are denominated and declared in RMB and paid in foreign currency. The amount of foreign currency required to settle cash dividends and other payments to the holders of overseas listed foreign shares by the Company are handled in accordance with the requirements of the State Administration of Foreign Exchange.

**Article 252** Unless otherwise required by the relevant laws and administrative regulations, for the purpose of using foreign currency to settle cash dividends and other payments, the exchange rate should refer to the exchange rate of middle trading price of RMB announced by the People's Bank of China to the relevant foreign currency on the same date as the dividends and other payments are declared.

**Article 253** In accordance with the tax laws in the PRC, when distributing dividends to the Shareholders, the Company shall withhold and remit taxes payable for such dividend income of the Shareholders according to the amount distributed.

## **Section 2 Internal Audit**

**Article 254** The Company maintains an internal audit system, with professional audit personnel performing internal audit on the financial income and expenses and economic activities of the Company.

**Article 255** The internal audit system and the responsibilities of the audit personnel shall be implemented upon the approval of the Board. The head of audit shall be accountable and report to the Board.



## Chapter 17 Engagement of Accounting Firms

**Article 256** The Company shall engage an independent accounting firm which is qualified under the relevant regulations of the PRC to audit the Company's annual financial reports and review the Company's other financial reports.

**Article 257** The engagement of the accounting firm shall be effective from the conclusion of the current annual general meeting until the conclusion of the next annual general meeting.

**Article 258** The engagement of an accounting firm by the Company shall be determined at a shareholders' general meeting, and the Board shall not engage an accounting firm before any resolution adopted at a shareholders' general meeting.

**Article 259** The accounting firm engaged by the Company shall have the following rights:

- (1) To inspect the Company's books of account, records or vouchers at any time, and to request the Company's directors, president or other senior management to provide relevant information and explanations;
- (2) To request the Company to take all reasonable measures to obtain from its subsidiaries the information and explanations deemed necessary by the accounting firm in performing its functions;
- (3) To participate in shareholder's general meetings, obtain any meeting notices or other information about meetings which any shareholders are entitled to, and speak at any shareholders' general meetings on matters relating to its capacity as the accounting firm of the Company.

**Article 260** The Company shall ensure the provision of true and complete accounting evidence, books of account, financial and accounting reports and other accounting data to the accounting firm engaged by it, and no refusal, withholding and false information are allowed.

**Article 261** Notwithstanding the terms and conditions of the contract between the accounting firm and the Company, the engagement of the accounting firm may be terminated prior to the expiry of its term at a shareholders' general meeting by an ordinary resolution. If the relevant accounting firm has the right to make claims against the Company on account of the termination, such right will not be prejudiced in this regard.

**Article 262** Remuneration of the accounting firm or the manner in which such firm is remunerated shall be decided upon by the shareholders' general meeting.

**Article 263** The Company's engagement or termination or non-renewal of the engagement of the accounting firm shall be decided upon by the shareholders' general meeting, and shall be filed with the securities authority of the State Council for the record.

Where the shareholder's general meeting proposes to adopt a resolution on the engagement of a new accounting firm to fill a vacancy in the office of accounting firm or the termination of engagement of an accounting firm prior to the expiry of its term, the following requirements shall be met:

- (1) Before the issue of the notice of shareholders' general meeting, the proposal for the engagement or the cessation of engagement shall be given to the accounting firm proposed to be engaged or to be dismissed/removed, or to the accounting firm which is ceasing to act in the financial year concerned.

The meaning of cessation of engagement shall include the termination of engagement, resignation and retirement.

- (2) Where the accounting firm which is ceasing to act makes a written statement and requests the Company to inform shareholders of the same, the Company shall take the following measures unless the such statement is delivered out of time:

- i The statement made by the accounting firm which is ceasing to act shall be specified in the notice given for the purpose of making a resolution; and
- ii A copy of such statement shall be annexed to the notice and given to shareholders in a manner stipulated in the Articles of Association.

- (3) If the Company fails to deliver the statement of the accounting firm in question as specified in Item (II) hereof, the said accounting firm may request to have such statement read out at the shareholders' general meeting, and may make further complaints.

- (4) The outgoing accounting firm shall be entitled to attend the following meetings:

- i The shareholders' general meeting at which its term of office becomes expired;
- ii The shareholders' general meeting to be held for the purpose of filling the vacancy caused by the termination of its engagement; and
- iii The shareholders' general meeting to be held due to its resignation.

The accounting firm which is ceasing to act shall be entitled to receive all notices of the aforesaid meetings or other information relating to such meetings, and speak at the aforesaid meetings about matters relating to its capacity as a former accounting firm of the Company.

**Article 264** If the Company intends to terminate or cease to renew the engagement of an accounting firm, a prior notice thereof shall be given to the accounting firm. The accounting firm shall be entitled to make a statement to the shareholders' general meeting. Where the accounting firm tenders resignation, it shall explain to the shareholders' general meeting whether there are any improper practices of the Company.

- (1) The accounting firm may resign by placing a written notification of resignation at the legal address of the Company. The notification shall come into effect on the date when it is placed at the legal address of the Company or such a later date as stated in the notification. The notification shall include following statements:
  - i A declaration that its resignation does not involve any matters that should be explained to the Company's shareholders or creditors; or
  - ii Any statement of any matters that should be explained.

Such notifications shall come into effect on the date when they are placed at the legal address of the Company or such a later date as stated in the said notifications.

- (2) Within fourteen days upon receipt of the written notification referred to in Item (I) of this Article, the Company shall deliver a photocopy of such notification to the competent authority. If the notification contains such statements as mentioned in Item (I) (2) of this Article, duplicates of such statements shall be made available at the Company for shareholders' inspection. The Company shall also send the aforesaid duplicates by postage prepaid mail to each holder of overseas listed foreign shares, at the addresses recorded in the register of members.
- (3) If the resignation notification from the accounting firm contains the statements as mentioned in Item (I)(2) of this Article, the accounting firm may request the Board of Directors to call an extraordinary general meeting to listen to its explanation regarding the resignation.

## Chapter 18 Notices and Announcements

**Article 265** Notices of the Company may be issued by the following methods:

- (1) by hand;
- (2) by post;
- (3) by facsimile or email;
- (4) subject to the laws, administrative regulations and the listing rules of the place of listing, by publishing on the websites designated by the Company and the regulatory authorities of the place of listing;
- (5) by announcement;
- (6) by other means agreed by the Company and the recipients in advance or approved by the recipients upon receipt of the notices;
- (7) by any other means approved by the relevant regulatory authorities of the place of listing or required by these Articles.

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

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

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

1. the date on which a notice that the Corporate Communication has already been published on the Company’s website is given to holders of overseas listed foreign shares pursuant to the Hong Kong Listing Rules;
2. the date on which the Corporate Communication is first published on the Company’s website (in the event that Corporate Communication is published on the website subsequent to the issuance of the said notice).

Any notices of the Company which are made in the form of a public announcement shall be deemed to have been received by all relevant persons once it is published.

**Article 266** Unless otherwise stipulated herein, the manners by which notices are given as stipulated in the preceding article shall be applicable to notices of the Company regarding the convening of shareholders' general meetings and meetings of the Board of Directors and Board of Supervisors.

**Article 267** For notices of the Company delivered by hand, an acknowledgement of receipt shall be signed (or stamped) by the recipient and the date of delivery shall be the date on which the acknowledgement is signed; for notices delivered by post, the date of delivery shall be the forty-eighth hour from the mail is delivered to the post office; for notices delivered by fax or email or published on the Company's website, the date of delivery shall be the date on which they are published; and for notices delivered by way of announcements, the date of delivery shall be the date of first publication. The relevant announcements shall be published on newspapers which comply with the relevant requirements.

**Article 268** If the listing rules of the place of listing stipulate that the Company shall send, despatch by post, distribute, issue, announce or otherwise provide the relevant documents of the Company in both English and Chinese languages, the Company may send to the relevant shareholders either the English or the Chinese version of the said documents as they so wish, provided that the Company has made appropriate arrangements to confirm whether the shareholders wish to receive either the English or the Chinese version and it is permitted and complied with under the applicable laws and regulations.

**Article 269** The Company shall establish and improve an information disclosure system of the Company pursuant to the laws, the relevant requirements of the securities regulatory authorities of the place of listing of the Company's shares and the relevant provisions of these Articles of Association, and disclose the information in a genuine, accurate, complete and timely manner.

## **Chapter 19 Merger, Division, Dissolution and Liquidation**

### **Section 1 Mergers and Divisions**

**Article 270** In relation to mergers or divisions of the Company, a proposal shall be put forward by the Board of the Company. After the same has been passed according to the procedures provided in these Articles of Association, the relevant approval procedures shall be completed in accordance with laws. Shareholders voting against the proposal for the merger or division of the Company shall be entitled to demand the Company or the shareholders consenting to the proposal for the merger or division of the Company to purchase their shares at a fair price. The resolution on the merger or division of the Company shall be treated as a special document, which shall be available for shareholders' inspection.

The aforesaid document shall also be delivered by any means permitted by the stock exchange(s) on which shares of the Company are listed (including, but not limited to, by post, email, facsimile, announcement or by publication on the Company's website and/or the website(s) of the stock exchange(s) on which the shares of the Company are listed) to the holders of H Shares. If delivered by post, the addresses of recipients shall be the registered addresses recorded in the register of members.

**Article 271** The Company's merger may take place in the form of merger by absorption or new merger.

**Article 272** As far as mergers are concerned, parties to the merger shall sign a merger agreement, and prepare the balance sheet and a list of property. The Company shall notify its creditors within ten days, and make an announcement on the merger on the newspapers prescribed by the stock exchange(s) on which shares of the Company are listed within thirty days, from the date of passage of the resolution on the merger. Creditors may, within thirty days upon receipt of the notification, (or for creditors who have not received such notification, within forty-five days after the date of announcement), request the Company to make repayments or provide corresponding guarantees in respect of its indebtedness.

**Article 273** Upon merger of the Company, the subsisting company after the merger or a newly-established company shall succeed to the creditors' rights and indebtedness of parties to the merger.

**Article 274** As far as divisions are concerned, property of the Company shall be split up accordingly.

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

**Article 275** The indebtedness of the Company prior to the division shall be jointly borne by the demerged companies unless otherwise agreed between the Company and its creditors under a written agreement in relation to the settlement of debts prior to the division.

**Article 276** In the case that merger or division of the Company results in any changes in registered particulars, modifications of registration shall be completed with the company registration authority according to law; in the case of dissolution, the deregistration shall be made according to law; in the case of the establishment of a new company, the registration of incorporation shall be made according to law.

## **Section 2 Dissolution and Liquidation**

**Article 277** The Company will be dissolved if:

- (1) a resolution on dissolution has been passed at a shareholders' general meeting;
- (2) The Company has to be dissolved as a result of its merger or division;
- (3) Bankruptcy is declared according to law because of any failure to settle any mature debts;
- (4) The business license has been cancelled or the Company has been ordered to close down its operations, or it has been wound up;
- (5) A shareholder who holds more than ten percent of the voting rights of all shareholders may petition the people's court to dissolve the Company on the basis that there are serious difficulties in the operation and management of the Company whose subsistence will significantly jeopardize the shareholders' interests and that such difficulties cannot be resolved by any other means.

**Article 278** If the Company is dissolved pursuant to Items (I), (III), (IV) and (V) of Article 277 hereof, a liquidation team shall be formed to start the liquidation within fifteen days from the date on which the causes for dissolution arise. The liquidation team shall be composed of the personnel designated by directors or at a shareholders' general meeting. If no liquidation team is formed for the purpose of liquidation within the time limit, a creditor may lodge an application to the people's court for designating the relevant persons to form the liquidation team in respect of the liquidation.

**Article 279** If the Board of Directors decides to liquidate the Company (except for liquidation owing to the Company's declaration of bankruptcy), the Board of Directors shall state in the notice of the shareholders' general meeting to be convened for this purpose that the Board of Directors has made an overall investigation into the situation of the Company and it considers that the Company may fully discharge its liabilities within twelve months from the commencement of the liquidation.

After a resolution on the liquidation has been passed at the shareholders' general meeting, the functions and powers of the Board of Directors of the Company shall be terminated forthwith.

The liquidation team shall follow the instructions from the shareholders' general meeting, report to the shareholders' general meeting liquidation at least once a year on the income and expenditure of the liquidation team as well as the Company's business and progress in the, and make the final report to the shareholders' general meeting upon completion of the liquidation.

**Article 280** The liquidation team shall exercise the following functions and powers during the course of liquidation:

- (1) To sort out the Company's property and prepare the balance sheet and a list of property;
- (2) To make notices and announcements to creditors;
- (3) To dispose of and liquidate the outstanding business of the Company;
- (4) To pay the outstanding taxes and taxes incurred during the course of liquidation;

- (5) To settle all creditors' rights and indebtedness;
- (6) To dispose of the Company's residual assets after the settlement of its liabilities;
- (7) To attend any civil proceedings on behalf of the Company.

**Article 281** The liquidation team shall notify creditors within ten days, and make announcements on the newspapers prescribed by the stock exchange where the Company is listed within sixty days, from the date of formation. Creditors shall report its claims to the liquidation team within thirty days after the date of receipt of the notice, or within forty-five days after the date of the announcement if no notice is received.

In reporting a claim, a creditor shall explain the relevant particulars of its claim and provide supporting materials. The liquidation team shall register the claim.

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

**Article 282** After the Company's property has been sorted out and the balance sheet and a list of property have been prepared, the liquidation team shall formulate a proposal for liquidation and report the same to the shareholders' general meeting or the people's court for confirmation.

The residual property after the respective settlement of the liquidation expenses, staff wages, social insurance expenses and statutory compensation, the payment of taxes in arrears and the discharge of the Company's liabilities shall be used to firstly pay the sum of par value of the preference shares and the resolved but not paid current dividends to the preference shareholders; and in the case of insufficiency payment, the remaining assets shall be distributed in proportion to the shareholding percentage of each shareholder holding preference shares. Upon the distribution according to the former article, the remaining shall be distributed according to shareholdings of ordinary shares held by the shareholders.

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

**Article 283** The liquidation team shall apply to the people's court for the declaration of bankruptcy according to law if they find that the Company's property is insufficient to settle its indebtedness after the Company's property has been sorted out and the balance sheet and a list of property have been prepared. If the Company declares its bankruptcy pursuant to a ruling of the people's court, the liquidation team shall transfer the liquidation affairs to the people's court.

**Article 284** After the completion of the liquidation of the Company, the liquidation team shall prepare a liquidation report and a statement of income and expenditure incurred during the liquidation and the financial books and submit the same to a shareholders' general meeting or the people's court for confirmation after they have been audited by a PRC certified public accountant and then filed the same with the company registration authority within thirty days after the date of confirmation of the shareholders' general meeting or the people's court for the purpose of applying for the deregistration of the Company. An announcement of the termination of the Company shall be made.



**Article 285** The members of the liquidation team shall be acted diligently and perform their obligations of liquidation according to law.

No member of the liquidation team shall accept any bribes or any other illegal income by making use of his functions and powers; neither could he seize any property of the Company.

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

## **Chapter 20 Amendments to Articles of Association**

**Article 286** The Company shall amend the Articles of Association under any of the following circumstances:

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

**Article 287** Any amendments to the Articles of Association passed by a resolution at a shareholders' general meeting shall be filed with the competent authorities for approval if it is so required; and if an amendment is relevant to any registration items of the Company, modifications of the registration shall be completed according to law.

**Article 288** Amendments to the Articles of Association shall be made by the Board of Directors in accordance with a resolution tabled at a shareholders' general meeting on amendments to the Articles of Association and opinions of the relevant competent authorities on review and approval.

**Article 289** Information on the amendments to the Articles of Association shall be disclosed as required by the laws and regulations and shall be announced in accordance with the rules.

## Chapter 21 Dispute Resolution

**Article 290** The Company shall comply with the rules on dispute resolution set forth as follows:

- (1) Whenever any disputes or claims arise from the 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 a holder of overseas listed foreign shares and the Company; or between a holders of overseas listed foreign shares and a director or supervisor or the president or other senior management staff of the Company; or between a holder of overseas listed foreign shares and a holder of domestic shares, the parties concerned shall resolve such disputes and claims through arbitration.

Where a dispute or claim described above is referred to 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 a company or its shareholders, directors, supervisors, president or other officers, shall submit to arbitration.

Disputes over who is a shareholder and over the share register may be resolved by any means other than 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 have the dispute or claim arbitrated 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 the People's Republic of China shall govern the arbitration of disputes or claims described in clause (I) above, unless otherwise provided by law or administrative regulations.
- (4) The award of the arbitral body is final and shall be binding on the parties thereto.

## Chapter 22 Special Provisions of Preference Shares

**Article 291** Except prescribed otherwise by laws, administrative regulations, departmental rules and regulations, the local securities supervision and administration authorities at the place of listing the Company's shares and the Articles of Association, the rights and obligations of the preference shareholders and the management of the preference shares shall comply with the relevant stipulations in the Company Law and the Articles of Association. With the approval of the securities regulatory body under the State Council or other relevant regulatory authorities, the Company may issue the preference shares. The issued preference shares of the Company shall not exceed 50% of the total number of the ordinary shares of the Company and the amount of funds raised shall not exceed 50% of the net assets before the issuance. The preference shares repurchased or converted shall not be included in the calculation.

**Article 292** The preference shareholders of the Company shall be entitled to the following rights:

- (1) To obtain the dividend in accordance with the terms and proportion of their preference shares held;
- (2) In the case of meeting the conditions prescribed by Article 297 thereof, the preference shareholders of the Company shall be entitled to attend and vote at the shareholders' general meeting of the Company;
- (3) To inspect the Articles of Association, the shareholders' register, the counterfoils of corporate bonds, the minutes of the shareholders' general meeting, the resolutions of the Board Meeting, the Meeting Resolutions of the Supervisory Committee and the financial and accounting reports;
- (4) In the case of occurring the situations prescribed in Article 298, to restore the voting rights in accordance with the means stipulated by the article, until the Company has fully paid the dividends of preference shares payable for the year;
- (5) To be distributed the remaining properties of the Company superior to the ordinary shareholders;
- (6) Other rights entitled to the preference shareholders as prescribed by laws, administrative regulations, departmental rules and regulations and the Articles of Association.

**Article 293** The Company shall be entitled to repurchase the preference shares under the issuance plan of the Company in compliance with the conditions prescribed by relevant laws and regulations.

The redemption right of the preference shares under the issuance shall be owned by the Company, without setting the redemption rights for preference shareholders.

The redemption period of the preference shares is from the fifth anniversary of the first dividend accruing date (in the event of issuing by tranches, on the first dividend accruing date of each tranche respectively) up to the date when all the preference shares have been redeemed in full.

Following the fifth anniversary of the first dividend accruing date (in the event of issuing by tranches, on the first dividend accruing date of each tranche respectively), the Company is entitled to redeem and withdraw all or part of the preference shares under the issuance on every dividend distribution date. Where a partial redemption was decided to be carried out by the Company, the Company shall redeem the preference shares from all preference shareholders of the same tranche by the same proportion. Save for the requirements of relevant laws and regulations, the redemption of the preference shares is not subject to other conditions.

The redemption price shall be the par value plus current resolved payment of but unpaid dividends on the preference shares.

**Article 294** Pursuant to Articles of Association, the Company may distribute dividends to the preference shareholders if there are distributable after-tax profit left after recovering losses and making allocations to its reserve fund according to relevant laws.

The preference shares of the Company adopt the fixed dividend rate with single step-up in dividend rate arrangement. The method of calculating the dividend rate shall be executed as prescribed by the issuance plan.

The shareholders' general meeting shall authorize the Board of Directors to deal with issues related to the distribution of dividends of preference shares to preference shareholders in its sole discretion according to the provisions of the issuance plan under normal circumstances of the declaration and payment of dividends of preference shares, on condition that it has been approved by laws, regulations, Articles of Association and relevant regulatory authorities and it has met the framework and principles considered and approved at the shareholder's general meeting. In the event of canceling of all or part of the current dividends of the preference shares, it shall still require the consideration and approval at the shareholders' general meeting.

The preference shares issued in different tranches will have equal priority to dividend distribution. The preference shareholders shall take precedence over ordinary shareholders in distribution of dividends. The Company will not distribute any profit to ordinary shareholders unless the agreed current dividend on preference shares has been fully distributed.

The dividends on the preference shares under the issuance are not cumulative, that is, the difference between the dividends actually paid to the preference shareholders and the dividends which should have been fully paid in the previous year will not be carried forward to the following year.

Once the preference shareholders have received dividends at the specified dividend rate, they shall not be entitled to the distribution of the remaining profit together with ordinary shareholders.

For the preference shares under the issuance, the preference shares under the same issuance shall have the same setting of terms. The preference shareholders shall be superior to the ordinary shareholders in the distribution of the Company's profits and remaining properties. The setting of other terms of the preference shares under the issuance is different from the ordinary shares. The terms of different setting have been prescribed in the issuance plan and the Articles of Association.

**Article 295** The Company shall pay the dividends of the preference shares in cash.

Dividends on the preference shares issued by the Company shall be paid annually. Dividend payment method shall be enforced according to the issuance plan.

Any tax payable for the dividend on the preference shares shall be incurred by preference shareholders in accordance with relevant laws and regulations.

**Article 296** Unless the occurrence of any trigger events for compulsory payment, the Shareholders' general meeting of the Company shall be entitled to determine to cancel the payment of part or full current dividend on the preference shares, which shall not be deemed a default of the Company.

Trigger events for compulsory payment means the occurrence of any of the following events within 12 months prior to the dividend payment date: (1) the payment of dividend to the ordinary shareholders by the Company (including cash, shares, a combination of both cash and shares and other methods in compliance with the laws and regulations); (2) the reduction of registered share capital (except for the redemption and withdrawal of Shares due to share incentive plan or the redemption and withdrawal of ordinary shares with the proceeds from issuing preference shares).

**Article 297** The preference shareholders have no right to make a request to, convene, preside to, attend, or attend by proxy any shareholders' general meeting, nor do their preference shares have voting rights, save as the matters to be voted by the preference shareholders in accordance with the laws and regulations or the Articles of Association.

Only in any of the following circumstances of the Company, the notice of Shareholder's general meeting shall be delivered to the preference shareholders prior to convention of such meeting by the Company. The Company shall also comply with the required notice procedure for ordinary shareholders set forth in the Company Law and the Articles of Association. The preference shareholders are entitled to attend the shareholders' general meetings and vote on the following matters separately from the ordinary shareholders. In this case, each preference share shall have one vote, but the preference shares held by the Company shall have no voting right:

- (1) any amendment to the provisions of the Articles of Association regarding the preference shares;
- (2) any reduction of the registered capital of the Company by more than 10%, whether on an individual or cumulative basis;
- (3) any merger, division, dissolution or change of organizational form of the Company;
- (4) any issuance of preference shares by the Company;
- (5) any other circumstances prescribed by laws, administrative regulations, departmental rules or the Articles of Association.

Resolutions on the matters above shall be approved by at least two thirds of the votes represented by the preference shareholders present at the meeting (excluding the preference shareholders with voting rights restored), in addition to the approval by at least two thirds of the votes represented by the ordinary shareholders present at the meeting (including the preference shareholders with voting rights restored).

**Article 298** If the Company fails to pay dividends to the preference shareholders as agreed for three accounting years in aggregate or two consecutive accounting years, the preference shareholders shall have the right to attend the shareholders' general meetings and vote with ordinary shareholders from the date immediately following the day when the shareholders' general meeting has approved the cancellation of payment of part of or full current dividend on the preference shares or the date immediately following the dividend payment date when the current dividend has not been paid as agreed. The restoration of voting rights shall last until the day on which the Company has fully paid the dividend of preference shares for the current year.

**Article 299** If the Company repurchase its ordinary shares, or is subject to a merger, division or any other circumstances that may lead to changes in the Company's shares and shareholders' equity and thereby affect the interests of the preference shareholders under the issuance, the Company shall adjust the stimulated conversion price upon restoration of voting rights according to the actual situation in a fair, just and equitable principals to fully protect and keep balance of the interests of the preference shareholders and the ordinary shareholders. The contents and the mechanism relating to the adjustment of the stimulated conversion price upon restoration of voting rights will be formulated in accordance with the PRC laws and administrative regulations.

**Article 300** The formula of calculating the ordinary voting rights entitled to per preference share at the time of restoring the voting rights is:  $N=V/P_n$ .

Wherein, V is the total par value of preference shares held by the preference shareholders; the stimulated conversion price  $P_n$  is average price of ordinary A shares of the Company for twenty trading days prior to the date of the approval of the resolution relating to the issuance plan of the preference shares by the Board. The number of voting rights restored shall be rounded down to the nearest integer.

The stimulated conversion price at the time of restoring the voting rights will be adjusted as prescribed by the issuance plan.

**Article 301** After the voting rights of the preference shareholders are restored, the voting rights of the preference shareholders under the voting rights restoration terms from the date of full payment shall be immediately terminated when the Company has fully paid the current payable dividends of the preference shares, unless the laws, regulations and the Articles of Association stipulate otherwise. The voting rights of preference shareholders will be restored again if any subsequent event occurs under the voting rights restoration terms.

**Article 302** If the Company is subject to liquidation, the residual property of the Company after the payment of the liquidation expenses, salaries, social security contribution and legal compensation for its employees, taxes in arrears and the Company's debts, shall be distributed to the shareholders in the following sequences and method:

1. pay the sum of par value of the preference shares plus current resolved payment of but unpaid dividends to the preference shareholders. If the residual property is not sufficient to pay, then such distribution shall be made on a pro rata basis in accordance with the shareholding percentages of the preference shareholders;
2. distribute to ordinary shareholders on a pro rata basis in accordance with the shareholding percentages of the Ordinary Shareholders in the total ordinary shares.

## Chapter 23 Supplemental Provisions

**Article 303** Any matters not covered in the Articles of Association shall be treated in accordance with the laws, administrative regulations and the listing rules of the place of listing by having regard to the actual situation of the Company. Should there be any contraventions between the Articles of Association and any newly-promulgated laws, administrative regulations or the listing rules prevailing at the place of listing, such newly-promulgated laws, administrative regulations or the listing rules of the place of listing shall prevail.

**Article 304** “Controlling shareholder” referred to herein shall mean a shareholder who meets any of the following conditions:

- (1) such person may, individually or acting in concert with others, elect more than half of the directors;
- (2) such person may, individually or acting in concert with others, exercise more than thirty percent (inclusive) of the voting rights or may control the exercise more than thirty percent (inclusive) of the voting rights of the Company;
- (3) such person, individually or acting in concert with others, holds more than thirty percent (inclusive) of the outstanding voting shares of the Company;
- (4) such person, individually or acting in concert with others, has de facto control over the Company by other means.

“Acting in concert” referred to herein shall mean two or more persons who, pursuant to an agreement (whether verbal or written), cooperate to obtain or consolidate the control of the Company through the acquisition by any of them of voting rights of the Company.

“De facto controller” referred to herein shall mean any person who is not a shareholder of the Company, but has de facto control over actions of the Company through the investment relationship, an agreement or other arrangements.

“Connected relationship” referred to herein shall mean the relationship between a controlling shareholder, de facto controller, director, supervisor or senior management member of the Company and its directly or indirectly controlled enterprise and other relationships which may result in the transfer of the Company’s interests. However, state-owned enterprises may have connected relationships not merely because they are under common control of the State.

Accounting firms referred to herein shall have the same meaning as “auditors”.

The president and deputy presidents referred to herein shall have the same meanings as “managers” and “deputy managers” referred to in the Company Law respectively, and shall have the same meanings as “chief executive officer” and “vice-president of administration” respectively as stipulated in relevant provisions for foreign shares.

The Chairman referred to herein shall have the same meanings as “Chairman of the Board” as stipulated in relevant provisions for foreign shares.

The “voting shares” under the Articles of Association only comprise ordinary shares and preference shares with voting rights restored.



The preference shares referred to in the Articles of Association is other type of shares (apart from ordinary shares) stipulated otherwise under general stipulations in accordance with the Company Law. The holders of such shares shall be superior to the ordinary shareholders in the distribution of the Company's profits and residual properties but subject to the restriction in participation of the Company's decision-making and management.

**Article 305** The Articles of Association are written in both Chinese and English. Should there be any discrepancies between the two versions, the Chinese one shall prevail.

**Article 306** Unless otherwise stipulated herein, "the above", "within", "the following", "before", "after" shall be inclusive of the stated figure or day; while "lower than", "less than", "not more than", "under", "other than", "more than", "exceed", "over" are not inclusive of the stated figure.

**Article 307** The right of interpretation of the Articles of Association shall rest with the Board of Directors of the Company. Any matters not covered in the Articles of Association shall be put forward by the Board of Directors by way of resolution at a shareholders' general meeting for approval.