

**APT Electronics Co., Ltd.**

**Articles of Association**

(Adopted by special resolution approved at the first extraordinary general meeting of 2024 (January 2024) and take effect on the date of the shares listing on the Main Board of The Stock Exchange of Hong Kong Limited)

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## CHAPTER 1 GENERAL PROVISIONS

**Article 1** APT Electronics Co., Ltd. (hereinafter referred to as the “**Company**”) is a joint stock company with limited liability established in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “**Company Law**”) and other relevant laws and administrative regulations of the PRC. The Articles of Association are formulated in accordance with the Company Law, the Securities Law of the People’s Republic of China (hereinafter referred to as the “**Securities Law**”), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (hereinafter referred to as the “**Administrative Measures**”), the Guidelines for the Application of “Full Circulation” of Domestic Unlisted Shares of H-share Companies (2023 Revision) (hereinafter referred to as the “**Guidelines**”), the Guidelines on the Articles of Association of Listed Companies (2023 Revision) (hereinafter referred to as the “**Articles of Association Guidelines**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Listing Rules**”) and other relevant laws and administrative regulations.

The Company was promoted and established by means of entire reorganization on December 3, 2015. The Company is registered with and has obtained its Business License (Unified Social Credit Code: 91440115791036885U) from the Guangzhou Administration for Industry and Commerce, Nan Sha Branch. The promoters of the Company are: Advanced Photoelectronic Technology Limited, Guangdong Yueke Finance Investment Co., Ltd., Shenzhen Guomin Innovation Venture Capital (L.P.), Episky Corporation (Xiamen) Ltd. and Jiangyin Haohan Photoelectronic Technology Co., Ltd.

The overseas listed shares that the Company issues to foreign investors for subscription in foreign currencies amounted to 38,640,000, and were listed on the Main Board of The Stock Exchange of Hong Kong Limited on November 8, 2024.

On June 1, 2024 and September 30, 2024, the Company obtained a filing notice from the China Securities Regulatory Commission.

**Article 2** Registered Chinese name of the Company: 廣東晶科電子股份有限公司

**Article 3** English name: APT Electronics Co., Ltd.

**Article 4** Domicile of the Company: No. 33, Huanshi Road South, Nansha District, Guangzhou

Postal code: 511457

Tel. No.: (020) 34684266

Fax No.: (020) 34684977

**Article 5** The chairperson of the board is the legal representative of the Company.

**Article 6** The Company shall be a perpetually existing company limited by shares.

**Article 7** The Company is an independent corporate legal person, and all acts of the Company shall comply with the laws, regulations and regulatory documents of China and the legal rights of the shareholders shall be protected. The Company is under the jurisdiction and protection of the laws, regulations and regulatory documents of China.

**Article 8** The Articles of Association are approved by the special resolution of the shareholders' general meeting or the shareholders' meeting of the Company and shall become effective on the date when the overseas listed shares of the Company are listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Hong Kong Stock Exchange**") and shall replace the former Articles of Association registered and filed with the industry and commerce administration authorities.

**Article 9** The Company must formulate its Articles of Association in accordance with the law. Commencing from the date the Articles of Association (including the future amendment to the Articles of Association) take effect, the Articles of Association will become a binding legal document for regulating the organisation and behaviour of the Company, as well as the rights and obligations shared between the Company and its shareholders and between and among the Company's shareholders.

**Article 10** The Articles of Association shall be binding upon the Company and its shareholders, Directors, Supervisors, manager and other senior managements, all of whom may, according to the Articles of Association, assert rights in respect of the Company's affairs. Pursuant to the Articles of Association, the shareholders may pursue actions against the Company; pursuant to the Articles of Association, the Company may pursue actions against the shareholders, Directors, Supervisors, manager and other senior managements; pursuant to the Articles of Association, shareholders may pursue actions against other shareholders; pursuant to the Articles of Association, shareholders may pursue actions against the Company's Directors, Supervisors, manager and other senior managements.

The actions mentioned in the preceding paragraph include the instituting of legal proceedings with a court or filing with an arbitral authority for arbitration.

**Article 11** The Company may invest in other limited liability companies and joint stock companies, and liabilities in such investees are limited to the amount of its capital contribution. However, it shall not become a capital contributor that shall bear joint liabilities for the debts of the enterprises invested, unless otherwise provided for by law.

**Article 12** The Company is a corporate legal person, owns the assets of a legal person, and enjoys the asset rights of a legal person independently. The Company's shareholders shall bear liability for the Company to the extent of the shares they subscribe, and the Company shall bear liability for the debts of the Company with all its assets.

**Article 13** The Company shall, in accordance with the relevant provisions in the Constitution of the Communist Party of China (the "CPC"), establish a CPC organization to carry out CPC's activities. The Company shall provide necessary support to facilitate the CPC's activities.

## **CHAPTER 2 OBJECTIVE AND SCOPE OF BUSINESS**

**Article 14** Business objective of the Company is to adapt to the development of the innovative economy, adhere to technological and management innovation, and actively integrate talent, technology, market and industrial resources to achieve common development of enterprises and customers; to build a competitive corporate culture, and to realize the growth of employees and the Company's career development in a harmonious manner; through the development of scientific and technological industries, we can maximize enterprise benefit, enterprise value and shareholders' return, and realize innovation and technology to promote the development of social economy.

**Article 15** As registered in accordance with the laws, the business scope is as follows: power electronic components manufacturing (excluding automotive devices); lighting fixtures manufacturing; electrical accessories and other lighting fixtures for lamps manufacturing; electronic components and component manufacturing; optoelectronic devices and other electronic devices manufacturing; semiconductor discrete devices manufacturing; research and development of electronics, communications and automatic control technology; power electronics technology services; wholesale of electronic components; wholesale of electronic products; retail of electronic components; retail of electronic products; energy-saving technology promotion services; energy-saving technology development services; energy-saving technology consulting and exchange services; energy-saving technology transfer services; energy management services; cargo export and import (except for goods subject to special management requirements for the access of foreign investment and to permission and approval); trading agent; leasing business.

**Article 16** The Company may change its scope of business and amend its Articles of Association in accordance with law upon consideration and approval by the shareholders' meeting and approval of change of registration by the relevant competent departments. As to projects within the business scope of the Company which have to be approved under the laws and administrative regulations, they shall be approved according to the law.

### **CHAPTER 3 SHARES AND REGISTERED CAPITAL**

**Article 17** The Company shall have ordinary shares at all times. The Company may create other classes of shares according to its needs upon approval by the vetting department authorized by the State Council.

**Article 18** Shares issued by the Company all have a par value, of RMB1 per share (unless otherwise specified, all amounts in the Articles of Association are stated in RMB). The RMB mentioned in the preceding paragraph shall refer to the lawful currency of the PRC.

**Article 19** The Company shall issue its shares in accordance with the principles of openness, fairness and justice such that every share of the same class shall rank *pari passu* with each other. Shares of the same class in the same issue shall be offered on the same conditions and at the same price; and any entity or individual shall pay the same price per share for subscription of the shares.

**Article 20** The Company may issue shares to both domestic and foreign investors, but shall file with the China Securities Regulatory Commission (hereinafter referred to as the "CSRC").

Foreign investors mentioned in the preceding paragraph shall refer to investors from foreign countries, Hong Kong, Macao and Taiwan who subscribe for shares issued by the Company; domestic investors shall mean investors from China except the foregoing regions who subscribe for shares issued by the Company.

**Article 21** The shares issued by the Company to domestic investors for subscription in RMB shall be referred to as domestic shares. Among domestic shares, those listed overseas are referred to as overseas listed domestic shares, while those not listed overseas are referred to as unlisted domestic shares. Shares issued by the Company to foreign investors and subscribed in foreign currency, and shares held by foreign investors and transferred from the shareholders of domestic shares of the Company are uniformly referred to as foreign shares. Among foreign shares, those listed overseas are referred to as overseas listed foreign shares, while those not listed overseas are referred to as unlisted foreign shares.

Among them, overseas listed foreign shares and overseas listed domestic shares can also be collectively referred to as “H shares” (full circulation), which have been admitted for listing on the Hong Kong Stock Exchange, the par value of which is denominated in RMB, and which are subscribed for and traded in Hong Kong dollars.

Unless otherwise specified in the Articles of Association, shareholders of domestic shares and foreign shares are both ordinary shareholders and shall have the same rights and obligations.

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

**Article 22** The total number of ordinary shares issued by the Company is 498,506,709 shares, and the Company issued 28,000,000 ordinary shares to its promoters at its establishment, representing 100% of the total number of its issuable ordinary shares. The names of the promoters of the Company, the number of shares subscribed, the mode of capital contribution and the shareholding ratio are as follows:

<b>No.</b>	<b>Name of promoter</b>	<b>Number of shares</b> <i>(shares)</i>	<b>Mode of capital contribution</b>	<b>Shareholding ratio</b> <i>(%)</i>
1	Advanced Photoelectronic Technology Limited	237,122,480	Net assets converting into shares	84.6866
2	Guangdong Yueke Finance Investment Co., Ltd.	23,712,360	Net assets converting into shares	8.4687
3	Shenzhen Guomin Innovation Venture Capital (L.P.)	10,281,320	Net assets converting into shares	3.6719
4	Episky Corporation (Xiamen) Ltd.	4,678,240	Net assets converting into shares	1.6708
5	Jiangyin Haohan Photoelectronic Technology Co., Ltd.	4,205,600	Net assets converting into shares	1.5020
<b>Total</b>		<u>28,000,000</u>	—	<u>100.0000</u>

**Article 23** After the establishment of the Company, 254,146,643 ordinary shares were issued with the approval of the Hong Kong Stock Exchange (including shares issued under the Offer Size Adjustment Option), including 38,640,000 H Shares to be issued pursuant to the Global Rules and 215,506,643 H Shares converted from Domestic Unlisted Shares, aggregately accounting for 100% of the total number of ordinary shares that may be issued by the Company.

After the completion of the issuance of overseas listed shares mentioned above, the share capital structure of the Company is: 537,146,709 ordinary shares.

**Article 24** The Company seeking an initial public offering and listing on the Hong Kong Stock Exchange shall file with the CSRC for relevant matters of offering and listing abroad such as the “Full Circulation” of H shares within three working days following the submission of its application documents for offering and listing abroad, and submit the filing notice issued by the CSRC at least four clear business days before the expected hearing date of the Hong Kong Stock Exchange.

Listing and trading of above-mentioned shares on overseas stock exchanges shall also comply with the regulatory procedures, provisions and requirements of overseas securities markets.

**Article 25** The registered capital of the Company is RMB537,146,709.

**Article 26** The Company may approve capital increase based on the needs of operation and development and in accordance with the relevant provisions of the Articles of Association.

The Company may increase its capital by the following methods:

- a) offering new shares for subscription to unspecified investors;
- b) issuance of shares to specific recipients;
- c) distribution of new shares to the existing shareholders;
- d) other ways provided by laws and administrative regulations and approved by CSRC.

The Company’s increase of capital by issuing new shares shall be conducted in accordance with the procedures provided by the relevant laws and administrative regulations of the state, after being approved according to the procedures provided in the Articles of Association.

**Article 27** Unless otherwise provided by laws or administrative regulations, the shares of the Company are transferable in accordance with laws, without any lien.



## CHAPTER 4 CAPITAL REDUCTION AND REPURCHASE OF SHARES

**Article 28** In accordance with the provisions of the Articles of Association, the Company may reduce its registered capital. Where the Company reduces its registered capital, it shall be conducted in accordance with the Company Law and other relevant provisions as well as procedures stipulated in the Articles of Association.

**Article 29** The Company shall not acquire its shares, except for one of the following circumstances:

- (I) to reduce the registered capital of the Company;
- (II) to merge with other companies which hold the shares of the Company;
- (III) to utilize its shares in the employee stock ownership plan or for equity incentive;
- (IV) to acquire shares held by shareholders (upon their request) who vote against any resolution proposed in any shareholders' meeting on the merger or division of the Company;
- (V) to utilize the shares for conversion of corporate bonds which are convertible into share certificates issued by the listed company;
- (VI) where it is necessary for the Company to safeguard its value and the interests of its shareholders;
- (VII) other circumstances permitted by laws, administrative regulations and regulatory authority.

Except for the above-mentioned circumstances, the Company may not engage in the activity of trading its shares.

The Company's acquisition of its shares under the circumstances provided in items (I) and (II) above shall be approved by way of a resolution of a shareholders' meeting; the Company's acquisition of its shares under the circumstances provided in items (III), (V) and (VI) above may be approved by way of a resolution at a board meeting with more than two-thirds of Directors present in accordance with the provisions of the Articles of Association or the authorization of the shareholders' meeting.

Following the Company's acquisition of its shares in accordance with the provisions of the first paragraph of this Article, such shares shall be canceled within ten days from the date of the acquisition under the circumstance in item (I); such shares shall be transferred or canceled within

six months under the circumstances in item (II) or (IV); the total shares held by the Company shall not exceed 10% of the total shares issued by the Company and such shares shall be transferred or canceled within three years under the circumstances in item (III), (V) or (VI).

**Article 30** The Company's acquisition of its shares may be conducted by way of open centralized trading or by other methods approved by laws, administrative regulations and the CSRC.

The Company's acquisition of its shares under the circumstances provided in items (III), (V) and (VI) of the first paragraph of Article 29 in the Articles of Association shall be conducted by way of open centralized trading.

## **CHAPTER 5 FINANCIAL ASSISTANCE FOR ACQUISITION OF SHARES OF THE COMPANY**

**Article 31** The Company or its subsidiaries (including its affiliates) shall not provide any assistance to persons who purchase or intend to purchase the shares of the Company in forms such as gift, advance, guarantee, compensation or loan.

## **CHAPTER 6 SHARE CERTIFICATES AND REGISTER OF MEMBERS**

**Article 32** The share of the Company shall be in registered forms.

Where the share capital of the Company includes shares which do not carry voting rights, the words "non-voting" shall appear in the designation of such shares. Where the share capital includes shares with different voting rights, the words "restricted voting" or "limited voting" shall appear in the designation of each class of shares other than the class of shares with the most favorable voting rights.

In addition to the matters required by the Company Law, the share certificates of the Company shall also contain other matters required by the stock exchanges on which the Company's shares are listed.

**Article 33** The Company shall establish a register of members in accordance with the evidence provided by the securities registration authorities, and record the following matters:

- (I) the name, address (domicile), occupation or nature of each shareholder;
- (II) the class and number of shares held by each shareholder;
- (III) the amount paid or payable in respect of shares held by each shareholder;

- (IV) the serial numbers of shares held by each shareholder;
- (V) the date on which each shareholder registers as a shareholder;
- (VI) the date on which each shareholder ceases to be a shareholder.

The register of members is the sufficient evidence proving the shareholders' holding of the Company's shares. The Company shall provide the Hong Kong branch register of members for inspection by shareholders, but the Company may suspend the registration of shareholders (if necessary) in accordance with the provisions of applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed.

**Article 34** The Company may maintain the register of members for overseas listed shares outside the PRC and appoint an overseas agent to manage the register of members in accordance with the understanding or agreement reached between the CSRC and overseas securities regulatory authorities. The original register of members for overseas listed shares listed in Hong Kong shall be maintained in Hong Kong.

A duplicate register of members for overseas listed shares shall be maintained at the Company's domicile; the appointed overseas agent shall at all times ensure the consistency between the original and the duplicate register of members for overseas listed shares.

In the event of any inconsistency between the original and the duplicate register of members for overseas listed shares, the original register of members shall prevail.

**Article 35** The Company shall maintain a complete register of members.

The register of members includes the followings:

- (I) the register of members that is maintained at the Company's domicile (other than those provided in items (II) and (III) below);
- (II) the register of members for overseas listed shares of the Company maintained at the place where the overseas stock exchange on which the shares are listed is located;
- (III) the register of members maintained at other places as the board of directors may decide necessary for the purpose of listing of the Company's shares.

**Article 36** Different parts of the register of members shall not overlap one another. The transfer of shares registered in a certain part of the register of members shall not, during the continuance of the registration of such shares, be registered in any other part of the register of members.

Changes or corrections to each part of the register of members shall be carried out in accordance with the laws of the places where such part of the register of members is maintained.

**Article 37** Shares issued prior to the public offering of shares by the Company shall not be transferred within one year from the date the share certificates of the Company were listed on the stock exchange(s).

Directors, Supervisors and officers of the Company shall report to the Company their shareholdings (including the preference shares) and changes therein and shall not transfer more than 25% per year of the total number of the same class shares held by them during their terms of office. The shares held by them shall not be transferred within one year from the date the share certificates of the Company being listed and traded. The aforesaid person(s) shall not transfer the shares of the Company held by them within six months commencing from the termination of their service.

If any of the Company's shareholders, Directors, Supervisors or officers holding more than 5% of the total number of the Company's shares sells the Company's shares or other securities of an equity nature held by him/her within six months after he/she buys the same, or buys the Company's shares held by him/her within six months after he/she sells the same, the proceeds therefrom shall be owned by the Company and taken back by the board of directors. However, where a securities company holds more than five percent of the total number of the Company's shares as a result of purchase and underwriting of all the left-over shares as a sole underwriter and other circumstances stipulated by the securities regulatory authorities of the State Council shall be exempted.

The share certificates or other equity securities held by Directors, Supervisors, officers, and natural person shareholders mentioned in the preceding paragraph include the share certificates or other equity securities held by their spouses, parents, children and those held by using others' accounts.

**Article 38** After the shares are transferred, the names of share transferees shall be registered as the holders of shares in the register of members.

If the Company refuses to register the transfer of shares, the Company shall deliver a written notification related to the refusal of shares transfer to the transferor and transferee within two months from the date of the formal application for transferring the shares.

**Article 39** All issue or subsequent transfer of the “Full Circulation” of H shares shall be registered in the register of members maintained in Hong Kong in accordance with the Article 34 and Article 36 of the Articles of Association.

**Article 40** Any shareholder of overseas listed shares may transfer all or part of his/ her shares using an instrument of transfer in the common written format in the place of listing or an instrument of transfer signed under hand or bearing machine printing signatures. H shares may be transferred using the standard transfer form specified by the Hong Kong Stock Exchange. If the transferor or transferee is a recognised clearing house as defined by the Hong Kong Securities and Futures Ordinance or its agent, the instrument of transfer may be signed by hand or in mechanically-printed form. All transfer of Company shares held by shareholders of non-overseas listed shares shall be effected in accordance with relevant Chinese laws and regulations.

All instruments of transfer shall be kept at the legal address of the Company, the address of the share registrar or other addresses designated by the board of directors from time to time.

**Article 41** No share transfer may be entered in the register of members within 20 days prior to the date of a shareholders’ meeting or within 5 days before the record date set by the Company for the purpose of distribution of dividends.

**Article 42** Where the Company convenes a shareholders’ meeting, distributes dividends, liquidates, or carries out other activities that require the determination of shareholdings, the board of directors shall set a date for ascertainment of the shareholding. Upon the close of such date, the shareholders who appear in the register of members shall be deemed as the shareholders of the Company.

**Article 43** Any shareholder who is registered in, or any person who requests to have his name entered in, the register of members may, if his share certificates (“**Original Certificates**”) are lost, apply to the Company for a replacement share certificate in respect to such shares (“**Relevant Shares**”).

**Article 44** Applications for a replacement share certificate by shareholders of non-listed domestic shares and non-listed foreign shares shall be addressed pursuant to Article 164 of the Company Law.

**Article 45** Applications for a replacement share certificate by holders of overseas listed shares shall be addressed pursuant to the laws, the rules of the stock exchange, or other relevant regulations of the jurisdiction in which the original register of holders of overseas listed shares is maintained.

**Article 46** If a holder of overseas listed shares loses his share certificates and applies for their replacement, the issue of replacement certificates to that holder shall comply with the following requirements:

- (I) the applicant shall submit an application in standard form as prescribed by the Company accompanied by a notarial document or statutory declaration. The notarial document or statutory declaration shall specify the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates as well as a statement declaring that no other person shall be entitled to request to be registered as the shareholder in respect to the Relevant Shares.
- (II) no statement has been received by the Company from any person other than the applicant for having his name registered as a holder of the Relevant Shares before the Company came to a decision to issue the replacement certificates.
- (III) the Company shall, if it decides to issue a replacement certificate to the applicant, make an announcement of its intention to issue the replacement certificate in such newspapers designated by the board of directors. The announcement shall be made at least once every 30 days over a period of 90 days.
- (IV) the Company shall, prior to the publication of the announcement of its intention to issue a replacement certificate, deliver to the stock exchange where it shares are listed a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from the stock exchange that the announcement has been exhibited at its premises. The announcement shall be exhibited at the premises of stock exchange for a period of 90 days.

In case an application to issue a replacement certificate has been made without the consent of the registered holder of the Relevant Shares, the Company shall send by post to such registered holder a copy of the announcement to be published.

- (V) if, upon expiration of the 90-day period for announcement and exhibition referred to in Items (III) and (IV) of this Article, the Company has not received from any person any objection to the issuance of replacement certificates, the Company may issue replacement certificates to the applicant according to his application.

(VI) where the Company issues a replacement certificate under this Article, it shall forthwith cancel the Original Certificates and enter the cancellation and replacement issue into the register of members accordingly.

(VII) all expenses relating to the cancellation of an Original Certificates and the issuance of a replacement certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable undertaking is provided by the applicant therefor.

**Article 47** Where the Company issues a replacement certificate pursuant to the Articles of Association, the name of a bona fide purchaser who obtains the aforesaid replacement certificate or a shareholder who thereafter registers as the owner of such shares (in the case where he is a bona fide purchaser) shall not be removed from the register of members.

**Article 48** The Company shall not be liable to any person for any damages caused by the cancellation of the Original Certificate or the issuance of the replacement certificate, unless the claimant is able to prove that the Company has acted fraudulently.

## **CHAPTER 7 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS**

**Article 49** The Company shall establish a register of members in accordance with the evidence provided by the securities registration authorities, and the register of members is the sufficient evidence proving the shareholders' holding of the Company's shares.

Shareholders shall enjoy the rights and have the obligations according to the category and number of shares held by them. Shareholders holding shares of the same class shall enjoy equal rights and have the same obligations.

**Article 50** The ordinary shareholders of the Company shall be entitled to the following rights:

- (I) the right to dividends and other distributions in proportion to the number of shares held;
- (II) the right to legally request, convene, preside over, attend or appoint shareholder's proxy to attend the shareholders' meeting and exercising the corresponding voting rights;
- (III) the right to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries;
- (IV) the right to transfer, bestow or pledge the shares they hold according to the laws, administrative regulations and the Articles of Association;

(V) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:

1. the right to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;
2. the right to inspect and make copies, subject to payment of a reasonable charge:
  - (1) all parts of the register of members;
  - (2) personal particulars of each of the Company's Directors, Supervisors, managers and other officers, including:
    - 1 present forename and surname and any former forename or surname and any aliases;
    - 2 principal address (residence);
    - 3 nationality;
    - 4 main profession and all other part-time occupations and duties;
    - 5 identification document and its number;
  - (3) reports on the status of the Company's share capital;
  - (4) the latest audited financial report, the report of the board of directors, the report of auditors, and the report of the supervisory committee of the Company;
  - (5) special resolutions of the Company;
  - (6) reports showing the aggregate par value, quantity, highest and lowest prices in respect of each class of shares repurchased by the Company since the last accounting year, and the aggregate amount paid by the Company for this purpose;
  - (7) a copy of the annual inspection report that has been filed with the administration of industry and commerce or other competent authorities in China; and
  - (8) minutes of shareholders' meetings.



- (VI) in the event of termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in accordance with the number of shares held;
- (VII) the shareholders who disagree with the resolutions in respect of the merger or division of the Company adopted at a shareholders' meeting are entitled to ask the Company to acquire their shares;
- (VIII) other rights conferred by laws, administrative regulations, departmental rules and the Articles of Association.

The Company shall not otherwise stay or infringe any rights attached to any shares on the sole basis that the holders of such shares with direct or indirect interests in such shares have failed to disclose the said interests to the Company.

**Article 51** Shareholders demanding inspection of the relevant information or copies of the materials mentioned above shall provide the Company with written documents indicating the class and number of shares they hold in the Company. After confirmation of the shareholder's identity, the Company shall provide such information based on the request of the shareholder.

**Article 52** If the contents of a resolution of the Company's shareholders' meeting or board meeting is in violation of the laws or administrative regulations, the shareholders shall have the right to request the people's court to invalidate such resolution.

If the meeting convening procedures and voting methods adopted at a shareholders' meeting or board meeting are in violation of the laws, administrative regulations or the Articles of Association, or if the contents of a resolution at such meeting are in breach of the Articles of Association, the shareholders shall have the right to request the people's court to revoke the resolution within 60 days from the date of that resolution, except where there are only minor defects in the convening procedures or voting methods of the shareholders' meeting and the board meeting, which do not materially affect the resolutions.

Shareholders who have not been notified to attend the shareholders' meeting may apply to the people's court for revocation within 60 days from the date they knew or should have known of the making of the resolution of the shareholders' meeting; if the right to revoke is not exercised within one year from the date the resolution is made, the right to revoke shall be extinguished.

**Article 53** Where a Director or senior management contravenes laws, administrative regulations or the Articles of Association in the performance of his/her duties for the Company resulting in any loss to the Company, shareholder(s) holding individually or in aggregate more than 1% of the Company's shares consecutively for more than 180 days shall have right to request in writing that the supervisory committee institute litigation at the people's court. Where the supervisory committee violates the laws, administrative regulations or the Articles of Association in the discharge of its duties for the Company resulting in any loss to the Company, such shareholder(s) may request in writing that the board of directors institute litigation at the people's court on its

behalf. If the supervisory committee or the board of directors refuses to institute litigation after receiving this written request from the shareholder(s) under the preceding paragraph, or fails to institute litigation within 30 days from the date of receiving the request, or in case of emergency where failure to institute litigation immediately will result in irrecoverable damage to the Company's interests, such shareholder(s) under the preceding paragraph shall have the power to institute litigation directly at the people's court in its own name for the Company's benefit.

For other parties who infringe the lawful interests of the Company resulting in loss to the Company, such shareholder(s) under the first paragraph of this Article may institute litigation at the people's court in accordance with the two preceding paragraphs.

Where a Director or senior management contravenes any laws, administrative regulations or the Articles of Association in infringement of shareholders' interests, a shareholder may also institute litigation at the people's court.

**Article 54** The ordinary shareholders of the Company shall have the following obligations:

- (I) to abide by the Articles of Association;
- (II) to contribute to the share capital according to the number of shares subscribed for by them and the methods of capital contribution;
- (III) not to withdraw their contributed share capital save in such circumstances stipulated by the laws and regulations;
- (IV) not to abuse shareholders' rights to harm the interests of the Company or other shareholders, and not to abuse the Company's independent status as a legal person and the shareholders' limited liability to harm the interests of the creditors of the Company;

Where shareholders of the Company abuse shareholders' rights, causing loss to the Company or other shareholders, such shareholders shall be liable for compensation in accordance with the laws.

Where shareholders of the Company abuse the Company's independent status as a legal person and the shareholders' limited liability to evade from debts, resulting in a material damage to the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts of the Company.

- (V) other obligations to be assumed as stipulated by the laws, administrative regulations and the Articles of Association.

**Article 55** Shareholders who hold more than 5% voting shares of the Company and pledge their shares shall submit a written report to the Company on the day when the pledge occurs.

**Article 56** The controlling shareholders and the de facto controllers of the Company shall not take advantage of their related relationship to harm the interests of the Company. If they have violated relevant provisions and caused loss to the Company, they shall be liable for compensation.

The controlling shareholders and the de facto controllers of the Company shall have fiduciary duties towards the Company and the public shareholders of the Company. The controlling shareholder shall exercise the rights as a capital contributor in strict accordance with the laws and shall not impair the legitimate interests of the Company and the general public shareholders by taking advantage of profit distributions, asset reorganizations, external investments, possession of funds, loan guarantees and other means, and shall not impair the interests of the Company and the general public shareholders by using its controlling status.

**Article 57** For the purposes of the above Article, a "controlling shareholder" means a shareholder who satisfies any one of the following conditions:

- (I) any person acting on his own or in concert with other parties who has the power to elect not less than half of the Directors;
- (II) any person acting on his own or in concert with other parties who has the power to exercise or control the exercise of 30% or more of the voting rights of the Company;
- (III) any person acting on his own or in concert with other parties who holds 30% or more of the outstanding shares of the Company;
- (IV) any person acting on his own or in concert with other parties who has actual control over the Company in any other manner.

## CHAPTER 8 SHAREHOLDERS' MEETING

**Article 58** The shareholders' meeting is the organ of authority of the Company and shall exercise the functions and powers in accordance with the laws.

**Article 59** The shareholders' meeting shall exercise the following functions and powers:

- (I) to decide the Company's operational policies and investment plans;
- (II) to elect and replace Directors and decide on matters relating to their remuneration;
- (III) to elect and replace Supervisors who are appointed from the shareholders' representatives and decide on matters relating to their remuneration;
- (IV) to consider and approve the reports of the board of directors;
- (V) to consider and approve the reports of the supervisory committee;
- (VI) to consider and approve proposals on the annual financial budget and final accounts of the Company;
- (VII) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (VIII) to decide on the increase or reduction of the Company's registered capital;
- (IX) to decide on the issuance of bonds by the Company;
- (X) to resolve on the merger, division, dissolution and liquidation of the Company or transformation of the Company;
- (XI) to resolve on the issuance of bonds by the Company;
- (XII) to decide on the appointment, dismissal or non-reappointment of the accounting firms of the Company;
- (XIII) to amend the Articles of Association;
- (XIV) to consider and approve matters relating to guarantees specified in Article 60 of the Articles of Association;

(XV) to consider the motions raised by shareholders who represent more than 1% (inclusive) of the voting shares of the Company;

(XVI) to consider and approve matters relating to the purchases and disposals of material assets or provision of guarantee by the Company within one year in an amount exceeding 30% of the latest audited total assets of the Company;

(XVII) to consider the share incentive scheme and employee stock ownership plan;

(XVIII) to consider other matters as required by laws, administrative regulations, departmental rules or the Articles of Association to be determined at the shareholders' meeting.

**Article 60** The guarantee offered by the Company to a shareholder or de facto controller of the Company shall be resolved by the shareholders' meeting.

Any shareholder referred to in the preceding paragraph or any shareholder controlled by the de facto controller referred to in the preceding paragraph shall not vote on such matters referred to in the preceding paragraph. Such matter shall be approved by a majority of the voting rights held by other shareholders attending the meeting.

**Article 61** Shareholders' meetings are divided into annual meetings and extraordinary meetings. Shareholders' meetings are convened by the board of directors, and the annual meeting is held once a year and shall be held within six months after the end of the preceding accounting year.

The board of directors shall convene an extraordinary meeting within two months in any one of the following circumstances:

(I) when the number of Directors is less than the number required by the Company Law or less than two-thirds of the number prescribed in the Articles of Association;

(II) when the unrecovered losses of the Company reach one-third of the total amount of its paid-up share capital;

(III) when shareholders who individually or jointly hold more than 10% (inclusive) of the Company's outstanding voting shares make request(s) in writing for the convening of an extraordinary meeting;

(IV) when the board of directors considers it necessary or the supervisory committee proposes to convene such a meeting;

(V) other circumstances as required by laws, administrative regulations, departmental rules or the Articles of Association.

**Article 62** The Company shall hold the shareholders' meetings at the domicile of the Company or such places as specified in the notices of the shareholders' meetings.

The shareholders' meetings shall have a venue and be held on-site. The Company may also provide convenience for participation in the shareholders' meeting by shareholders through other means required by the rules of the place where the shares of the Company are listed. A shareholder who participates in a shareholders' meetings in the aforesaid manner shall be deemed to have been present at the meeting.

**Article 63** Shareholders' meetings shall be convened by the board of directors. If the board of directors is unable to or fails to perform its duty of convening the shareholders' meeting, the supervisory committee shall convene and preside over such meeting in a timely manner; if the supervisory committee cannot convene such meeting, shareholders individually or jointly holding over 10% of the Company's shares for more than 90 consecutive days may convene and preside over such meeting on their own.

**Article 64** Shareholders individually or jointly holding over 10% of the Company's shares have the right to make a request to the board of directors for convening an extraordinary meeting and such request shall be made to the board of directors in writing. The board of directors shall give a written reply on whether or not it agrees to convene such extraordinary meeting within 10 days after receiving the request in accordance with the requirements under the laws, administrative regulations and the Articles of Association.

If the board of directors agrees to convene the extraordinary meeting, a notice to convene the shareholders' meeting shall be issued within 5 days after the adoption of the resolution of the board of directors, and any change to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the board of directors disagrees to convene the extraordinary meeting or fails to give a reply within 10 days after receiving the request, shareholders individually or jointly holding over 10% of the Company's shares shall have the right to propose to the supervisory committee to convene the extraordinary meeting and such proposal shall be made to the supervisory committee in writing.

**Article 65** The supervisory committee is entitled to propose to the board of directors to convene an extraordinary meeting and such proposal shall be made in writing to the board of directors. The board of directors shall give a written reply on whether or not it agrees to convene such extraordinary meeting within 10 days after receiving the proposal in accordance with the requirements under the laws, regulations, normative documents and the Articles of Association.

If the board of directors agrees to convene the extraordinary meeting, a notice to convene the shareholders' meeting shall be issued within 5 days after the adoption of the resolution of the board of directors, and any change to the original proposal in the notice shall be subject to the consent of the supervisory committee.

If the board of directors disagrees to convene the extraordinary meeting or fails to give a reply within 10 days after receiving the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the shareholders' meeting, and the supervisory committee may convene and preside over such meeting on their own.

**Article 66** If the shareholders' meeting is convened by the supervisory committee or shareholders on their own, a written notice shall be issued to the board of directors.

With regard to the shareholders' meeting convened by the supervisory committee or shareholders by themselves, the board of directors shall cooperate. The board of directors shall provide the register of shareholders on the shareholding record date.

With regard to the shareholders' meeting convened by the supervisory committee or shareholders by themselves, the necessary expenses of the meeting shall be assumed by the Company.

**Article 67** The contents of the proposal shall fall within the scope of powers of the shareholders' meeting. There shall be definite topics and specific matters for resolution. The proposal shall comply with the relevant provisions of the laws, administrative regulations and the Articles of Association.

**Article 68** When the Company convenes a shareholders' meeting, the board of directors, the supervisory committee and shareholders individually or jointly holding over 1% of the Company's shares are entitled to put forward a proposal to the Company.

Shareholders individually or jointly holding over 1% of the Company's shares can put forward a temporary proposal 10 days before convening the shareholders' meeting and submit the proposal in writing to the convener. The temporary proposal shall have definite topics and specific matters for resolution. The convener shall issue a supplemental notice for the shareholders' meeting within 2 days upon receiving the proposal, inform other shareholders and, if within the terms of reference

of the shareholders' meeting, add such a proposal to the agenda thereof for consideration at the shareholders' meeting, provided that no temporary proposal shall be submitted if it is in violation of any law, administrative regulation or the Articles of Association or not within the scope of duties and powers of the shareholders' meeting. The Company shall not increase the shareholding of shareholders who submit the temporary proposal.

Except for the circumstances prescribed in the preceding paragraph, the convener shall not amend the proposals stated in the notice of the shareholders' meeting or add new proposals upon the issuance of the notice of the shareholders' meeting.

The shareholders' meeting shall not vote and resolve on proposals not stated in the notice of the shareholders' meeting or not in compliance with the requirements of the Articles of Association.

**Article 69** Notice of annual meetings shall be given to all shareholders by the convener 20 days before the meeting; notice of extraordinary meetings shall be given to all shareholders 15 days before the meeting. Where otherwise provided by laws, regulations and the securities regulatory authorities of the place where the Company is listed, such provisions shall apply.

Notices of shareholders' meetings to shareholders of overseas listed shares may be published through the designated websites of the Stock Exchange and the Company's website, and upon announcement, all shareholders of overseas listed shares shall be deemed to have received notice of the relevant shareholders' meeting.

**Article 70** Based on the written replies received 20 days prior to a shareholders' meeting, the Company shall calculate the number of shares carrying voting rights of the shareholders intending to attend the meeting. The Company may convene the shareholders' meeting if the number of the shares carrying voting rights of the shareholders who propose to attend is more than half of the total number of shares carrying voting rights of the Company. If the requirement is not met, the Company shall publish an announcement containing the proposed agenda, date and place of the meeting within 5 days to re-notify the shareholders. The Company may convene the shareholders' meeting after notifying by the announcement.

An extraordinary meeting shall not resolve on matters which are not contained in the notice.

**Article 71** Notice of the shareholders' meeting shall:

- (I) be given in writing;
- (II) specify the venue, date and duration of the meeting;



- (III) set out the matters to be discussed at the meeting;
- (IV) provide the shareholders with such information and explanation as necessary for them to make informed decisions in connection with the matters to be discussed; this principle shall include (but not be limited to) when proposals are made by the Company to merge, to repurchase shares, to reorganize its share capital or to effect any other reorganization, the specific conditions and contracts (if any) of the proposed transaction shall be provided, and the causes and consequences of any such proposals shall also be earnestly explained;
- (V) disclose the nature and extent of the material interests, if any, of any Director, Supervisor, manager and other senior management in the matters to be discussed; and provide an explanation of the differences, if any, between the way in which the matter to be discussed will affect such Director, Supervisor, manager and other senior management in his/her capacity as shareholders and the way in which such matter will affect other shareholders of the same class;
- (VI) contain the full text of any special resolution proposed to be passed at the meeting;
- (VII) contain a conspicuous statement that all ordinary shareholders are entitled to attend the shareholders' meeting, and the shareholder may appoint a proxy in writing to attend the meeting and vote, and that a proxy of the shareholder need not be a shareholder of the Company;
- (VIII) specify the time and place for lodging the power of attorney for the voting proxy for the meeting;
- (IX) specify the record date of equity of shareholders entitled to attend the shareholders' meeting;
- (X) specify the name and telephone number of the standing contact person of the meeting;
- (XI) specify the time and procedures for voting online or through other means.

**Article 72** The meeting and the resolutions passed in the meeting will not be ineffective because certain persons who possess the right to be notified did not receive the notice of the meeting due to accidental omission, or certain persons did not receive the notice of the meeting at all.

**Article 73** The board of directors of the Company or other convener shall take necessary measures to ensure the proper order of the shareholders' meeting. The board of directors or other convener shall take measures to stop any act disturbing the shareholders' meeting, seeking trouble and infringing upon the legitimate rights and interests of shareholders, and shall report such act to the relevant authority for investigation and treatment.

**Article 74** Any shareholder who is entitled to attend and vote at a shareholders' meeting shall be entitled to appoint one or more persons (who may not be a shareholder) as his/her proxy of the shareholder to attend and vote on his/her behalf. A proxy of the shareholder can exercise the following rights pursuant to the authorization from such shareholder:

- (I) such shareholder's right to speak at the shareholders' meeting;
- (II) the right to demand a poll alone or jointly with others;
- (III) the right to vote by show of hands or on a poll; however, a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

**Article 75** Individual shareholders attending the meeting in person shall present their personal identity cards or other valid documents or proofs that can identify them, as well as their stock account card. Proxies attending the meeting shall present their personal identity cards and the power of attorney of the shareholder.

Corporate shareholders shall be represented at the meeting by their legal representative or proxies appointed by the legal representative. Legal representatives attending the meeting shall present their personal identity cards or valid proofs that can prove their identity as the legal representatives. Proxies attending the meeting shall present their personal identity cards or the written power of attorney lawfully issued by the legal representatives of such corporate shareholders.

A recognised clearing house or its proxy(ies) appointed to attend a meeting shall produce proof of its identity and need not produce the power of attorney signed by the principal or the legal representative of the principal or a notarized certified copy of the resolution, or other certified copy permitted by the Company.

**Article 76** The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other places as specified in the notice of convening the meeting 24 hours prior to convening of the meeting at which the proxy is authorized to vote or 24 hours prior to the designated time of voting. Where the instrument is signed by another person authorized by the principal, the authorization letter or other documents authorizing the signatory shall be notarized. The notarized authorized letter or other authorized documents shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other places as specified in the notice of convening the meeting.

Where the principal is a legal person, its legal representative or a person authorized by resolution of the board of directors or other decision-making body shall attend the shareholders' meetings of the Company as its proxy.

If the shareholder is a recognised clearing house or its proxy(ies), such shareholder may authorize one or more persons it deems suitable to act as its proxy in any shareholders' meeting; however, if one or more persons are so authorized, the power of attorney shall clearly state the number and the class of shares represented by each of the proxies, and shall be signed by an authorized personnel of the recognised clearing house. The person so authorized may represent the recognised clearing house (or its proxy(ies)) to attend the meeting and exercise its rights without presenting the shareholding certificate, notarized authorization and/or further evidence to prove that it is officially authorized as if that person is an individual shareholder of the Company. The authorized representative of a recognised clearing house may enjoy the same legal rights as other shareholders, including the rights to speak and vote.

**Article 77** If the shareholders' meeting is convened by the board of directors, the chairperson of the board shall serve as the chairman of the meeting; if the chairperson of the board is unable or fails to perform his duties for any reason, more than half of the Directors shall jointly elect a Director of the Company to serve as the chairman of the meeting; if the chairman of the meeting is not elected, the shareholders attending the meeting may elect a person to act as the chairman of the meeting; if for any reason, shareholders are unable to elect the chairman, the shareholder (including shareholder proxies) attending the meeting holding the largest number of voting shares shall serve as the chairman of the meeting.

The shareholders' meeting convened by the supervisory committee shall be presided over by the chairperson of the supervisory committee. If the chairperson of the supervisory committee is unable or fails to perform his duties, a Supervisor shall be jointly elected by more than half of the Supervisors to preside over the meeting.

The shareholders' meeting convened by shareholders shall be presided over by a representative elected by the conveners.

When convening a shareholders' meeting, should the chairman of the meeting violates the rules of procedures, resulting that the shareholders' meeting becomes unable to proceed, a person may, subject to the consent of more than half of the number of shareholders with voting rights attending the meeting at the scene, be elected at the shareholders' meeting to act as the chairman of the meeting such that the meeting may be continued.

**Article 78** The Company shall formulate the rules of procedure for the shareholders' meeting and specify in details the procedures for convening and voting at the shareholders' meeting, including notification, registration, reviewing of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing as well as principle for the authorization granted to the board of directors by the shareholders' meeting. The content of authorization shall be clear and specific. The rules of procedure for the shareholders' meeting shall be appended to the Articles of Association and formulated by the board of directors and approved by the shareholders' meeting.

**Article 79** All Directors, Supervisors and board secretary shall attend shareholders' meetings, and the president and other senior management shall be present at the meetings, unless there is a valid reason and they have previously submitted their leave of absence in writing to the convener of the meeting. However, Directors, Supervisors, board secretary, president and other senior management who are required to answer queries at the shareholders' meeting shall not apply for leave of absence.

**Article 80** In the annual meeting, the board of directors and supervisory committee shall report their work for the past year to the shareholders' meeting. Each independent director shall also present a work report.

**Article 81** The Directors, Supervisors and senior managements shall provide explanations and statements relating to the queries and suggestions put forward by the shareholders at the shareholders' meeting.

**Article 82** The chairman of the meeting shall declare the number of shareholders and proxies present at the meeting and the total number of shares with voting rights they hold before voting. To determine the number of shareholders and proxies present at the meeting and the total number of shares with voting rights they hold, the meeting register shall prevail.

**Article 83** The shareholders' meeting shall have minutes, which shall be recorded by the board secretary.

The minutes of the meeting shall specify:

- (I) the time, venue and agenda of the meeting, and the name of the convener;
- (II) the names of the chairman of the meeting, and the Directors, Supervisors, manager and other senior managements attending or present at the meeting;
- (III) number of shareholders and proxies present at the meeting, the total number of shares with voting rights they hold, and its proportion in the total number of the shares of the Company;
- (IV) consideration process, key points of speech and voting result of each proposal;
- (V) inquiry or suggestion of the shareholders and the corresponding reply or explanation;
- (VI) names of vote counter and scrutineer;
- (VII) other contents that shall be included in the minutes of the meeting according to the Articles of Association.

**Article 84** The convener shall ensure that the minutes of the meeting are true, accurate and complete. The Directors, Supervisors, board secretary, convener or their representative present at the meeting, and the chairman of the meeting shall sign the minutes of the meeting. The minutes of the meeting shall be maintained together with the register of names of the shareholders present, the power of attorney for attendance, and the valid information of online voting and other means of voting for a period of not less than 10 years.

**Article 85** The convener shall ensure that the shareholders' meeting will proceed continuously until the final resolution is made. If the shareholders' meeting is suspended or the resolution cannot be made due to force majeure or other special causes, the convener shall take necessary action to resume the shareholders' meeting as soon as possible or directly terminate the shareholders' meeting.

**Article 86** Resolutions of a shareholders' meeting are divided into ordinary resolutions and special resolutions.

For ordinary resolutions made at a shareholders' meeting, they shall be approved by more than half of the voting rights held by the shareholders (including their proxies) who attend the shareholders' meeting.

For special resolutions made at a shareholders' meeting, they shall be approved by more than two-thirds of the voting rights held by the shareholders (including their proxies) who attend the shareholders' meeting.

**Article 87** The following matters shall be resolved by way of ordinary resolution of the shareholders' meeting:

- (I) the work reports of the board of directors and the supervisory committee;
- (II) the profit distribution proposals and loss make-up proposals formulated by the board of directors;
- (III) removal of members of the board of directors and the supervisory committee who are not employee representatives, and their remuneration and method of payment thereof;
- (IV) the Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statements;
- (V) any matters other than those that shall be approved by special resolutions as required by the laws, the administrative regulations, the listing rules of the place where the shares of the Company are listed or the Articles of Association.

**Article 88** The following matters shall be resolved by way of special resolution of the shareholders' meeting:

- (I) increase or decrease of the registered capital and issue of any class of shares, warrants and other similar securities of the Company;
- (II) issuance of debentures of the Company;
- (III) demerger, merger, dissolution and liquidation of the Company or change in the form of the Company;
- (IV) amendments to the Articles of Association;
- (V) when the Company buys or sells material assets within one year or provides guarantees whose amount has exceeded 30% of the audited total assets in the most recent period of the Company;
- (VI) any other matters approved by an ordinary resolution of the shareholders' meeting as having a material impact on the Company and are required to be approved by a special resolution;

(VII) any matters other than those that shall be approved by special resolutions as required by the laws, the administrative regulations, the listing rules of the place where the shares of the Company are listed or the Articles of Association.

**Article 89** Shareholders (including their proxies), when voting at a shareholders' meeting, shall exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share shall have one vote. When a poll is taken, shareholders (including their proxies) who have the rights to two or more votes need not cast all his/her votes as affirmative votes, negative votes or abstention vote.

Under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, if any shareholders are required to abstain from voting on any particular matter or restricted to voting only for or only against any particular matter, the shareholder shall abstain from voting, and the votes cast by or on behalf of such shareholders in contravention of such requirements or restrictions shall not be counted.

The shares of the Company held by the Company do not carry voting rights and are not included in the total number of voting shares present at the shareholders' meeting.

**Article 90** When matters relating to a connected transaction (as defined in the Hong Kong Listing Rules) are considered at the shareholders' meeting, the connected shareholders and their close associates (as defined in the Hong Kong Listing Rules) shall not participate in voting, and the number of voting shares represented by them shall not be counted into the total number of valid votes. The voting particulars of the unconnected persons shall be fully disclosed in the announcement on the resolution of the shareholders' meeting.

Before the shareholders' meeting considers matters relating to a connected transaction, the Company shall determine the scope of connected shareholders in accordance with relevant laws, regulations and normative documents. Connected persons or their authorized representatives may attend the shareholders' meeting and may express their views to the shareholders present in accordance with the procedures of the meeting, but shall recuse themselves from voting by ballot.

When the shareholders' meeting considers matters relating to a connected transaction, the connected shareholder shall voluntarily recuse themselves from voting. If a connected shareholder does not recuse himself/herself from voting, other shareholders attending the meeting shall have the right to request him/her to recuse himself/herself from voting. After the avoidance of the connected persons, the other shareholders shall vote according to their voting rights and adopt the corresponding resolution in accordance with the provisions of the Articles of Association; the chairman of the meeting shall announce the number of shareholders and proxies present (other than the connected persons) at the meeting and the total number of shares with voting rights.

The resolution of the shareholders' meeting on connected transactions must be valid only if it is passed by more than half of the voting rights held by unconnected persons attending the shareholders' meeting. However, if the connected transaction involves the matters that shall be

subject to a special resolution as specified in the Articles of Association, the resolution of the shareholders' meeting must be valid only if it is passed by more than two-thirds of the voting rights held by unconnected persons attending the shareholders' meeting.

If a connected person or its close associate participates in the voting in violation of this article, his/her vote on relevant connected transactions shall be invalid.

**Article 91** The list of candidates for Directors and Supervisors shall be included in a proposal to be submitted to the shareholders' meeting for voting.

The board of directors shall provide shareholders with biographical and basic information about the candidates for Directors and Supervisors.

Candidates for Directors and non-employee representative supervisors shall be proposed by the board of directors, the supervisory committee or shareholders individually or jointly holding more than 1% of the shares of the Company and submitted to the shareholders' meeting for election.

Candidates for employee representative supervisors shall be proposed by the labor unions of the Company and be elected at staff representative assembly.

**Article 92** Voting at the shareholders' meeting shall be taken by open ballot or other means as permitted by applicable Listing Rules.

**Article 93** The same voting right shall only be exercised by one means, either through onsite voting or other voting means. If the same voting right is exercised by more than one means, the result of the first vote cast shall prevail.

**Article 94** Shareholders attending the shareholders' meeting shall express one of the following views during the voting of a proposal: for, against or abstain. Except for the securities registration and settlement institutions which, being the nominal holders of shares subject to the interconnection mechanism of the Mainland and Hong Kong stock market transactions, shall make declaration according to the intentions of actual holders. A voting ticket that is incomplete, wrongly completed, illegible, or not yet cast, will be regarded as waiver by the voter of his/her voting rights. The voting result of the number of shares held by the voter will be treated as "abstention".

**Article 95** The chairman of the meeting shall determine whether a resolution at a shareholders' meeting has been passed. His/her decision, which is final and conclusive, shall be announced at the meeting and recorded in the minutes of the meeting.

**Article 96** If the chairman of the meeting has any doubt as to the result of any resolution put to the vote, he/she may have the votes counted. If the chairman of the meeting does not count the votes counted, any attending shareholder or proxy who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, and the chairman of the meeting shall have the votes counted immediately.



**Article 97** If votes are counted at the shareholders' meeting, the counting result shall be recorded in the minutes of the meeting.

The minutes of the meeting together with the attendance records signed by the attending shareholders and proxy forms shall be kept at the address of the Company.

**Article 98** Resolutions of a shareholders' meeting shall be announced in a timely manner, the announcement shall set out the number of shareholders and proxies attending the meeting, the total number of shares held with voting rights and the percentage in the total number of shares of the Company with voting right, method of voting, voting result of each proposal and the details of each resolution which has been passed.

Where the resolutions are not passed or the shareholders' meeting has revised a resolution reached at the previous shareholders' meeting, it should be specifically noted in the resolution announcement of the shareholders' meeting.

**Article 99** Copies of the minutes of the shareholders' meeting shall be open for inspection by any shareholder free of charge during the business hours of the Company. In the event that a shareholder requests a copy of such minutes from the Company, the Company shall send the copy to such shareholder within 7 days upon the receipt of reasonable fees thereof.

## **CHAPTER 9 THE BOARD OF DIRECTORS**

**Article 100** Directors shall be elected at the shareholders' meeting for a term of three years, which are eligible for re-election when it expires.

A written notification of intent to nominate a director and the candidate's willingness to be nominated should be submitted to the Company no less than 7 days before the convention of the shareholders' meeting.

The chairperson of the board shall be elected or removed by more than one half of all directors. The term of office of the chairperson of the board shall be three years and is eligible for re-election.

Subject to the relevant laws and administrative regulations, a director may be removed by an ordinary resolution in a shareholders' meeting, before the expiration of his/her term of office (but such removal does not prejudice the claim for damages pursuant to any contract).

The term of office of the directors is calculated from the date of appointment to the expiration of this session of the board of directors. In cases where the tenure expires and the re-election is not conducted promptly, the existing original directors shall, before the newly elected directors take office, perform their duties in accordance with the laws, regulations, normative documents and the Articles of Association.

The managers or other senior managements may also serve as directors. The number of directors also serving as managers or other senior managements and employee representatives shall not be more than one half of the total number of directors of the Company.

**Article 101** A director may resign prior to the expiration of his term by tendering a written resignation report to the board of directors. The board of directors shall disclose the relevant information within two days.

Where the membership of the board of directors of the Company is less than the statutory minimum number due to the resignation of a director within his/her term of office, the existing original directors shall, before the newly elected directors take office, perform their duties in accordance with the laws, regulations, normative documents and the Articles of Association.

Except as provided in the preceding paragraph, the resignation of directors shall come into force upon the delivery of the resignation report to the board of directors.

Without violation of relevant laws and regulations and the regulatory rules of the place where the shares of the Company are listed, any person appointed by the board of directors as a Director to fill a temporary vacancy or increase the number of the board of directors shall serve only until the next annual meeting of the Company and shall be eligible for re-election at that time.

**Article 102** Any director who has left his/her office without authorization before his/her term of office expires and thereby caused the Company to incur a loss shall be liable for compensation to the Company.

A director who has failed to attend two consecutive board meeting in person and has not appointed other director(s) to attend on his/her behalf without a valid reason shall be deemed to be incapable of performing his/her duties. The board of directors may propose his/her removal at a shareholders' meeting.

**Article 103** The Company shall establish the board of directors which is composed of nine directors, including one the chairperson of the board.

**Article 104** The Company shall have at least three independent non-executive directors, and not less than one-third of the total number of directors. Except as otherwise provided by this section, the provisions relating to the qualifications and obligations of directors in the Articles of Association shall apply to independent non-executive directors. At least one independent non-executive director of the Company shall be an accounting professional. Independent non-executive directors shall have sufficient industry or professional experience to perform their duties, and perform their duties honestly and faithfully, safeguard the Company's interest and in particular, preventing encroachment of the legitimate rights and interests of public shareholders, so as to ensure the sufficient representation of the interests of all shareholders. At least one independent non-executive director shall reside in Hong Kong on a regular basis.

**Article 105** The board of directors shall be responsible to the shareholders' meeting and shall exercise the following duties:

- (I) to be responsible for the convening of the shareholders' meeting and to report on its work to the shareholders' meeting;
- (II) to implement the resolutions of shareholders' meetings;
- (III) to determine business operation plans and investment plans of the Company;
- (IV) to formulate annual preliminary and final financial budgets of the Company;
- (V) to formulate the profit distribution plans and plans for recovery of losses of the Company;
- (VI) to formulate proposals of the Company regarding increase or reduction of the registered capital and issuance of bonds of the Company;
- (VII) to formulate plans for material acquisitions, purchase of shares of the Company, or merger, division, dissolution or transformation of the Company;
- (VIII) to decide on matters relating to the Company's external investment, acquisitions or disposal of assets, mortgage of assets, external guarantee, entrusted wealth management, related party transactions and external donations as authorized by shareholders' meetings;
- (IX) to decide on the establishment of the Company's internal management structure;
- (X) to appoint or dismiss the Company's manager, and pursuant to the manager's nominations to appoint or dismiss the deputy manager and other senior managements of the Company (including financial controller) and decide their remunerations;
- (XI) to formulate the basic management system of the Company;
- (XII) to formulate proposals for any amendments to the Articles of Association;
- (XIII) to manage the disclosure of information of the Company;
- (XIV) to propose to shareholders' meetings the appointment or change of the accounting firm acting as the auditor of the Company;
- (XV) to hear the work report of the Company's manager and to review the work of the manager;
- (XVI) other authority conferred by the Articles of Association.

The board of directors may resolve on the issues specified in the preceding paragraph by approval of more than half of the directors save for the issues specified in item (VI), (VII) and (XII), of which approval of more than two-thirds of the directors is required. The board of directors shall

perform their duties in accordance with laws and administrative regulations of the state, the listing rules of the place where the shares of the Company are listed, the Articles of Association and resolutions of the shareholders' meeting.

In the event any violation by a director of the laws, administrative regulations, departmental rules or the Articles of Association in performing his/her duties in the Company, such director shall indemnify the Company for the losses arising therefrom.

**Article 106** The chairperson of the board shall exercise the following functions and powers:

- (I) to preside over the shareholders' meeting and to convene and preside over board meeting;
- (II) to examine the implementation of the resolutions of the board of directors;
- (III) to sign the securities issued by the Company;
- (IV) the requirements of the laws and regulations or the Articles of Association, and other duties and powers authorized by the board of directors.

If the chairperson of the board is unable to perform his/her duties, more than half of the directors may jointly elect a director to perform such duties on his/her behalf.

**Article 107** The board meeting comprises regular meetings and extraordinary meetings. The board meeting shall be held at least 4 times per year, and shall be convened by the chairperson of the board. The notice of a regular board meeting shall be given at least 14 days before the meeting, while the notice of an extraordinary meeting shall be given at least 5 days before the meeting. The time limit for notice of the above extraordinary meetings may be waived with the consent of each of the directors of the Company. When the situation is urgent and an extraordinary board meeting needs to be convened as soon as possible, the notice may be given by telephone or other verbal methods. at any time, but it is necessary for the convener to give explanations at the meeting.

In case of any of the following circumstances, an extraordinary board meeting may be convened:

- (I) when the shareholders representing over one-tenth of the voting right put forward a proposal;
- (II) when over one-third of the directors jointly put forward a proposal;
- (III) when the supervisory committee puts forward a proposal;
- (IV) when the chairperson of the board thinks it necessary;
- (V) when more than one half of independent non-executive directors put forward a proposal;
- (VI) when the president puts forward a proposal;

(VII) other circumstances stipulated by laws, regulations, rules and the Articles of Association.

The chairperson of the board shall convene the board meeting within 10 days of receiving such proposal, and preside over the board meeting.

**Article 108** The board of directors shall send the notice of a regular or extraordinary meeting by personal delivery, mail, fax or telephone.

Notice of meeting shall be deemed to have been served to any Director who attends the meeting without raising any objection before or during the meeting that he/she has not received the notice of meeting.

A regular or extraordinary board meeting may be held by teleconference, video conference or similar communication equipment so long as all Directors present at the meeting can clearly hear and communicate with each other. All Directors who have attended the meeting in such ways shall be deemed to be present at the meeting in person.

Save otherwise specified by laws, regulations or the listing rules of the place where the shares of the Company are listed, the board of directors may adopt written resolutions in lieu of board meeting. A written resolution shall be deemed as having been adopted upon affixing of signature by Directors reaching the quorum of the properly constituted and convened board of directors as stipulated by laws, regulations and the Articles of Association. Such written resolutions shall be filed together with minutes of the board of directors and other archives of the Company and shall have the same binding effect and validity as the resolutions made by Directors attending board meetings in person.

**Article 109** The board meeting may not be held unless not less than half of the Directors (including proxies) are present.

Each Director shall have one vote. Unless otherwise required by laws, administrative regulations and the Articles of Association, resolutions of the board of directors shall be passed by more than half of all Directors.

A Director who is associated with the enterprise involved in the matters discussed by the board of directors or has material interests in the relevant contracts, transactions or arrangements shall not exercise his own voting right, or represent other Directors to exercise voting right on such matters. Such board meetings may not be held unless attended by more than half of all the non-associated Directors, and resolutions adopted at such meetings shall be passed by more than half of all the non-associated Directors. Where the number of the non-associated Directors attending the board meetings is less than three, the matters shall be submitted to the shareholders' meeting for consideration.

In case of an equality of votes, the chairperson of the board shall be entitled to have a casting vote.

**Article 110** Directors shall attend board meetings in person.

If a Director is unable to attend for any reason, he/she may appoint another Director to attend the meeting on his/her behalf by a written power of attorney specifying the scope of authorization.

A Director attending the meeting on the behalf of another Director shall exercise the rights of a Director within the scope of power of attorney. Where a Director is unable to attend a board meeting and has not appointed a proxy to attend the meeting on his/her behalf, he/she shall be deemed to have waived his/her right to vote at the meeting.

**Article 111** In respect of the matters examined on an extraordinary board meeting, if the board of directors has delivered the proposal to be voted to all Directors, and the number of the Directors who give their signatures and consent has constituted the quorum required for making a decision pursuant to the Article of Association, this proposal shall be taken as a written resolution of the board of directors, without the need to hold a board meeting. Such written resolution shall be deemed to have the same legal effect as a resolution passed at a board meeting held in accordance with the procedures set out in the relevant provisions of the Articles of Association.

**Article 112** The board of directors shall keep minutes of resolutions passed at board meetings. The minutes shall be signed by the Directors and the recorder present at the meeting. Directors shall be responsible for the resolutions of the board of directors. If a resolution of the board of directors violates the laws, administrative regulations or the Articles of Association, and as a result of which the Company sustains serious losses, the Directors participating in the resolution are liable to compensate the Company. However, if it can be proved that a Director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such Director shall be relieved from that liability.

**Article 113** The board of directors may set up special committees such as audit committee, remuneration and appraisal committee, nomination committee and strategy committee, and formulate corresponding implementation rules to stipulate the primary duties, decision-making procedures and rules of procedures of each special committee. The board of directors shall be responsible for amendment and interpretation of the implementation rules of each special committee.

Special committees shall be accountable to the board of directors. Each of their proposals shall be submitted to the board of directors for review and approval. Special committees may engage an intermediary to seek professional advice at the Company's expense.

## CHAPTER 10 BOARD SECRETARY OF THE COMPANY

**Article 114** The Company shall have a board secretary, who shall be a member of the senior management of the Company.

**Article 115** The board secretary of the Company shall be a natural person with the necessary professional knowledge and experience and shall be appointed by the board of directors. Its principal responsibilities include:

- (I) to ensure that the Company has complete organizational documents and records; keep and manage shareholders' data; assist the Directors in handling the daily work of the board of directors;
- (II) to organize and make preparations for the board meetings and the shareholders' meeting, prepare documents for such meetings, make relevant arrangements for such meetings, take minutes of meetings and ensure the accuracy of such minutes, make and keep documents and minutes of such meetings, keep an eye on the implementation of relevant resolutions on his own initiative, report and make recommendations to the board of directors on any material issue arising in such implementation;
- (III) to act as the liaison between the Company and the securities regulatory authorities, to be responsible for organizing the preparation and prompt submission of the reports and documents required by the regulatory authorities, and for accepting and organizing the implementation of any assignment from the regulatory authorities;
- (IV) to coordinate and organize the Company's disclosure of information; establishing and improving the information disclosure system; participating in the Company's meetings involving the disclosure of information; and keeping informed of the Company's material operation decisions and related information in a timely manner;
- (V) to ensure that the register of members of the Company is properly established, and ensure that the person that has the right to receive relevant records and documents from the Company will receive such records and documents timely;
- (VI) to exercise other functions and powers as conferred by the board of directors, as well as other functions and powers as required by the laws, regulations and the stock exchanges on which the shares of the Company are listed.

## CHAPTER 11 COMPANY SECRETARY

**Article 116** The Company must appoint an individual as its company secretary, who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the relevant stock exchanges, capable of discharging the functions of company secretary.

**Article 117** The selection, appointment or dismissal of the company secretary shall be subject to the approval of the board of directors. A board meeting shall be held to discuss the appointment and dismissal of the company secretary and the matter should be dealt with by a physical board meeting rather than a written resolution.

The company secretary shall be an employee of the issuer and have day-to-day knowledge of the issuer's affairs. Where an issuer engages an external service provider as its company secretary, it should disclose the identity of a person with sufficient seniority (e.g. chief legal advisor or financial controller) at the issuer whom the external provider can contact.

In each financial year, the company secretary of the issuer must take no less than 15 hours of relevant professional training.

All Directors shall have access to the advice and services of the company secretary to ensure that board procedures, and all applicable law, rules and regulations, are followed.

## **CHAPTER 12 MANAGERS OF THE COMPANY**

**Article 118** The Company shall have one president, who shall be appointed or dismissed by the board of directors.

The Company shall have several vice presidents, who shall be appointed or dismissed by the board of directors.

The board of directors of the Company may determine that the president is held concurrently by a member of the board of directors.

President shall be appointed for a term of three years, which is renewable upon re-election.

**Article 119** The president of the Company shall report to the board of directors and have the following duties and powers:

- (I) to be in charge of the production, operation and management of the Company, and to organize and implement the resolutions adopted by the board of directors;
- (II) to organize and implement the annual business plans and investment plans of the Company;
- (III) to draft schemes for the establishment of the Company's internal management departments;
- (IV) to draft the basic management systems of the Company;
- (V) to formulate the basic rules and regulations of the Company;
- (VI) to make proposals regarding the appointment or dismissal of the vice president and other senior managements (including financial controller) of the Company;



(VII) to appoint or dismiss managerial officers other than those to be appointed or dismissed by the board of directors;

(VIII) other duties and powers authorized by the Articles of Association and the board of directors.

**Article 120** The president of the Company shall attend board meetings of the Company. However, the president has no voting rights at the board meetings unless he/she is also a Director of the Company.

**Article 121** In exercising its duties and powers, the president of the Company shall fulfil the obligation of honesty and diligence in accordance with the laws, administrative regulations, the relevant provisions of the securities regulatory authorities of the place where the shares of the Company are listed, and the provisions of the Articles of Association.

### **CHAPTER 13 SUPERVISORY COMMITTEE**

**Article 122** The Company shall establish a supervisory committee. The supervisory committee is responsible for monitoring the board of directors, the Directors, the managers and other senior managements of the Company against any abuse of authority and infringement of the interests of shareholders, the Company and employees of the Company.

**Article 123** The supervisory committee shall comprise three Supervisors, including one chairman. Each term of office of a Supervisor is three years and is eligible for re-appointment upon re-election at the end of the term.

The appointment and dismissal of the chairman of the supervisory committee shall be subject to the approval of more than one-second of its members by voting and he/she is eligible for re-appointment upon re-election.

Where no election is conducted in time before the expiration of the term of office of a Supervisor, or the number of the supervisory committee is less than the statutory number due to the resignation of a Supervisor within his/her term of office, the existing Supervisor shall, before the Supervisor elected takes office, continue to perform his/her duty as a Supervisor in accordance with laws, administrative regulations and the Articles of Association.

**Article 124** Members of the supervisory committee shall comprise two representatives of shareholders and one employee representative of the Company. The representatives of shareholders shall be elected and removed by the shareholders' meeting and the employee representative shall be elected and removed by employees of the Company in a democratic way.

**Article 125** The Directors, managers, financial controller and senior managements of the Company shall not concurrently act as Supervisors.

**Article 126** The supervisory committee shall convene at least once meeting every 6 months, which shall be convened by the chairman of the supervisory committee. The Supervisors can propose to convene extraordinary meetings of the supervisory committee.

**Article 127** The supervisory committee shall be accountable to the shareholders' meeting and shall exercise the following functions and powers in accordance with law:

- (I) to check the financial condition of the Company;
- (II) to supervise the Company's Directors, the managers and other senior managements to see whether they have violated any laws, administrative regulations or the Articles of Association in performing their duties, and to propose the removal of Directors and senior managements who have violated laws, administrative regulations, the Articles of Association or resolutions of shareholders' meeting;
- (III) when the acts of a Director, manager and other senior management of the Company are detrimental to the Company's interests, to require him/her to correct such acts;
- (IV) to verify financial information such as financial reports, business reports and profit distribution plans that the board of directors intends to submit to the shareholders' meeting and, if in doubt, a registered accountant or practicing auditor shall be appointed in the name of the Company to assist in reviewing such information;
- (V) to propose the convening of extraordinary meetings and to convene and preside over shareholders' meetings when the board of directors fails to perform the duty of convening and presiding over shareholders' meetings;
- (VI) to negotiate with Directors on behalf of the Company or to initiate litigation against Directors, presidents, and other senior managements in accordance with the law and the Articles of Association;
- (VII) to conduct investigation if there is any unusual circumstance in the Company's operations; and if necessary, to engage an accounting firm, law firm or other professional institutions to assist in their work at the expenses of the Company;
- (VIII) to exercise other functions and powers authorized at shareholders' meetings.

The Supervisors may attend board meetings and make inquiries or suggestions in relation to the resolutions of the board of directors.

The Supervisors shall not use their connected relationships to prejudice the Company's interests and shall be liable for indemnity to any loss caused to the Company.

Any Supervisor who violates any laws, administrative regulations, departmental rules or the Articles of Association during the course of performing his/her duties and causes losses to the Company shall be liable for making compensation for any loss caused to the Company.

**Article 128** The Supervisors shall ensure the truthfulness, accuracy and completeness of the information disclosed by the Company and sign written confirmation opinion on regular reports.

**Article 129** The supervisory committee shall formulate the rules of procedure of the supervisory committee and specify its method of discussion and voting procedure to ensure its efficiency and organized decision-making. A meeting of the supervisory committee may be held subject to attendance by more than two-thirds of its members.

The resolution of the supervisory committee shall be adopted by voting of more than half of the members of supervisory committee.

The supervisory committee shall keep minutes of resolutions passed at the meetings. The minutes shall be signed by the Supervisors present at the meeting.

**Article 130** All reasonable expenses incurred in respect of the employment of professionals such as lawyers, certified public accountants and practicing auditors as required by the supervisory committee in discharging its duties shall be borne by the Company.

**Article 131** A Supervisor shall carry out his committee duties honestly and faithfully in accordance with the law, administrative regulations and the Articles of Association.

**CHAPTER 14 QUALIFICATIONS AND OBLIGATIONS OF THE COMPANY'S DIRECTORS, SUPERVISORS, PRESIDENTS AND OTHER SENIOR MANagements**

**Article 132** A Director, Supervisor, president or other senior management of the Company shall cease to act as such if it:

- (I) has no capacity for civil conduct, or has limited capacity for civil conduct;
- (II) has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation and less than two years have elapsed since the date of the completion of the probation period if probation is announced;
- (III) acts as a Director, or factory head or manager who assumes individual responsibility for the bankruptcy or liquidation of such company or enterprise where 3 years have not lapsed following the date of completion of such bankruptcy or liquidation;
- (IV) is the legal representative of a company or enterprise that had its business license revoked and was ordered to be closed for violation of the law, and assumes personal responsibility, and 3 years have not lapsed following the date of revocation of the business license;
- (V) has been listed as a defaulter by a people's court since he is personally liable for a substantial loan which is due for payment but remains unpaid;
- (VI) is under criminal investigation or prosecution by judicial organization for violation of the criminal law which is not yet concluded;

(VII) is not eligible for enterprise leadership according to laws and administrative regulations;

(VIII) is a non-natural person;

(IX) convicted of the contravention of provisions of relevant securities regulations by a relevant government authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five years has elapsed since the date of the conviction;

(X) the circumstances specified by the laws, administrative regulations, the listing rules or relevant laws and regulations of the place where the shares of the Company are listed.

Any election, appointment or employment by the Company of any Director, Supervisor or senior management in violation of the preceding provisions shall be invalid.

The Company shall dismiss the Director, Supervisor and other senior management if they are involved the said circumstances listed in the first paragraph of this Article during their respective term of office.

**Article 133** In addition to the obligations imposed by law, administrative regulations or the listing rules of the stock exchange where the Company's shares are listed, Directors, Supervisors, presidents and other senior managements of the Company owe the following obligations to each shareholder, in the exercise of the functions and powers entrusted to them by the Company:

(I) not to exceed the Company's scope of business specified in its business license;

(II) to act honestly in the best interests of the Company;

(III) not to expropriate the Company's property in any way, including but not limited to opportunities beneficial to the Company;

(IV) not to expropriate the personal interests of shareholders, including but not limited to rights to distribution and voting rights, except in a restructuring of the Company which has been submitted to the shareholders' meeting for approval in accordance with the Articles of Association.

**Article 134** Each of the Directors, Supervisors, presidents and other senior managements of the Company owes the duty that in the exercise of his powers or discharge of his obligations, to exercise the care, diligence and skill that a reasonably prudent person would exercise under similar circumstances.

**Article 135** Each of the Directors, Supervisors, managers and other senior managements of the Company shall carry on his duties in accordance with the principle of fiduciary and shall not put himself in a position where his duty and his interest may conflict.

This principle includes (without limitation) discharging the following obligations:

- (I) to act honestly in the best interests of the Company;
- (II) to exercise powers within the scope of his powers and not to exceed those powers;
- (III) to exercise the discretion vested in him personally and not to allow himself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders' meeting, not to delegate the exercise of his discretion;
- (IV) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (V) except in accordance with the Articles of Association or with the informed consent of shareholders' meeting, not to enter into any contract, transaction or arrangement with the Company;
- (VI) without the informed consent of shareholders' meeting, not to use the Company's property in any way for his own benefit;
- (VII) not to exploit his position to accept bribes or other illegal income or expropriate the Company's property by any means, including (without limitation) opportunities advantageous to the Company;
- (VIII) without the informed consent of shareholders' meeting, not to accept commissions in connection with the Company's transactions;
- (IX) to abide by the Articles of Association, faithfully execute his official duties and protect the Company's interests, and not to exploit his position and power in the Company to advance his own private interests;
- (X) not to compete with the Company in any form unless with the informed consent of shareholders' meeting;
- (XI) not to misappropriate the Company's funds or lend such funds to others, not to open accounts in his own name or other names for the deposit of the Company's assets and not to provide a guarantee for debts of a shareholder of the Company or other individual(s) with the Company's assets;
- (XII) unless otherwise permitted with the informed consent of shareholders' meeting, to keep in confidence information acquired by him in the course of and during his tenure and not to use the information other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:
  - 1. disclosure is made under compulsion of law;

2. the interests of the public require disclosure;
3. the interests of the relevant Directors, Supervisors, presidents and other senior managements require disclosure.

(XIII) to provide relevant true information and materials to the supervisory committee and not to interfere with the duties and powers exercised by the supervisory committee or Supervisors.

**Article 136** The fiduciary duty of Directors, Supervisors, presidents and other senior managements of the Company may not necessarily cease upon the conclusion of their terms, and their obligations to keep the commercial secrets of the Company shall survive beyond the conclusion of their terms. The term for which other obligations shall continue shall be decided upon in accordance with the principle of fairness, depending on the time lapse between the termination and the occurrence of the matter as well as the circumstances and conditions under which the relationship with the Company is terminated.

**Article 137** The Company shall not directly or indirectly make a loan or a loan guarantee to a Director, Supervisor, president and other senior managements of the Company or of the Company's controlling shareholder(s) or any of their respective associates.

The preceding paragraph shall not apply to the following circumstances:

- (I) the provision by the Company of a loan or a loan guarantee to its subsidiary;
- (II) the provision by the Company of a loan or a loan guarantee or any other funds to any of its Director, Supervisor, president and other senior managements to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the service contract approved by the shareholders' meeting;
- (III) in the event that the ordinary course of the business of the Company includes the provision of loans and loan guarantees, the Company may make a loan or a loan guarantee to such Director, Supervisor, president and other senior managements or their respective associates, provided that the conditions for the provision of loans or loan guarantees are on normal commercial terms.

**Article 138** A loan made by the Company in breach of the preceding paragraph shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.

**Article 139** A loan guarantee provided by the Company in breach of the preceding paragraph shall be unenforceable against the Company, unless:

- (I) the loan was provided to an associate of any of the Directors, Supervisors, presidents and other senior managements of the Company or of its parent and at the time the loan was advanced, the lender did not know the relevant circumstances;

(II) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

**Article 140** The guarantee mentioned in the preceding paragraph of this chapter shall include an act whereby a guarantor assumes its liability or provides property to guarantee in order to secure the performance of obligations by an obligator.

**Article 141** When Directors, Supervisors, presidents and other senior managements of the Company fail to fulfil the obligations to the Company, the Company shall have the right to take the following measures in addition to various rights and remedial measures as provided in laws and administrative regulations:

- (I) to demand the relevant Directors, Supervisors, presidents and other senior managements to compensate the Company for the losses arising from their neglect of duty;
- (II) to revoke any contracts or transactions concluded between the Company and the relevant Directors, Supervisors, presidents and other senior managements or between the Company and a third party (where such third party is aware of or should be aware of that Directors, Supervisors, presidents and other senior managements representing the Company are in breach of their obligations to the Company);
- (III) to demand the relevant Directors, Supervisors, presidents and other senior managements to surrender the gains derived from breach of obligations;
- (IV) to recover any funds which are received by the relevant Directors, Supervisors, presidents and other senior managements and shall have been collected for the Company, including (but not limited to) commissions;
- (V) to demand the relevant Directors, Supervisors, presidents and other senior managements to return the interest earned or possibly earned on the funds that shall have been given to the Company.

## **CHAPTER 15 FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION**

**Article 142** The Company shall establish its financial and accounting system in accordance with the provisions of laws, administrative regulations and PRC accounting standards formulated by the Ministry of Finance.

**Article 143** At the end of each accounting year, the Company shall prepare a financial report reviewed and certified with statutory requirements.

**Article 144** The board of directors of the Company shall place before the shareholders at each annual meeting such financial reports as relevant laws, administrative regulations and normative documents promulgated by the local government and the competent authorities require the Company to prepare.

**Article 145** The financial reports of the Company shall be made available for shareholders' inspection at the Company within 20 days before the convening of the annual meeting. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this chapter.

**Article 146** The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or such accounting standards of the place of overseas listing. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be given in the financial statements. When the Company distributes its after-tax profits for that accounting year, the lower of the after-tax profits as shown in the financial statements (i) prepared in accordance with the PRC accounting standards and regulations, and (ii) the international accounting standards or such accounting standards of the place of overseas listing, shall be adopted.

**Article 147** The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or such accounting standards of the place of overseas listing.

**Article 148** The Company shall publish its financial reports twice every accounting year, that is, the interim financial report shall be published within 60 days after the first six months of the accounting year ends and the annual financial report shall be published within 120 days after the accounting year ends.

If the securities regulatory authorities of the place where the Company's shares are listed or listing rules of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.

**Article 149** The Company may not establish any account books other than statutory account books. No accounts shall be opened in the name of any individual for deposit of the assets of the Company.

**Article 150** The Company will annually give full consideration to the interests of shareholders and make the implementation of a reasonable dividend distribution policy according to its business situation and market environment. The Company shall distribute dividends in form of cash or share certificates.

When distributing the current year's after-tax profits, the Company shall set aside 10% of its profits for the Company's statutory reserve fund. When the aggregate balance in the Company's statutory reserve fund has reached more than 50% of the Company's registered capital, the Company need not make any further allocations to that fund.

Where the Company's statutory reserve fund is not enough to make up losses for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory reserve fund in accordance with the preceding paragraph.



Subject to a resolution of shareholders' meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may also allocate funds from the after-tax profits to the discretionary reserve fund.

After the Company has covered its losses and made allocation to the reserve funds, the remainder of the after-tax profits shall be distributed to the shareholders in proportion to their shareholdings, unless it is not permitted in the Articles of Association to distribute profits in proportion to shareholdings.

Any distribution of profit to shareholders by the shareholders' meeting or the board of directors prior to losses are made up and transfers to the statutory reserve fund in contravention to the provisions of the preceding paragraph must be returned by the shareholders to the Company.

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

**Article 151** The reserve fund of the Company shall be used for making up for the losses, expansion of the production and operation or conversion into capital of the Company. Where the reserve funds are used to make up losses, the discretionary reserve funds and statutory reserve funds shall be used in priority; if not sufficient, the capital reserve funds may be used according to regulations.

When the statutory reserve fund is converted into capital, the retained portion of such reserve fund shall not be less than 25% of the registered capital of the Company before such conversion.

If the Company still incurs losses after making up for the losses in accordance with the provisions of paragraph (1), it may reduce its registered capital to make up for the losses. When reducing registered capital to make up for losses, the Company shall not distribute to shareholders, nor shall it exempt shareholders from their obligations to contribute capital or pay for shares.

The provisions of paragraph (2) of Article 165 shall not apply to the reduction of registered capital in accordance with the preceding paragraph. However, the Company shall, within 30 days from the date of the resolution of the shareholders' meeting to reduce the registered capital, announce the reduction in a newspaper or on the National Enterprise Credit Information Publicity System.

After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the cumulative amount of the statutory reserve fund and the discretionary reserve fund reaches 50% of the Company's registered capital.

**Article 152** The dividend distribution plans of the Company shall be determined at the shareholders' meeting. After the board of directors takes into account the Company's financial position and subject to the relevant laws and regulations, shareholders may authorize by ordinary resolution the board of directors to distribute and pay dividends.

**Article 153** The Company may distribute dividends in the following forms:

- (I) cash;
- (II) share certificates.

## **CHAPTER 16 APPOINTMENT OF ACCOUNTING FIRM**

**Article 154** The Company shall retain an independent accounting firm that fulfills the requirements provided by the relevant regulations of China to audit the Company's annual financial report and review the Company's other financial reports. For the purposes of the Articles of Association, the accounting firm retained by the Company at any time shall be the Company's auditor.

The retaining of the first accounting firm of the Company may occur at the inauguration meeting prior to the first annual meeting of shareholders. The term of such accounting firm shall terminate upon the conclusion of the first annual meeting of shareholders.

Should the inauguration meeting not exercise the powers under the preceding paragraph, the board of directors shall exercise those powers.

**Article 155** The term of an accounting firm retained by the Company shall be one year, and may be renewed.

**Article 156** The accounting firm engaged by the Company shall have the following rights:

- (I) to inspect books, records and vouchers of the Company at any time, and to require the Directors, managers or other senior managements of the Company to provide relevant information and explanations;
- (II) to require the Company to take all reasonable steps to obtain from its subsidiaries information and explanations necessary for the discharge of its duties;
- (III) to attend any shareholders' meeting and to receive all notices of, and other communications relating to, any shareholders' meeting which any shareholder is entitled to receive, and to speak at any shareholders' meeting in relation to matters concerning its role as the Company's accounting firm.

**Article 157** Irrespective of the provisions in the contract concluded between the accounting firm and the Company, the shareholders' meeting may remove the accounting firm by an ordinary resolution before the term of the accounting firm expires. The accounting firm's entitlement to claim for damages from the Company arising out of its removal shall not be affected thereby.

**Article 158** The remuneration of an accounting firm or the manner in which such firm is to be compensated shall be decided by the shareholders' meeting.

**Article 159** The shareholders' meeting shall decide to retain, remove or discontinue the retention of an accounting firm.

**Article 160** In the event that a resolution at shareholders' meeting is passed to retain an accounting firm other than the incumbent accounting firm to fill any casual vacancy in the office of the accountant, or to remove an accounting firm prior to the expiration of its term, the following provisions shall apply:

- (I) the retaining or removal motion shall be sent (before a notice of shareholders' meeting is given) to the accounting firm that is proposed to be retained or to leave or the accounting firm which has left in the relevant accounting year (including any accounting firm leaving due to removal, resignation and retirement).
- (II) in the event that the accounting firm that is proposed to leave makes written representations and requests that the Company give notice to shareholders of such representations, the Company shall (unless the representations have been received too late) take the following measures: (1) in any notice for making a resolution, the Company shall state the representations made by such accounting firm which is to leave; (2) to attach a copy of the representations to the notice and deliver it to every shareholder entitled to receive the notice of shareholders' meeting in the manner as provided in the Articles of Association.
- (III) in the event that the Company fails to send the accounting firm's representations in the manner set out in paragraph (II) above, such accounting firm may (in addition to its right to be heard) make further appeal.
- (IV) a leaving accounting firm has the right to attend the following meetings:
  - (1) shareholders' meeting at which its term would otherwise have expired;
  - (2) shareholders' meeting at which the said accounting firm is proposed to fill the vacancy caused by its removal;

- (3) shareholders' meeting which is convened as a result of the resignation of the said accounting firm.

The leaving accounting firm is entitled to receive all notices of, and other communications relating to any meeting referred to in item (IV), and to speak at any such meeting which it attends on any matters with respect to its capacity as the former accounting firm of the Company.

**Article 161** Notice shall be given to the accounting firm 3 days in advance should the Company decide to remove such accounting firm or not to reappoint it. Such accounting firm shall be entitled to make representations at the shareholders' meeting. Where the accounting firm resigns from its position, it shall clarify to the shareholders' meeting on any irregularities on the part of the Company.

## **CHAPTER 17 MERGER, DIVISION, CAPITAL INCREASE AND CAPITAL DECREASE OF THE COMPANY**

**Article 162** The merger or division of the Company shall require the proposal put forward by the board of directors of the Company. After such proposal has been passed in accordance with the procedures specified in the Articles of Association, the relevant examination and approval procedures regarding such proposal shall be carried out according to laws. Shareholders that object to such proposal on the merger or division of the Company shall have the right to require the Company or shareholders who are in favor of such proposal on merger or division of the Company to purchase their shares at a fair price. The contents of such resolutions approving the merger or division of the Company shall be compiled into a special document for inspection by shareholders. The document as stated above shall be sent by mail to shareholders of overseas listed shares.

**Article 163** The merger of the Company may take the form of either merger by absorption or merger by establishment of a new company.

In the event of a merger of the Company, the parties to the merger shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days and publish an announcement in a newspaper for three times within 30 days after the date of the Company's merger resolution.

The creditors may require the Company to repay debts or provide corresponding guarantees within 30 days after receipt of the notice or within 45 days after the announcement if the creditors haven't received the notice.

After the merger of the Company, the creditor's rights and debts of all parties to the merger shall be assumed by the surviving company after the merger or the newly established company.

**Article 164** Where there is a division of the Company, its assets shall be divided accordingly.

In the event of a division of the Company, the parties to the division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days and publish an announcement in newspapers within 30 days after the date of the Company's division resolution.

The debts of the Company incurred prior to the division shall be jointly assumed by the companies formed after the division, except for debts specified in written agreements in respect of settlement of debts entered into between the Company and its creditors prior to the division.

**Article 165** The Company must prepare a balance sheet and an inventory of assets when it needs to decrease its registered capital.

The Company shall notify its creditors within 10 days and publish an announcement in newspapers within 30 days after the date of the Company's resolution for decrease of registered capital. The creditors shall have the right, within 30 days of receipt of the notice or within 45 days after the date of the announcement if the notice has not been received, to require the Company to pay its debts or provide corresponding guarantees.

The registered capital of the Company after capital decrease shall not be lower than the minimum statutory authorized amount.

**Article 166** Changes in registration particulars of the Company resulting from the merger or division must be registered with the company registration authority in accordance with laws; cancellation of the Company shall be registered in accordance with laws when the Company is dissolved; incorporation of the Company shall be registered when a new company is incorporated in accordance with laws.

**Article 167** In case of any increase or decrease in the Company's registered capital, it shall complete the change registration formalities with the company registration authority in accordance with laws.

## **CHAPTER 18 DISSOLUTION AND LIQUIDATION OF THE COMPANY**

**Article 168** The Company shall be dissolved and liquidated according to laws upon any of the following circumstances:

(I) a special resolution on dissolution is passed at a shareholders' meeting;

- (II) dissolution is necessary due to a merger or division of the Company;
- (III) the Company's business license is revoked or it is ordered to close down or deregistered according to laws;
- (IV) the Company is ordered to be close down for violation of laws and administrative regulations in accordance with laws;
- (V) where the Company suffers severe difficulties in its operation and management and its continued existence will bring heavy losses to the shareholders' interests, and provided that such difficulties cannot be resolved otherwise, the shareholders holding more than 10% of all shareholders' voting right in the Company may apply to the People's Court for dissolution of the Company;
- (VI) where the Company is adjudged insolvent in accordance with laws as a result of its inability to pay its debts when due;
- (VII) the term of business operation as prescribed in the Articles of Association expires or other matters as prescribed in the Articles of Association for dissolution occur.

When dissolution event in accordance with preceding paragraph occurred to the Company, the Company shall publicly announce the dissolution event on the National Enterprise Credit Information Publicity System within 10 days.

**Article 169** In the event of the situation set forth in paragraph (I) of Article 168 of the Articles of Association, and has yet to distribute its property to its shareholders, the Company may continue to exist by amending the Articles of Association or by a shareholders' meeting resolution.

Amendments to the Articles of Association in accordance with preceding paragraph or the approval of the shareholders' meeting resolution shall be approved by more than two-thirds of the voting rights held by the shareholders present at the shareholders' meeting.

**Article 170** Where the Company is dissolved as stipulated in items (I), (III), (V) and (VII) of Article 168 of the Articles of Association, a liquidation committee shall be set up within 15 days since dissolution events has occurred to start liquidation process. The liquidation committee shall be composed of personnels decided by an ordinary resolution at the shareholders' meeting. If no liquidation committee has been set up to conduct liquidation within the time limit, the creditors may request the People's Court to designate the relevant personnel to form a liquidation committee to conduct liquidation.

Where the Company is dissolved pursuant to items (I), (II), (IV), (VI) and (VII) of the preceding article, a liquidation committee comprising shareholders, the relevant departments and relevant professionals shall be arranged by the relevant supervisory authority to carry out the liquidation.

Where the Company is dissolved pursuant to items (I), (II), (VI) and (VII) of the preceding article, a liquidation committee comprising shareholders, the relevant departments and relevant professionals shall be arranged by the People's Court in accordance with relevant laws to carry out the liquidation.

**Article 171** The liquidation committee shall, within ten days of its establishment, notify the creditors, and, within sixty days of its establishment, publish an announcement on newspapers or on the National Enterprise Credit Information Publicity System.

Creditors shall, within thirty days after receipt of the written notice, or for those who do not receive the notice, within forty-five days from the date of the announcements, declare their claims to the liquidation committee. In declaring claims, a creditor shall explain the relevant particulars of the claims with supporting materials. The liquidation committee shall register the creditor's claims in accordance with laws.

During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

**Article 172** The liquidation committee shall exercise the following functions and powers during the liquidation:

- (I) to go through the assets of the Company and prepare a balance sheet and an inventory of assets separately;
- (II) to inform or make an announcement to the creditors;
- (III) to deal with the Company's outstanding business in connection with the liquidation;
- (IV) to settle any taxes payable;
- (V) to go through the claims and debts;
- (VI) to handle the Company's assets remaining after the settlement of its debts;
- (VII) to participate in civil litigation on behalf of the Company.

The members of the liquidation committee shall be devoted to their duties and perform their liquidation obligations in accordance with laws.

The members of the liquidation committee shall not accept any bribes or other illegal income by making use of his functions and powers nor seize any assets of the Company.

Where a member of the liquidation committee causes losses to the Company or its creditors intentionally or through gross negligence, he or she shall be liable for compensation.

**Article 173** After going through the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit the same at the shareholders' meeting or to the relevant competent authorities for confirmation.

The Company's assets shall be distributed in accordance with the order stipulated by laws and regulations. If there is no applicable law, such distribution shall be carried out in accordance with a fair and reasonable order determined by the liquidation committee.

Any assets of the Company remaining after repayment of debts in accordance with the preceding provision shall be distributed to the shareholders of the Company according to the class of shares and the proportion of shares held.

During the liquidation period, the Company shall continue to exist, but shall not commence any new business activities.

The assets of the Company shall not be distributed to the shareholders before the discharge is made as provided for in the preceding paragraph.

**Article 174** If the Company is to be dissolved by liquidation, the liquidation committee, after going through the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to repay its debts, it shall apply to the People's Court for a declaration of insolvency.

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

**Article 175** Upon conclusion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and statement of receipts and expenditures and financial records for the period of liquidation which shall, upon being audited by an accountant registered in the PRC, be submitted to the shareholders' meeting or to the relevant competent authorities for confirmation.



The liquidation committee shall, within thirty days of the date of confirmation by the shareholders' meeting or relevant competent authorities, submit the said documents to the Company registration department, and apply for the cancellation of registration of the Company and make public announcement in respect of the termination of the Company.

## **CHAPTER 19 PROCEDURES FOR AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**Article 176** The Company may amend the Articles of Association in accordance with the requirements of laws, administrative regulations and the Articles of Association.

**Article 177** Amendments to the Articles of Association passed by resolutions at the shareholders' meeting, which require examination and approval by the competent authorities, shall be submitted to the competent authorities for approval. Should the registration of the Company be involved, the change to such registration shall be handled according to laws.

## **CHAPTER 20 NOTICES AND ANNOUNCEMENTS**

**Article 178** The notices of the Company may be served as follows:

- (I) by personal delivery;
- (II) by post;
- (III) by fax or email;
- (IV) by announcement on the website designated by the Company and the Hong Kong Stock Exchange in accordance with the laws, administrative regulations and listing rules of the stock exchange at the place where the shares of the Company are listed;
- (V) by public announcement;
- (VI) by other means specified beforehand by the Company or the recipient or approved by the recipient after receiving the notice; or
- (VII) by other means approved by the relevant regulatory authority at the place where the shares of the Company are listed or stipulated in the Articles of Association.

Unless the context otherwise requires, “announcement” referred to in the Articles of Association shall mean, in relation to announcements to shareholders of domestic shares or announcements to be published within the PRC as required by the relevant regulations and the Articles of Association, announcements published in the newspapers in the PRC as designated by the PRC laws and administrative regulations or the securities regulatory authorities under the State Council;

Save as otherwise specified in the Articles of Association, if the Company sends the notice to the shareholders of H shares by announcement, such notice shall, according to the requirements of the Hong Kong Listing Rules, be published on the websites of the Hong Kong Stock Exchange and the Company.

The shareholders of overseas listed shares of the Company may choose to receive either or both of the Chinese and English versions. They may also change the method for receiving the aforesaid information and the language version to be received as per appropriate procedures by sending a written notice to the Company in advance within a reasonable period.

If any shareholder or Director wants to prove he/she has sent any notice, document, information or written statement to the Company, he/she shall provide evidence proving that the relevant notice, document, data or written statement has been served in a usual way or by prepaid mail to the correct address within the specified time.

Although the preceding paragraph clearly specifies that the Company shall provide and/or send the information of the Company to the shareholders in written form, regarding the method used by the Company to provide and/or send information of the Company to the shareholders according to the requirements of the Listing Rules, and subject to the relevant laws and regulations and the relevant provisions of the Listing Rules and the Articles of Association amended from time to time, the Company may send or provide the information of the Company to its shareholders in an electronic way or by posting the information on its website and/or the website of the Hong Kong Stock Exchange. Information of the Company includes but is not limited to: circular, annual report, interim report, quarter report, notice of shareholders’ meeting and other information of the Company set out in the Listing Rules.

## CHAPTER 21 SETTLEMENT OF DISPUTES

**Article 179** The Company shall abide by the following principles for settlement of disputes:

- (I) whenever any disputes or claims arise from any rights or obligations as provided in the Articles of Association, the Company Law and other relevant laws and administrative regulations concerning the affairs of the Company between shareholders of overseas listed shares and the Company, between shareholders of overseas listed shares and a Director, Supervisor or senior management of the Company, and between shareholders of overseas listed shares and shareholders of unlisted shares, the parties concerned shall resolve such disputes or claims through arbitration.

Where a dispute or claim described above is submitted for arbitration, the entire claim or dispute 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 the Company or shareholders, Directors, Supervisors or senior management of the Company, shall submit to arbitration.

Disputes with respect to the definition of shareholders and disputes concerning the register of members do not have to be resolved through arbitration.

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

If a claimant elects arbitration to be carried out at the Hong Kong International Arbitration Centre, any party may apply to have such arbitration conducted in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.

- (III) if any disputes or claims of rights arising from the item (I) above are settled by way of arbitration, the laws of the People's Republic of China shall apply, unless otherwise provided in the law and administrative regulations.

- (IV) the award of an arbitral body shall be final and conclusive and binding on all parties.

## CHAPTER 22 SUPPLEMENTARY PROVISIONS

**Article 180** In the Articles of Association, the meaning of the term “accounting firm” is the same as that of “auditor”.

**Article 181** All notices or other documents required to be submitted by the Company to the Hong Kong Stock Exchange shall be written in English or accompanied by a certified English translation.

The Articles of Association shall be executed in Chinese. In the event of any conflict between other language versions and the Chinese version, the Chinese version shall prevail.

Should there be any inconsistency between the Articles of Association and relevant laws, regulations, rules, normative documents and the listing rules of the place where the shares of the Company are listed in respect of the issue, the latter shall prevail.

Any matters not covered in the Articles of Association shall be handled in accordance with the relevant laws, regulations, rules, normative documents and the listing rules of the place where the shares of the Company are listed.

**Article 182** The power of interpretation of the Articles of Association shall be vested in the Company’s board of directors.

**Article 183** Subject to consideration and approval at the shareholders’ general meeting, the Articles of Association shall take effect from the date of the issuance and listing of the H shares of the Company. The amendments to the Articles of Associations are subject to the consideration and approval by the shareholders’ general meeting or the shareholders’ meeting of the Company.