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*This English translation of these Articles of Association of the Company is for reference only. In case of inconsistency between the Chinese versions of the Company's Articles of Association and this English translation, the original Chinese version shall prevail.*



**Sinopec Oilfield Service Corporation**

*(a joint stock limited company established in the People's Republic of China)*

**(Stock code: 1033)**

**SINOPEC OILFIELD SERVICE CORPORATION**

*(a joint stock limited company established in the People's Republic of China)*

**ARTICLES OF ASSOCIATION**

(Revised at the first extraordinary general shareholders' meeting of the Company for  
the year of 2025 held on 18 December 2025)

**Sinopec Oilfield Service Corporation**  
**Articles of Association**

CHAPTER ONE: GENERAL PROVISIONS .....	3
CHAPTER TWO: OBJECTIVE AND SCOPE OF BUSINESS .....	7
CHAPTER THREE: SHARES AND REGISTERED CAPITAL.....	8
Section 1 Share Issuance.....	8
Section 2 Increase, Decrease and Repurchase of Shares .....	9
Section 3 Financial Assistance for the Purchase of Company's Shares.....	13
Section 4 Shares Transfer.....	14
Section 5 Share Certificates and Register of Shareholders.....	15
CHAPTER FOUR: RIGHTS AND OBLIGATIONS OF SHAREHOLDERS.....	16
Section 1 General Provisions for Shareholders .....	16
Section 2 Controlling Shareholders and De Facto Controllers .....	21
CHAPTER FIVE: GENERAL MEETING .....	23
Section 1 General Provisions of the General Meeting .....	23
Section 2 Special Procedures for Voting by A Shareholders and H Shareholders.....	46
CHAPTER SIX: BOARD OF DIRECTORS.....	49
CHAPTER SEVEN: SENIOR MANAGEMENT OF THE COMPANY .....	71
CHAPTER EIGHT: QUALIFICATIONS AND OBLIGATIONS OF THE COMPANY'S DIRECTORS AND SENIOR MANAGEMENT .....	75
CHAPTER NINE: FINANCIAL AND ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT .....	81
Section 1 Financial and Accounting System.....	81
Section 2 Internal Audit .....	87
Section 3 Engagement of Accounting Firm .....	88
CHAPTER TEN: EMPLOYMENT.....	89
CHAPTER ELEVEN: TRADE UNION.....	90
CHAPTER TWELVE: MERGER AND DIVISION OF THE COMPANY .....	90
CHAPTER THIRTEEN: DISSOLUTION AND LIQUIDATION OF THE COMPANY .....	92
CHAPTER FOURTEEN: AMENDMENT OF THESE ARTICLES OF ASSOCIATION .....	95
CHAPTER FIFTEEN: NOTICES .....	96
CHAPTER SIXTEEN: SUPPLEMENTARY PROVISIONS .....	98

## CHAPTER ONE: GENERAL PROVISIONS

**Article 1** These Articles of Association are drawn up in accordance with the *Company Law of the People's Republic of China* (hereinafter referred to as the "Company Law"), the *Securities Law of the People's Republic of China* (hereinafter referred to as the "Securities Law"), the *Guidelines for these Articles of Association of Listed Companies* and the *Standards for the Governance of Listed Companies* issued by the China Securities Regulatory Commission (hereinafter referred to as the "CSRC") and other relevant laws, administrative regulations, departmental rules, other relevant normative documents and the securities regulatory rules of the places where the shares of the Company are listed (hereinafter collectively referred to as the "Relevant Regulatory Rules") to safeguard the legitimate interests of Sinopec Oilfield Service Corporation (hereinafter referred to as the "Company") and its shareholders, employees and creditors and to regulate the organization and conducts of the Company in combination with the actual situation of the Company.

**Article 2** The predecessor of the Company, Sinopec Yizheng Chemical Fibre Company Limited, is a joint stock limited company established in accordance with the Relevant Regulatory Rules including the Opinions on Regulating Joint Stock Limited Companies. It was established by way of proposal on 31 December 1993 with the approval of the State Commission for Economic Restructuring of the People's Republic of China (the "PRC") as evidenced by approval document titled "Approval in relation to the Establishment of Yizheng Chemical Fibre Company Limited" (Ti Gai Sheng (1993) No. 213) and was registered with the State Administration for Industry and Commerce of the People's Republic of China. Later it was transformed into a Sino-foreign joint stock limited company on 20 November 1994 pursuant to Document (1994) Wai Jing Mao Zi Er Han Zi No. 441 issued by the Ministry of Foreign Trade and Economic Cooperation of the People's Republic of China, and was issued a business license by the State Administration for Industry and Commerce.

The promoter at the Company's incorporation is: Yizheng Joint Corporation of Chemical Fibre Industry.

The Company is currently registered with the Beijing Municipal Administration for Market Regulation with its unified social credit code 911100006259082971.

**Article 3** Registered name of the Company (in Chinese): 中石化石油工程技術服務股份有限公司 (in English): Sinopec Oilfield Service Corporation

**Article 4** Registered Address of the Company: No. 22 Chaoyangmen North Street, Chaoyang District, Beijing, the People's Republic of China (hereinafter referred to as the "PRC") Postcode: 100728  
Telephone: 10-59965998  
Facsimile: 10-59965997

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

If the Chairman of the Board resigns, it shall be deemed that he or she simultaneously resigns as the legal representative. The Company shall appoint a new legal representative within 30 days from the date of the legal representative's resignation.

The procedures for the appointment and change of the Company's legal representative are as follows:

(i) When the board of directors elects a Chairman of the Board, the Chairman of the Board shall concurrently serve as the Company's legal representative.

(ii) If the Chairman of the Board resigns, before the board of directors elects a new Chairman of the Board to serve as the Company's legal representative, the general manager shall temporarily act as the Company's legal representative. If the general manager resigns or is otherwise unable to temporarily perform the role, one director, elected by a majority of the directors, shall temporarily act as the Company's legal representative.

**Article 6** The legal consequences of civil activities performed by the legal representative in the name of the Company shall be borne by the Company.

The limitation on the functions and powers of the legal representative in the Articles of Association or by the general meeting shall not be asserted against a bona fide counterpart.

Where the legal representative causes damage to any other person in the performance of his duties, the Company shall bear civil liability for such damage. The Company may, after bearing such civil liability, seek indemnification from the legal representative at fault in accordance with laws or the Articles of Association.

**Article 7** The Company is a joint stock limited company which has perpetual existence. The Company insists on lawful corporate governance, strives to establish a lawfully governed enterprise with sound governance, compliance in operation, management standards, legal compliance and integrity.

**Article 8** The Company's shareholders shall be liable to the Company to the extent of the shares subscribed by them; the Company shall be responsible for its debts to the extent of its entire property.

**Article 9** In accordance with the Company Law and the Constitution of the Communist Party of China (the "Party"), the Company shall set up Party organizations and related working organs, carry out Party activities, and enable Party organizations to fulfill their role. Party organizations shall support the Company's general meeting, board of directors, and senior management in exercising their functions and powers in accordance with the law.

The Company shall assign and maintain an adequate level of staffing to handle Party affairs as well as sufficient funding necessary for the activities of the Party organizations to provide necessary conditions for Party organizations' activities.

**Article 10** These Articles of Association is effective on the date of incorporation of the Company.

These Articles of Association and its appendices shall be a legally binding document that regulates the organization and acts of the Company as well as the rights and obligations between the Company and the shareholders and among the Company's shareholders from the date on which they become effective.

**Article 11** These Articles of Association and its appendices shall be legally binding upon the Company and its shareholders, directors and senior management, all of whom are entitled to make claims regarding the Company's affairs in accordance with these Articles of Association and its appendices.

Shareholders may sue shareholders, the Company, its directors and senior management, and the Company may sue its shareholders, directors and senior management in accordance with these Articles of Association and its appendices.

Unless otherwise defined in the contexts, senior management used in these Articles of Association and its appendices refers to general manager, deputy general manager, chief financial officer, the Secretary to the Board, general legal advisor and any other person designated by the Company.

**Article 12** The Company may invest in other enterprises. If laws stipulate that the Company shall not become a capital contributor that shall bear several and joint liabilities for the debts of the enterprises in which it invests, such provisions shall apply.

**Article 13** Subject to compliance with the Relevant Regulatory Rules, the Company shall be entitled to obtain funding or raise loans through, amongst others, the issuance of corporate bonds, and shall be entitled to create mortgage or pledge over any of its properties.

## **CHAPTER TWO: OBJECTIVE AND SCOPE OF BUSINESS**

**Article 14**      The business objectives of the Company are:  
to develop the enterprise, to reward shareholders, to contribute to the society, and to benefit the employees.

**Article 15**      The business scope of the Company shall be based on those items approved by the company's registration authority.

Upon legal registration, the Company's business scope is: general construction contracting, specialist contracting, labour subcontracting; construction project management; provision of service for onshore and offshore oil and gas extraction; engineering and technical research and development; preparation of construction projects; sale of mechanical equipment, hardware and electrical equipment, computer, software and auxiliary equipment; leasing of mechanical equipment; geological prospecting for energy resources and solid minerals; technical services for geological exploration; investment in oil, natural gas and mineral resources projects; organization of enterprises engaged in manufacturing business to manufacture metal structures, metal tools, metal pressure vessels, all-purpose instruments, special instruments, chemical reagents, chemical accessories, special chemical products (including oilfield chemicals) and special equipments for mine, metallurgy and construction; organization of enterprises with license for contracting foreign projects to undertake as contractor overseas petroleum, natural gas, chemical, bridge, road, housing construction, water and hydropower, municipal utility, steel structure, electricity, fire-fighting equipment, industrial plant projects and international tender projects at home; import and export of goods, import and export agency services; and import and export of technologies.

**Article 16**      In light of the market trend in the domestic and international markets, and the requirements arising from domestic business development, the development capacity of the Company and its business requirements, the Company may adjust its investment policies and its scope of business and ways of operation, and may establish wholly-owned or controlling subsidiaries, branches, representative offices, and other

branch offices.

## **CHAPTER THREE: SHARES AND REGISTERED CAPITAL**

### **Section 1 Share Issuance**

**Article 17** The Company shall have ordinary shares at all times. As needed, the Company may issue class shares with rights differing from ordinary shares, as permitted by the Relevant Regulatory Rules.

The ordinary shares issued by the Company include two types of shares: domestic investment shares and foreign investment shares.

Shares issued by the Company that are listed within the PRC are referred to as domestic investment shares, or A shares. Shares issued by the Company that are listed outside the PRC are referred to as foreign investment shares, among which shares listed in the Hong Kong Special Administrative Region of China are referred to as H shares.

**Article 18** The Company's capital is divided into shares. All shares issued by the Company are par value shares, with a par value of RMB1 per share.

The term "RMB" referred to in the preceding paragraph means the lawful currency of the PRC.

**Article 19** The issue of shares by the Company shall comply with the principles of openness, fairness and justice. The shares of the same class shall have the same rights. In the same stock listing venue, for the same class of shares issued by the Company in the same tranche, each share shall be issued at the same price and subject to the same conditions, and subscribers shall pay the same price for each share subscribed.

**Article 20** The Company's A shares are deposited with the Shanghai branch of China Securities Registration and Clearing Company Limited. The Company's H shares are mainly custodied with Hong Kong Securities Clearing Company Limited.

**Article 21** As at 25 January 1994, following the approval of the approval authority



authorized by the State Council, the total number of ordinary shares issuable by the Company shall be 4,000,000,000. At the time of transformation of the Company into a publicly raised joint stock limited company, the promoter held 1,680,000,000 shares, representing 42% of the total number of ordinary shares issuable by the Company; and the other holders of domestic shares held 720,000,000 shares, representing 18% of the total number of ordinary shares issuable by the Company.

**Article 22** The Company, with the approval granted by CSRC on 29 January 1994 and 25 April 1995 respectively, issued 1,400,000,000 H shares to the overseas investors, representing 35% of the total number of ordinary shares issuable by the Company, and listed the initially offered H shares on the Stock Exchange on 29 March 1994. On 12 January 1995, with the approval of CSRC, the Company issued 200,000,000 A shares to the domestic investors for the first time, representing 5% of the total number of ordinary shares issuable by the Company, and got listed on the Shanghai Stock Exchange on 11 April 1995.

On 17 December 2014, with the approval of CSRC, the Company carried out a major assets restructuring, and then changed its name to Sinopec Oilfield Service Corporation.

The existing share capital structure of the Company is as follows: all shares issued by the Company are ordinary shares, totaling 18,957,045,833 shares, including 13,547,012,351 shares held by holders of domestic-listed domestic shares and 5,410,033,482 shares held by holders of overseas-listed foreign shares.

**Article 23** The registered capital of the Company shall be RMB18,957,045,833.

## **Section 2 Increase, Decrease and Repurchase of Shares**

**Article 24** Based on its operation and development requirements, the Company may approve the increase of its capital in accordance with the relevant provisions of the Relevant Regulatory Rules, following a resolution passed by the general meeting.

The Company may increase its capital by the following methods:

- (1) issuing new shares to non-specific investors;
- (2) issuing shares to specific investors;
- (3) distributing bonus shares to existing shareholders;
- (4) issue of bonus shares through capitalization of the capital reserve;
- (5) by any other means stipulated by the Relevant Regulatory Rules.

The Company's increase of its capital by issuing new shares shall be handled in accordance with the procedures prescribed by the Relevant Regulatory Rules after having been approved in accordance with these Articles of Association.

Upon increasing its registered capital, the Company shall lawfully process the change registration with the company registration authority.

**Article 25** When the Company issues convertible corporate bonds, the issuance, conversion procedure, and arrangements for the convertible corporate bonds, as well as any changes to the Company's share capital resulting from the conversion, shall be handled in accordance with the Relevant Regulatory Rules and the agreement in the prospectus approved by the appropriate authorized body for the specific issuance of our convertible corporate bonds.

**Article 26** The Company may reduce its registered capital. In so doing, it shall act according to the procedures specified under the Company Law, other relevant provisions of regulatory rules and these Articles of Association.

**Article 27** When the Company is to reduce its capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days of adopting the resolution to reduce its registered capital at the general meeting and

shall, within 30 days of the resolution, publish a public announcement on the newspapers that satisfy the requirements of the securities regulatory authority of the place where the shares of the Company are listed or through the National Enterprise Credit Information Publicity System. Creditors shall have the right to, within 30 days of receiving a written notice or, in the absence of such notice, within 45 days of the date of the announcement, require the Company to repay its debts or to provide corresponding guarantee for repayment of such debts.

Where the Company reduces its registered capital, it shall reduce the capital contributions or shares held by the shareholders on a pro rata basis in accordance with their respective shareholdings, unless otherwise provided under the Relevant Regulatory Rules or the Articles of Association.

Any reduction of the registered capital of the Company shall be registered with the companies registration authority in accordance with the law.

## **Article 28**

If the Company remains in a loss position after making up for its losses in accordance with the provisions of the second paragraph of Article 180 under these Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for the losses, the Company shall not make any distribution to the shareholders; nor shall the shareholders be exempted from the obligation to make capital contribution or payment for the shares.

Where the registered capital is reduced in accordance with the preceding paragraph, the second paragraph of Article 27 shall not apply, but an announcement shall be made within 30 days from the date of the resolution of the general meeting to reduce the registered capital on newspapers that meet the conditions stipulated by the securities regulatory authority of the place where the Company's shares are listed or on the National Enterprise Credit Information Publicity System.

After reducing its registered capital in accordance with the provisions of the preceding two paragraphs, the Company shall not distribute

profits until the accumulated amount of the statutory reserve fund and discretionary reserve fund reaches 50% of the Company's registered capital.

**Article 29** Where the registered capital is reduced in violation of the Company Law and other relevant regulations, the shareholders shall return the funds they have received. Where the capital contributions of the shareholders are reduced or exempted, it shall be restored to the original state. If losses are caused to the Company, the shareholders and the directors and senior management in charge shall bear the liability for compensation.

**Article 30** The Company shall not acquire its own shares. However, under any of the following circumstances, the Company may, in accordance with the Relevant Regulatory Rules and the Articles of Association, repurchase its own issued and outstanding shares:

- (1) reducing the Company's registered capital;
- (2) merging with another company holding shares in the Company;
- (3) using the shares to set up the employee stock ownership plans or equity incentive schemes;
- (4) at the request of any shareholder who objects to any resolution made at the general meeting on the merger or division of the Company;
- (5) for the purpose of converting the corporate bonds issued by the listed company which are convertible into the shares of the Company;
- (6) for the purpose of maintaining the corporate value and safeguarding the shareholders' interests of the Company.
- (7) other circumstances permitted by Relevant Regulatory Rules.

The Company shall deal with any repurchase of its issued and outstanding shares in accordance with Articles 31 to 32.

**Article 31** The Company may repurchase its shares through open centralized trading or other methods permitted by laws, administrative regulations, and the securities regulatory authorities at the place where the shares of the Company are listed.

For repurchase of the shares of the Company as provided in the above Item (3), (5) and (6) of Article 30, it shall be conducted through open centralized trading.

**Article 32** If the Company repurchases shares of the Company due to reasons provided in Articles 30 (1) to (2) of these Articles of Association, such purchase shall be approved by resolutions at the general meetings; for repurchase of the shares of the Company as provided in the above items (3), (5) and (6) of Article 30, it shall be approved by resolutions of the Board meeting attended by two thirds or more of the directors in accordance with these Articles of Association or the authorization of the general meeting.

Where shares of the Company are repurchased in the circumstance described in item (1) of Article 30 of these Articles of Association, the shares purchased shall be canceled within 10 days of the date of purchase; where shares of the Company are repurchased in the circumstances described in item (2) or (4) of Article 30, the shares purchased shall be transferred or canceled within six months; for the circumstances provided in the above items (3), (5) and (6) of Article 30, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company and shall be transferred or cancelled within 3 years.

### **Section 3 Financial Assistance for the Purchase of Company's Shares**

**Article 33** The Company or its subsidiaries shall not, by way of gifts, loans, guarantees and any other means and at any time, provide financial assistance to a person who acquires or is proposing to acquire shares of the Company or its controlling shareholders. The said acquirer of shares of the Company includes a person who directly or indirectly incurs any

obligations due to the acquisition of shares of the Company.

The Company or its subsidiaries shall not, by any means or at any time, provide financial assistance to the said acquirer for the purpose of reducing or discharging his obligations.

This provision does not apply to the circumstances stated in Article 34 of these Articles of Association.

**Article 34** The acts listed below shall not be regarded as acts prohibited under Article 33 of this Chapter:

(1) where the Company provides the relevant financial assistance truthfully for the benefit of the Company and the main purpose of the financial assistance is not to purchase shares in the Company, or the financial assistance is an incidental part of an overall plan of the Company;

(2) the provision of money by the Company for the implementation of employee stock ownership plans.

Any provision of financial assistance under the circumstance stipulated in the first paragraph of this Article shall be subject to the approval by resolution of general meetings or the board of directors within the authorization under a general meeting. The Company may provide financial assistance to others for the acquisition of shares in the Company or its controlling shareholders, provided that the cumulative amount of the financial assistance shall not exceed 10% of the total share capital in issue and subject to the requirements of the Relevant Regulatory Rules. Resolutions made by the board of directors shall be passed by two-thirds or more of all directors.

If the breach of the provisions of the preceding two paragraphs incurs losses to the Company, the directors and senior management in charge shall be liable for compensation.

#### **Section 4 Shares Transfer**

- Article 35** The shares of the Company should be transferred in accordance with the relevant laws.
- Article 36** The Company does not accept the pledging of its shares.
- Article 37** The directors and senior management of the Company shall declare to the Company their holdings of shares in the Company and changes thereto. The transfer of the Company's shares held by them during their term of office determined at the time of their assumption of office and after their departure shall comply with the Relevant Regulatory Rules.
- Article 38** The Company shall formulate a specific system to supervise and manage the shareholdings and trading activities of the Company's shares by directors and senior management, which shall be implemented after approval by the board of directors.

#### **Section 5 Share Certificates and Register of Shareholders**

- Article 39** The shares issued by the Company shall be registered shares. The shares shall be in paper form or in such other forms as prescribed by the securities regulatory authorities at the place where the shares of the Company are listed.
- Article 40** The Company shall keep a register of shareholders in accordance with the certificates provided by the securities registration and clearing institutions.
- The register of shareholders shall be sufficient evidence of the shareholder's shareholding in the Company, unless there is evidence to the contrary.
- Article 41** Where the Company holds a general meeting, distributes dividends, enters into liquidation or engages in other acts for which a determination of shareholdings is required, the board of directors or the convener of the general meeting shall fix the record date for determination of shareholdings. The shareholders whose names appear

on the register of shareholders after the close of such record date shall be shareholders entitled to the relevant rights and interests.

When the Company engages in acts for which confirmation of shareholder identity is required, if the Relevant Regulatory Rules have stipulations governing the closure of register of members, such provisions shall be observed.

## **CHAPTER FOUR: RIGHTS AND OBLIGATIONS OF SHAREHOLDERS**

### **Section 1 General Provisions for Shareholders**

**Article 42** The Company's shareholders are persons who lawfully hold shares of the Company and whose names are entered in the register of shareholders.

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

**Article 43** Holders of ordinary shares of the Company shall enjoy the following rights:

(1) to receive dividends and other forms of profit distribution in proportion to the number of shares held by them;

(2) to require the holding of, convene, preside over, attend or appoint a proxy to attend general meetings and to exercise the relevant speaking and voting rights on matters to be considered at general meetings in accordance with laws;

(3) to supervise the Company's operation, and raise suggestions or enquiries;

(4) to transfer, gift or pledge their shares in accordance with the Relevant Regulatory Rules and provisions of these Articles of Association;



(5) upon production of written evidence showing the class and number of shares held by them to the Company and upon verification of their identities as shareholders by the Company, and provided that the shareholder bears the relevant costs incurred thereby, the shareholder shall, in accordance with the Relevant Regulatory Rules and these Articles of Association, have the right to obtain relevant information, including: to inspect and copy the these Articles of Association, the register of shareholders, minutes of general meetings, resolutions of Board meetings, and financial accounting reports; shareholders who meet the requirements of the Company Law may inspect the Company's accounting books and accounting vouchers;

(6) to participate in the distribution of the Company's residual property in proportion to the number of shares held in the event of the termination or liquidation of the Company;

(7) Shareholders who dissent from the resolutions made by the general meeting regarding the merger or division of the Company may request the Company to acquire their shares;

(8) Other rights conferred by the Relevant Regulatory Rules or these Articles of Association and their annexures.

The Company shall establish unobstructed and effective communication channels with shareholders to protect shareholders' right to know about, participate in the decision-making of and supervise the procedures, etc. of the major events of the Company.

#### **Article 44**

If a shareholder requests for inspection or copy of the relevant materials of the Company, he/she shall comply with the provisions of the Company Law, the Securities Law, and the Relevant Regulatory Rules on the protection of state secrets, trade secrets, personal privacy and personal information, submit a written request to the Company stating the purpose and reasons, and sign a confidentiality agreement.

Within the scope permitted by Relevant Regulatory Rules, the

Company may provide the relevant materials to the shareholder by using pseudonyms, summarizing or withholding relevant information so as to comply with the provisions of the Company Law, the Securities Law, and the Relevant Regulatory Rules on the protection of state secrets, trade secrets, personal privacy and personal information.

If the Company has a reasonable basis to believe that the shareholder's inspection of the Company's accounting books and accounting vouchers has an improper purpose and may harm the legitimate interests of the Company, it may refuse to provide such inspection.

**Article 45** Where the particulars of a resolution of the Company's general meeting or the Board meeting violates laws or administrative regulations, the shareholders shall have the right to request the People's Court to affirm it as invalid.

Where the holding procedures or voting methods of the general meeting or the Board meeting violate laws, administrative regulations or these Articles of Association, or the particulars of a resolution violates these Articles of Association, the shareholders have the right to request the People's Court to revoke the resolution within 60 days from the date on which the resolution is made, unless there are only minor flaws in the holding procedures or voting methods of the general meeting or the Board meeting resulting in no substantial impact on the resolution.

Where the board of directors, shareholders and other stakeholders dispute the validity of a resolution of a general meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes such judgement or ruling as canceling the resolution, the stakeholders shall execute the resolution of the general meeting. The Company, directors and senior management shall perform their duties diligently to ensure the normal operation of the Company.

Where the People's Court makes a judgement or ruling on a relevant matter, the Company shall fulfil its obligation to disclose the information in accordance with the provisions of Relevant Regulatory Rules, fully explain the impact, and actively co-operate in the

enforcement of the judgement or ruling after it has come into effect. Where corrections to prior events are involved, they shall be handled in a timely manner and the corresponding information disclosure obligations shall be fulfilled.

**Article 46** A resolution of a general meeting or a Board meeting of the Company shall be invalid in any of the following circumstances:

(1) the resolution is made without holding a general meeting or a Board meeting;

(2) the resolution is not voted on at a general meeting or a Board meeting;

(3) the number of attendees of the meeting or their voting rights do not meet the quorum or the number of voting rights as required by the Company Law or these Articles of Association;

(4) the number of attendees voting in favor of the resolution or their voting rights do not meet the quorum or the number of voting rights as required by the Company Law or these Articles of Association.

**Article 47** If a director or a senior management, other than a member of the audit committee, violates the laws, administrative regulations or the provisions of these Articles of Association when performing his/her duties in the Company, thus causing losses to the Company, the shareholder(s) who either individually and jointly holding 1% or more of the Company's shares for 180 consecutive days or more shall be entitled to request, in writing, the audit committee to lodge legal actions with the People's Court. If a member of the audit committee violates the laws, administrative regulations or the provisions of these Articles of Association when performing his/her duties in the Company, thus causing losses to the Company, the aforementioned shareholders may request, in writing, the board of directors to take legal actions with the People's Court.

If the audit committee or the board of directors refuses to take legal

actions upon receipt of the request in writing from the shareholders as stipulated in the preceding paragraph, or does not take legal actions within 30 days of receiving such a request, or any emergency or failure to take immediate legal actions will cause irreparable damage to the interests of the Company, the shareholders as stipulated in the preceding paragraph shall have the right to take legal actions with the People's Court in their own names in the interests of the Company.

If any other person infringes the legitimate rights and interests of the Company, thus causing losses to the Company, the shareholders prescribed in paragraph 1 of this Article may take legal actions with the People's Court in accordance with the provisions of the preceding two paragraphs.

If the directors or senior management of a wholly-owned subsidiary of the Company violate the provisions of laws, administrative regulations or these Articles of Association during the performance of their duties and cause losses to the Company, or if any other person infringes the legitimate rights and interests of a wholly-owned subsidiary of the Company and cause losses, the shareholder(s) who either individually and jointly holding 1% or more of the Company's shares for 180 consecutive days or more, in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law, may request the board of directors or executive directors of the wholly-owned subsidiary to take legal actions with the People's Court in writing or directly take legal actions with the People's Court in its own name.

**Article 48** If a director or a senior management violates the laws, administrative regulations or provisions of these Articles of Association, thus causing damage to the interests of shareholders, shareholders may take legal actions with the People's Court.

**Article 49** Holders of ordinary shares of the Company shall have the following obligations:

(1) to abide by the Relevant Regulatory Rules and these Articles of Association and its appendices;

(2) to pay subscription fees on the basis of the number of shares subscribed by them and the method of capital injection;

(3) not to withdraw their share capital unless provided by the laws or administrative regulations;

(4) not to abuse the shareholder's rights to harm the interest of the Company or other shareholders; not to abuse the status of the Company as an independent legal entity and the limited liability of the shareholders of the Company to impair the interest of the creditors of the Company; and

(5) other obligations imposed by the Relevant Regulatory Rules and these Articles of Association and its appendices.

**Article 50** Where a shareholder's abuse of its rights has caused loss to the Company or any other shareholder, it shall honor its compensation obligations in accordance with the law; where a shareholder evades its debts by abuse of the status of the Company as an independent legal entity and the limited liability of shareholders, which has severely impaired the interest of the Company's creditors, it shall bear joint and several liabilities for the debts of the Company.

## **Section 2 Controlling Shareholders and De Facto Controllers**

**Article 51** Controlling shareholders and de facto controllers of the Company shall exercise rights and perform obligations in accordance with the Relevant Regulatory Rules and safeguard the interests of the Company.

**Article 52** Controlling shareholders and de facto controllers of the Company shall comply with the following provisions:

(1) to exercise their rights as shareholders in accordance with the law and not abuse their control or use their related relationship to prejudice the legitimate interests of the Company or other shareholders;

(2) to strictly fulfil the public statements and undertakings made, without unilateral alteration or waiver;

(3) to fulfil information disclosure obligations in strict accordance with the relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are proposed to occur;

(4) not to misappropriate the Company's funds or assets in violation of the Relevant Regulatory Rules, and not to conduct acts that harm or affect the Company's independence;

(5) not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;

(6) not to make use of the Company's undisclosed material information for personal gain, not to disclose in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;

(7) not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related-party transactions, profit distribution, asset restructuring, foreign investment or any other means;

(8) not restrict or impede small and medium investors from legally exercising their voting rights and not to damage the legitimate rights of the Company and small and medium investors.

(9) other provisions of the Relevant Regulatory Rules and these Articles of Association.

Where a controlling shareholder or de facto controller of the Company instructs a director or a member of the senior management to engage in an act that is detrimental to the interests of the Company or the shareholders, he/she shall be jointly and severally liable with such director or member of the senior management.

**Article 53** Where a controlling shareholder or de facto controller pledges the shares of the Company that he/she holds or actually controls, he/she shall maintain the stability of the Company's control and production operations.

**Article 54** When a controlling shareholder or the de facto controller transfers the shares of the Company held by them, they shall comply with the restrictive provisions on share transfers under the Relevant Regulatory Rules and the commitments they have made regarding the restrictions on share transfers.

## **CHAPTER FIVE: GENERAL MEETING**

### **Section 1 General Provisions of the General Meeting**

**Article 55** The general meeting of the Company is composed of all shareholders. The general meeting shall be the organ of authority of the Company and shall exercise its functions and powers according to law.

The Company shall formulate the Rules of Procedure for General Meetings to set forth the procedures for the holding of a general meeting and its voting procedures, including notice, registration, consideration of proposals, voting, counting of votes, announcement of poll results, formation of resolutions, minutes and the signing and announcement thereof, etc.; and the principles and contents of authorisations given by the general meeting to the board of directors shall be clear and specific.

The Rules of Procedure for General Meetings shall be drafted by the board of directors and approved by the general meeting.

**Article 56** The general meeting exercises the following functions and powers:

(1) to elect the directors not served by representatives of the employees of the Company;

- (2) to remove directors;
- (3) to decide on the remuneration of directors;
- (4) to consider and approve the report of the board of directors;
- (5) to consider and approve the Company's plans for profit distribution and making up losses;
- (6) to pass resolutions on the increase or reduction of the Company's registered capital, the issue of any type of shares, warrants, corporate bonds convertible into shares and other similar securities;
- (7) to pass resolutions on matters such as the merger (where the consideration paid exceeds 10% of the Company's net assets), division, dissolution and liquidation of the Company or change of the corporate form of the Company;
- (8) to pass resolutions on the issuance of corporate bonds by the Company, or to authorize the board of directors to pass resolutions on the issuance of corporate bonds;
- (9) to pass resolutions or make authorization on the Company's repurchase of its H shares in accordance with Article 30, or to pass resolutions for the repurchase of the Company's A shares in accordance with items (1) and (2) of Article 30;
- (10) to make a resolution on the engagement or removal of the accounting firm that provides audits for the Company;
- (11) to amend these Articles of Association and its appendices,
- (12) to consider proposals raised by the board of directors, the audit committee or the shareholders holding 1% or more of the total number of voting shares of the Company;
- (13) to consider and approve the guarantee matters prescribed in Article



57 of these Articles of Association;

(14) to consider and approve financial assistance matters as stipulated in Article 58 of these Articles of Association;

(15) to consider matters relating to the purchase or disposal of the Company's material assets within one year, which exceeds 30% of the Company's latest audited total assets;

(16) to consider and approve matters relating to the change of use of the funds raised;

(17) to consider share incentive plans and employee share ownership schemes; and

(18) to decide on other matters which, according to the Relevant Regulatory Rules or these Articles of Association and its appendices, need to be resolved by the general meeting.

The general meeting may authorize the board of directors to pass resolutions on the issuance of shares and corporate bonds convertible into shares, and the implementation thereof shall comply with the Relevant Regulatory Rules and the provisions of these Articles of Association.

Without violating Article 56 of these Articles of Association and where necessary and reasonable, specific matters which are relevant to the matters to be resolved but are impossible or unnecessary to be determined at the general meeting may be decided by the board of directors, directors, general manager, or the Secretary to the Board to the extent as authorized or delegated by the general meeting.

If the general meeting authorizes the board of directors, directors, general manager, or the Secretary to the Board to determine matters which shall be determined by ordinary resolutions, the matter should be resolved by a majority of voting rights held by the shareholders attending the meeting (including shareholders who appoint proxies to

attend the general meeting); if the authorization relates to matters which shall be determined by special resolutions, the matter should be resolved by two thirds or more of the voting rights held by the shareholders attending the meeting (including shareholders who appoint proxies to attend the general meeting). The authorization should be clear and specific.

**Article 57** The provision of external guarantees by the Company as set forth below shall be considered and approved by the general meeting.

(1) any guarantee provided after the total amount of external guarantees provided by the Company and its controlling subsidiaries exceeds 50% of the Company's latest audited net assets;

(2) any guarantee provided after the total amount of external guarantees provided by the Company and its controlling subsidiaries exceeds 30% of the latest audited net assets of the Company;

(3) the cumulative amount of the guarantee for a period of twelve consecutive months exceeds 30% of the Company's latest audited total assets;

(4) any guarantee provided for a party with an gearing ratio above 70%;

(5) a single guarantee having an amount in excess of 10% of the latest audited net assets;

(6) any guarantee provided for shareholders, the de facto controllers and their connected persons;

(7) any other external guarantee designated by Relevant Regulatory Rules or these Articles of Association.

Where the general meeting is considering the guarantee in item (3) of the preceding paragraph, it shall be approved by two thirds or more of the voting rights held by the shareholders attending the general meeting. Where the general meeting is considering the guarantee in item (6) of

the preceding paragraph, such shareholders or shareholders controlled by the said de facto controller shall abstain from voting on the said proposal, and the proposal shall be subject to approval by a majority of the voting rights held by other shareholders attending the general meeting.

Directors and senior management of the Company shall not, in violation of the approval authority or consideration procedures, sign an external guarantee contract on behalf of the Company without authorisation. If directors and senior management of the Company shall not sign an external guarantee contract without authorisation and beyond his authority, and causes damages to the Company, the Company shall hold such individuals accountable.

**Article 58**

The Company shall not provide financial assistance, such as funds, to connected persons as specified under the Relevant Regulatory Rules, except for financial assistance provided to connected company in which the Company has an equity interest but is not controlled by its controlling shareholders or de facto controllers, and where other shareholders of such company provide financial assistance under equal conditions in proportion to their capital contribution.

Financial assistance matters falling into one of the following consideration shall be submitted to the general meeting for consideration after approval by the board of directors:

- (1) Any single financial assistance amount exceeding 10% of the Company's latest audited net assets;
- (2) Situations where the financial assistance is provided to a target whose asset-to liability ratio exceeding 70% based on its latest financial statements;
- (3) The total financial assistance amounts, calculated cumulatively within the latest 12 months, exceeding 10% of the Company's latest audited net assets;

(4) Financial assistance provided to connected company that meet the conditions set out in the first paragraph of this article and is not controlled by the Company's controlling shareholders or de facto controllers;

(5) Other circumstances stipulated by the Relevant Regulatory Rules or the Articles of Association and its appendices.

Where the assisted party is a controlled subsidiary within the scope of the Company's consolidated statements, and the other shareholders of such controlled subsidiary do not include the Company's controlling shareholder, de facto controller or their connected persons, the provisions of the preceding paragraph and Article 120, paragraph 2 of these Articles of Association may be exempted.

Directors and senior management of the Company shall not, in violation of the approval authority or consideration procedures, sign a financial assistance contract on behalf of the Company without authorisation. If directors and senior management of the Company shall not sign a financial assistance contract without authorisation and beyond his authority, and causes damages to the Company, the Company shall hold such individuals accountable.

**Article 59** Save as under circumstances such as crisis, without the approval of the general meeting through special resolutions, the Company shall not conclude any contract with any person other than a director and senior management of the Company for the delegation of the management of all or a substantial part of the Company's business to that person.

**Article 60** General meetings are classified into annual general meetings and extraordinary general meetings. General meetings shall be convened by the board of directors unless otherwise provided herein.

Annual general meetings shall be held once a year and shall be held within six months following the end of the preceding accounting year.

Under any of the following circumstances, the board of directors shall

hold an extraordinary general meeting within two months:

(1) The number of directors falls below the quorum stipulated by the Company Law or is less than two-thirds of the number required under the Articles of Association;

(2) The Company's uncovered losses amount to one-third of its total share capital;

(3) Shareholders individually and jointly holding 10% or more of the total voting shares issued and outstanding by the Company make a written request to hold an extraordinary general meeting;

(4) The board of directors considers it necessary;

(5) The audit committee proposes the holding of such a meeting;

(6) Other circumstances as required by the Relevant Regulatory Rules or the Articles of Association.

For item (3) above, the number of shares held by shareholders shall be calculated based on their holdings as of the date of the written request.

**Article 61**

The venue for holding of a general meeting shall be the city where the Company's domicile is located or any other place designated by the convener in the notice. The general meeting shall be held at a set venue in the form of an on-site meeting. Subject to ensuring the legality and validity of general meetings, the Company will also adopt secure, economical and convenient online and other methods as needed, including but not limited to providing online voting, electronic communication meetings as allowed by the Relevant Regulatory Rules, or other modern information technology methods to facilitate Shareholders.

**Article 62**

The contents of proposals shall fall within the scope of functions and powers of the general meeting, and shall contain clear topics for discussion and details of the matters to be resolved and shall comply

with relevant provisions of the laws, administrative rules and these Articles of Association.

**Article 63** Where the Company holds a general meeting, the board of directors, the audit committee and shareholders individually and jointly holding 1% or more of the total voting shares of the Company are entitled to put forward proposals to the Company.

Shareholders individually or jointly holding 1% or more of the total voting shares of the Company may put forward interim proposals in writing to the convener 10 days before the general meeting is held. The convener shall publish a supplementary notice of the meeting to announce the interim proposals within 2 days upon receiving such proposals and submit such interim proposals to the general meeting for consideration. Where the Relevant Regulatory Rules provide for more stringent requirements, such requirements shall prevail; save that interim proposals that violate the provisions of laws, administrative regulations or these Articles of Association, or that are not within the scope of the functions and powers of the general meeting shall be excluded.

Except as stipulated by the preceding paragraph, after the convener publish the notice of a general meeting, no alternation shall be made to the proposals that have already been included in the notice nor shall any new proposals be added in the notice of the meeting.

Proposals not listed in the notice of general meeting or failing to comply with Article 62 of these Articles of Association shall not be voted or resolved at the general meeting.

**Article 64** When the Company is to hold an annual general meeting, it shall issue a written notice 20 days (excluding the meeting date) prior to the meeting, and when the Company is to hold an extraordinary general meeting, it shall issue a written notice 15 days (excluding the meeting date) prior to the meeting, informing all the registered shareholders of the matters proposed to be considered at the meeting as well as the date and venue of the meeting. The time of dispatch of the notice shall

concurrently satisfy the relevant requirements of the Hong Kong Stock Exchange regarding the closure of register of members.

The notice of a general meeting shall be delivered to the shareholders (whether or not such shareholders are entitled to vote at the meeting) by means of notification stipulated in the Articles of Association or other means permitted by the Relevant Regulatory Rules. Subject to the Relevant Regulatory Rules, the Company can issue the notice of a general meeting by way of announcement (including via the Company's website or electronic means), instead of delivering it to shareholders by personal delivery or by pre-paid mail.

**Article 65** The notice of a general meeting shall meet the following requirements:

- (1) it shall specify the venue, date, time and duration of the meeting;
- (2) it shall describe the matters and proposals to be discussed at the meeting;
- (3) Where matters relating to the election of directors who are not employee representatives are scheduled to be discussed at the general meeting, the notice shall disclose in full the detailed information about the candidates for such election, including at least the following contents:
  1. such personal information as education background, working experience and part-time job;
  2. whether he/she has any relationship with the Company or its controlling shareholder and de facto controller, directors, senior management and shareholders holding 5% or more of the shares of the Company;
  3. whether there is any circumstance under which the candidate may not be nominated as a director or member of senior management of a listed company in accordance with the requirements of the Relevant Regulatory Rules;

4. their shareholdings in the Company;
5. whether he/she has been subject to penalties by any securities regulatory authority of the CSRC or other relevant authorities or sanctions by any securities exchange.

Save for the elections of directors who are not employee representatives held by means of cumulative voting, every candidate for directors who are not employee representatives shall be proposed by way of a single proposal.

(4) it shall contain a clear statement that all holders of ordinary shares are entitled to attend the general meeting, and may by an instrument in writing to appoint one or more proxies to attend and vote at such meeting on their behalf and that such proxy needs not be a shareholder;

(5) it shall specify the record date for determination of the shareholders who are entitled to attend the general meeting;

(6) it shall state names and telephone numbers of the contact persons for the meeting.

(7) the time of voting and voting procedures for online or other forms of voting.

The notice and any supplemental notice of a general meeting shall fully and completely disclose the specific content of all proposals, as well as all information or explanations necessary to enable shareholders to make a reasonable judgment on the matters to be discussed.

## **Article 66**

The board of directors shall hold general meetings in a timely manner within the prescribed period. The independent directors shall be entitled to propose the holding of extraordinary general meetings to the board of directors upon approval by a special meeting of independent non-executive directors. With regard to the proposal by the independent directors on holding of an extraordinary general meeting, the board of



directors shall, in accordance with the provisions of laws, administrative regulations and these Articles of Association, give feedback in written form to approve or disapprove the proposal within 10 days of receipt of the proposal. where the board of directors approves the holding of the extraordinary general meeting, it shall give the notice of the meeting within 5 days after the resolution is made by the board of directors; where the board of directors disapproves the convention of the extraordinary general meeting, it shall explain the reasons and make an announcement to that effect.

**Article 67** The audit committee shall be entitled to propose in writing the holding of extraordinary general meetings to the board of directors, who shall, in accordance with the laws, administrative regulations and these Articles of Association, give feedback in writing to approve or disapprove the proposal within 10 days after its receipt of the proposal.

In the event that the board of directors agrees to hold an extraordinary general meeting, the notice of general meeting shall be issued within five days after the passing of the relevant resolution of the board of directors. Any changes to the original proposal made in the notice shall require the approval of the audit committee.

Where the board of directors disapproves the holding of the extraordinary general meeting or fails to give feedback in writing within 10 days after its receipt of the proposal, the board of directors shall be deemed to have been unable or failed to perform its duties of convening a general meeting, and the audit committee may convene and chair the meeting by itself.

**Article 68** Shareholders individually and jointly holding 10% or more of the total voting shares of the Company have the right to propose in writing the holding of an extraordinary general meeting to the board of directors. The board of directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide written feedback regarding the approval or disapproval of the holding of the extraordinary general meeting within 10 days after receiving the request.

Where the board of directors approves the holding of an extraordinary general meeting, it shall issue a notice for holding the general meeting within 5 days after the board of director's resolution is made. Any alteration to the original request in the notice shall require the consent of the relevant shareholders.

Where the board of directors disapproves the holding of an extraordinary general meeting, or fails to provide feedback within 10 days after receiving the request, shareholders individually and jointly holding 10% or more of the total voting shares of the Company have the right to propose in writing the holding of an extraordinary general meeting to the audit committee, and shall submit such request to the audit committee in writing.

Where the audit committee approves the holding of an extraordinary general meeting, it shall issue a notice for holding the general meeting within 5 days after receiving the request. Any alteration to the original proposals in the notice shall require the consent of the relevant shareholders.

Where the audit committee fails to issue the notice of the general meeting within the stipulated period, it shall be deemed that the audit committee fails to convene and chair the general meeting, and shareholders individually and jointly holding 10% or more of the total voting shares of the Company for 90 consecutive days or more may convene and chair the meeting themselves.

**Article 69** Where the audit committee or shareholders decide to convene the general meeting themselves, they shall notify the board of directors in written form and file with the stock exchange.

Prior to the announcement of the resolutions of the general meeting, the shareholding percentage of the convening shareholders shall not be less than 10%.

The audit committee or the convening shareholders shall, at the time of

issuing the notice of the general meeting and the announcement of the resolutions of the general meeting, provide relevant supporting documents to the stock exchange.

**Article 70** With respect to the general meeting convened by the audit committee or the shareholders themselves, the board of directors and the Secretary to the Board shall cooperate. The board of directors shall provide the register of shareholders as at the record date. If the board of directors fails to provide the register of members, the convenor may apply to the securities registration and settlement institution to obtain it, holding the relevant announcement of the notice to convene the general meeting. The register of members obtained by the convenor shall not be used for any purpose other than holding the general meeting.

**Article 71** Where the general meeting is convened by the audit committee or shareholders themselves, the necessary cost of the meeting shall be borne by the Company.

**Article 72** After the notice of a general meeting is issued, the general meeting shall not be postponed or cancelled without proper reasons, and the proposals set out in the notice of the general meeting shall not be cancelled. Where a postponement or cancellation is necessary, the convenors shall publish an announcement at least two working days before the originally scheduled date of the general meeting and explain the reasons.

**Article 73** All shareholders registered as at the record date or their proxies have the right to attend the general meeting and exercise their voting rights in accordance with the Relevant Regulatory Rules and these Articles of Association, and the Company and the convener shall not refuse them for any reason. Any shareholder may either attend the general meeting in person or appoint one or more persons (whether a shareholder or not) as his proxy or proxies on his behalf to attend and exercise the voting rights within the scope of authorization.

A clearing company as stipulated in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited is entitled to appoint a proxy to attend, speak and vote at the general meeting;

however, if one or more person is authorized, the power of attorney shall clearly indicate the number and class of shares in respect to which each person is so authorized.

**Article 74** If a natural person shareholder attends the meeting in person, such shareholder shall produce his/her valid identification documents, or other effective certificates or proofs indicating his/her identity; where a proxy is appointed to attend the meeting, the proxy shall produce his/her own valid identification documents and the power of attorney, and provide the Company with information enabling the Company to confirm the identity of his/her principal as a shareholder.

Legal person shareholders shall attend the meeting through their legal representatives or agent authorised by their legal representatives. If a legal representative is appointed to attend the meeting, the legal representative shall produce his/her valid identification documents and proof of his/her qualification as a legal representative, and he/she shall provide the Company with the information enabling the Company to confirm the identity of the legal person shareholder; where an agent is appointed by the legal representative of a legal person shareholder to attend the meeting, the agent shall produce his/her own valid identification documents, the written power of attorney issued by the legal representative pursuant to law, and shall provide information enabling the Company to confirm the identity of the principal as a legal person shareholder.

**Article 75** The proxy form issued by a shareholder authorizing another person to attend the general meeting shall contain the following particulars:

(1) the name or entity name of the principal and the class and number of shares held in the Company;

(2) the name or entity name of the proxy;

(3) specific instructions from the shareholder, including voting instructions in favor of, against, or abstained from voting of each resolution included in the notice of the general meeting;

(4) the date of execution and the validity period of the proxy form;

(5) the signature (or seal) of the principal or of the agent appointed in writing by the principal. Where the principal is a legal person shareholder, the proxy form shall bear the seal of the legal person or be signed by its director or a duly appointed agent.

**Article 76** The proxy form shall be lodged with the Company's premises or such other place as specified in the notice convening the meeting by means permitted by the Relevant Regulatory Rules at least twenty-four hours prior to the relevant meeting or twenty-four hours prior to the scheduled voting time for which the proxy is appointed to vote. Where the proxy form is signed by a person authorized by the principal, the power of attorney or other authorization documents shall be notarized. The notarized power of attorney and other authorization documents, together with the proxy form, shall be lodged with the Company's premises or such other place as specified in the notice convening the meeting.

**Article 77** The Company shall be responsible for preparing a shareholder attendance register for the on-site general meeting, which shall be signed by the shareholders or their proxies attending the meeting. The shareholder attendance register shall set out the names (or names of entities) of the attendees, identification document numbers, the number of voting shares held or represented, names of the proxies (or names of entities), and other relevant matters.

**Article 78** The convenor and the legal advisor engaged by the Company shall, based on the register of shareholders provided by the securities registration and clearing institution, jointly verify the legality of the shareholder qualifications and register the names (or entity names) of the shareholders and the number of voting shares held. Unless otherwise determined by the Company, the registration of the meeting shall conclude before the chairman of the meeting announces the number of shareholders and proxies attending the on-site meeting and the total number of voting shares held by them.

**Article 79** Where the general meeting requests directors and senior management to be present at the meeting, the directors and senior management shall be present and accept shareholders' enquiries.

**Article 80** Where a connected transaction is being considered at a general meeting, the connected shareholders shall abstain from voting, and the voting rights represented by the shares held by them shall not be counted as the total number of valid votes. The poll result of the non-connected shareholders shall be fully disclosed in the announcement in relation to the resolutions passed at the general meeting.

To the best of the Company's knowledge, if any shareholder is required to abstain from voting or may only vote for or against a matter according to the Relevant Regulatory Rules, any vote by such shareholder or his proxy in violation of the relevant rules or restrictions referred to above shall not be counted in the poll results.

**Article 81** When shareholders (including shareholders who appoint proxies to attend general meetings) vote at the general meeting, they shall exercise their voting rights according to the number of voting shares that they represent. Each share shall have one vote, except where the cumulative voting system applies for the election of non-employee representative directors as described in Article 119 of these Articles of Association.

When the general meeting considers significant matters affecting the interests of small and medium investors, votes of small and medium investors shall be counted separately. The results of separate counting shall be promptly publicly disclosed.

The Company's own shares held by itself shall have no voting rights and such shares shall not be counted in the total number of voting shares attending the general meeting.

If a shareholder's purchase of the Company's voting shares violates the provisions of Article 63, Paragraph 1 and 2 of the Securities Law, the portion of shares exceeding the prescribed proportion shall not exercise

voting rights within 36 months after the purchase, and shall not be counted in the total number of voting shares attending the general meeting.

The Company's board of directors, independent directors and shareholders holding 1% or more of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the China Securities Regulatory Commission, may publicly solicit shareholder voting rights. The solicitation of shareholder voting rights shall fully disclose specific voting intentions and other information to the solicited parties. It is prohibited to solicit shareholder voting rights in a paid or disguised paid manner. Except for statutory conditions, the Company does not impose minimum shareholding ratio restrictions on the solicitation of voting rights.

**Article 82** Except for the cumulative voting, the general meeting shall resolve on all proposals included in the agenda one by one. Where different proposals are put forward at the general meeting for the same matter, such proposals shall be resolved on in the order of time in which they are put forward. Unless the general meeting is adjourned or fails to make any resolution due to force majeure or other special reasons, no proposal shall be delayed or fail to be put to vote for any reason.

**Article 83** When a proposal is considered at the general meeting, no changes shall be made to such proposal, and if changes are made, the proposal shall be deemed to constitute a new proposal and shall not be voted on at the current general meeting.

**Article 84** The same voting right shall only be exercised by one of the following means: (i) on-site voting, (ii) via the Internet or (iii) others. Repeated votes in respect of the same voting right will be handled according to the notice of the general meeting.

**Article 85** The shareholders attending the meeting shall express one of the following opinions on the proposals submitted for voting: for, against or abstention (except for resolutions subject to cumulative voting). This

excludes cases where securities registration and settlement institutions, as nominee holders of the shares under Mainland China-Hong Kong Stock Connect mechanism, declare according to the beneficiary owner's intentions. For H shares held by HKSCC Nominees Limited, the number of shares entrusted to vote at the meeting shall be taken as the number of shares with voting rights represented by HKSCC Nominees Limited to attend the meeting.

The shareholders and their proxies attend the meeting shall carefully complete the ballot papers as required. Ballot papers that are not filled, incorrectly filled, illegible, or uncast shall be deemed as the voter waiving their voting rights, and the poll result of the shares held by them shall be counted as "abstention". When the Company calculates the poll results for such matters, abstention votes shall be included in the total number of votes with voting rights and participating in the voting.

**Article 86** Resolution of a general meeting shall be classified to ordinary resolution or special resolution.

Ordinary resolution shall be passed by votes representing a majority of the total amount of the voting rights represented by the shareholders (including shareholders who appoint proxies to attend the general meeting) attending the general meeting.

Special resolution shall be passed by votes representing two thirds or more of the total amount of the voting rights represented by the shareholders (including shareholders who appoint proxies to attend the general meeting) attending the general meeting.

**Article 87** The following matter shall be approved by an ordinary resolution at general meetings:

(1) work reports of the board of directors;

(2) profit distribution plans and loss recovery plans formulated by the board of directors;



(3) appointment and removal of members of the board of directors, and matters concerning directors' remuneration and its payment methods;

(4) matters other than those which are required by Relevant Regulatory Rules or by the Articles of Association and its annexes to be passed by special resolutions.

**Article 88** The following matter shall be approved by a special resolution at general meetings:

(1) increase or reduction in the Company's registered capital;

(2) division, merger (where the consideration paid exceeds 10% of the Company's net assets), dissolution, liquidation or change of corporate form of the Company;

(3) amendment to the Articles of Association and its appendices;

(4) where the Company purchases or disposes of significant assets, or provides guarantees to others, with an amount exceeding 30% of the Company's latest audited total assets within one year;

(5) stock incentive schemes;

(6) any other matters required by Relevant Regulatory Rules or the Articles of Association and its appendices, or deemed by an ordinary resolution of the general meeting to have a material impact on the Company, and thus requiring approval by special resolutions.

**Article 89** A general meeting shall be chaired by the Chairman of the Board. If the Chairman of the Board is unable or fails to perform his duty, the Vice-chairman of the Board (if the Company has two or more Vice-chairmen of the Board, the one recommended by a majority of the total directors) shall chair the meeting, if the Vice-chairman of the Board is unable or fails to perform his duty, the director recommended by a majority of the total directors shall chair the meeting.

Where the general meeting is convened by the audit committee, the meeting shall be chaired by the chairman of the audit committee. Where the chairman of the audit committee is unable or fails to perform his/her duty, the meeting shall be chaired by an audit committee member recommended by a majority of all the audit committee members.

Where the general meeting is convened by the shareholders, the meeting shall be chaired by the convenor or his/her recommended representative.

Where the chairman of the meeting violates these Rules and Procedures for General meetings so that the meeting is unable to continue, a chairman of the meeting may, with the approval of a majority of the votes from the shareholders attending the on-site meeting, be elected from and by the general meeting to continue the meeting.

**Article 90** The board of directors and other convenor of the Company shall take necessary measures to ensure the normal order of the general meeting. Any acts interfering with the general meeting, provoking incidents and infringing the lawful rights of the shareholders shall be prevented with precautions, stopped and reported to the relevant departments for investigation and prosecution.

**Article 91** At the annual general meeting, the board of directors shall present a report to the general meeting on its work for the previous year and submit the annual financial report. Each independent director shall also provide a written report detailing their performance of duties over the past year.

**Article 92** Shareholders may raise suggestions or enquiries to the Company at the general meeting. Save for those involving the Company's business secrets which cannot be publicly disclosed at the general meeting, directors and senior management shall, under the premise of adhering to the principle of fair information disclosure, provide explanations and clarifications regarding shareholders' enquiries and suggestions at the general meeting.

**Article 93** The chairman of the meeting shall, prior to the vote, announce the total number of the shareholders and the proxies attending the on-site meeting and the total number of the voting shares held by them according to the meeting registration.

**Article 94** Prior to voting, the general meeting shall nominate two shareholder representatives to participate in counting and supervising the voting. Where the matter to be considered is related to a shareholder, the relevant shareholder and proxy shall not participate in counting and supervising the voting.

When the general meeting is voting, the legal advisor and shareholder representative shall be jointly responsible for vote calculation and supervision, and shall announce the poll result at the meeting. The poll results shall be recorded in the minutes of the meeting.

Such a shareholder or its proxy of the Company who casts vote via Internet or other means shall be entitled to examine its poll result via the corresponding voting system.

**Article 95** Prior to the formal announcement of the poll result, the Company, vote counters, vote supervisors, shareholders, Internet service providers and other relevant parties involved in the voting at the on-site general meeting, voting through Internet and by other means shall bear confidential obligations regarding the voting situation.

**Article 96** If the chairman of the meeting has any doubt about the result of a resolution submitted for voting, he may have the votes counted; if the chairman of the meeting does not count the votes, and a shareholder or proxy attending the meeting objects to the result announced by the chairman of the meeting, he shall have the right to request a vote count immediately after the announcement, and the chairman of the meeting shall immediately proceed with the vote count.

**Article 97** If the general meeting carries out a vote count, the vote count result shall be recorded in the minutes of the meeting.

**Article 98** The general meeting shall have minutes, for which the Secretary to the Board shall be responsible. The minutes of the meeting shall record the following contents:

(1) time, venue, agenda and name or entity name of the convenor of the meeting;

(2) name of the chairman of the meeting and the directors and senior management attending or present at the meeting;

(3) number of shareholders and proxies attending the meeting, the total number of voting shares held by them and their proportion in the total shares of the Company;

(4) the consideration process, key points of speeches and poll results for each proposal;

(5) shareholders' enquiries or suggestions and corresponding replies or explanations;

(6) names of the legal advisor, vote counters and vote supervisors;

(7) other contents that shall be recorded in the minutes of the meeting in accordance with the Articles of Association.

The convenor shall ensure that the content of the minutes is true, accurate and complete. The directors, Secretary to the Board, convenor or his representative, and the chairman of the meeting who attended or were present at the meeting shall sign the minutes of the meeting. The minutes of the general meeting shall be kept together with the attendance list of shareholders attending the meeting, proxy forms for absent shareholders, and valid data on voting by Internet or other means, for at least 10 years.

**Article 99** The resolutions of the general meeting shall be announced promptly, and the announcement shall state the number of the shareholders and

their proxies attending the meeting, the total number of voting shares held by them and the percentage of such shares out of the total voting shares of the Company, the method of voting, the poll result of each proposal and the detailed content of each resolution passed.

**Article 100** Where the proposals are not passed or the previous resolutions are altered in the general meeting, it shall be clearly stated in the poll results announcement of such general meeting.

**Article 101** The convenor shall ensure the continuity of the general meeting until the final resolution is achieved. Where a general meeting is adjourned or fails to make any resolution due to force majeure or any other extraordinary reasons, the convenor shall take all necessary measures to resume the general meeting as soon as possible or directly terminate such general meeting, and shall announce it immediately. Meanwhile, the convenor shall report to the local branch of the China Securities Regulatory Commission and the securities exchange.

**Article 102** In respect of the holding of a general meeting, the Company shall legally engage legal advisor to attend the general meeting, to issue legal opinions on the following matters, and to publicly disclose them:

(1) whether the procedures for convening and holding the meeting comply with laws, administrative regulations, and the Articles of Association;

(2) whether the qualifications of the attendees and the convenor of the meeting are lawful and valid;

(3) whether the voting procedures and results of the meeting are lawful and valid;

(4) legal opinions on other relevant issues as requested by the Company.

**Article 103** Where the general meeting passes proposals on cash distributions, bonus shares or capitalization of capital reserves, the Company shall give effect to the detailed plan within 2 months after the conclusion of

the general meeting. The board of directors of the Company shall complete the issue and distribution of dividends (or shares) within 2 months after formulating a specific plan based on the matters relating to the interim dividend distribution for the following year as approved at the annual general meeting.

## **Section 2 Special Procedures for Voting by A Shareholders and H Shareholders**

**Article 104** If the Company proposes to change or abolish the rights of A share or H share shareholders, such proposals must be approved by the general meeting through a special resolution as stipulated in the Articles of Association, and additionally by the affected A share or H share shareholders in their respective meetings separately convened pursuant to Articles 106 to 111 of the Articles of Association.

**Article 105** The following circumstances shall be deemed to constitute a change or abrogation of the rights of A shareholders or H shareholders. The board of directors shall submit such proposals to the class meetings of A shareholders or H shareholders for consideration:

(1) to increase or decrease the number of shares of such type, or to increase or decrease the number of shares of a type having voting rights, distribution rights, or other privileges equal or superior to those of the shares of such type;

(2) to change all or part of the shares of such type into shares of another type, or to change all or part of the shares of another type into shares of that type, or to grant such conversion rights;

(3) to cancel or reduce rights to accrued dividends or cumulative dividends attached to shares of such type;

(4) to reduce or cancel preferential rights attached to shares of such type to receive dividends or to the distribution of assets in the event that the company is liquidated;

(5) to add, cancel, or reduce share conversion rights, options, voting

rights, transfer rights, pre-emptive rights, or rights to acquire company securities attached to shares of such type;

(6) to cancel or reduce rights to receive payments payable by the Company in a particular currency attached to shares of such type;

(7) to create a new type of shares with voting rights, distribution rights, or other privileges equal or superior to those of the shares of such type;

(8) to impose restrictions or add restrictions on the transfer or ownership of shares of such type;

(9) to issue rights to subscribe for or to convert into shares of such type or another type;

(10) to increase the rights or privileges of shares of another type;

(11) to restructure the company in such a way that causes shareholders of different type to bear different proportionate liability during the restructuring;

(12) to amend or remove the provisions of this section.

#### **Article 106**

As far as any matter relating to sub-paragraphs (2) to (8), (11) to (12) of Article 105 of these Articles of Association, the affected A share or H share shareholders, whether or not such shareholders originally have the right to vote at general meetings, shall have the right to vote at the separate meetings of A shareholders or H shareholders. However, interested shareholders shall not be entitled to vote at such meetings.

For the purposes of the preceding paragraph, the term “interested shareholders” shall refer to:

(1) if the Company has made a repurchase offer to all shareholders in the same proportion or has repurchased its own shares through open transactions on a securities exchange, the controlling shareholders as defined in the Relevant Regulatory Rules;

(2) if the Company has repurchased its own shares by an agreement outside a securities exchange, holders of shares in relation to such agreement; or

(3) under a restructuring scheme of the Company, shareholders within a class who bear less than a proportionate liability of other shareholders of the same class, or shareholders who have an interest different from the interest of other shareholders of the same class.

Where the Company has knowledge that any A shareholder or H shareholder is required under the Relevant Regulatory Rules to abstain from voting on or is restricted to vote only for or only against a certain matter, any votes cast by or on behalf of such class shareholder in violation of such requirement or restriction shall not be counted in the voting results.

**Article 107** Resolutions of the separate meeting of A shareholders or H shareholders shall be passed by votes representing two-thirds or more of the voting rights of shareholders of the relevant A shareholders or H shareholders attending the meeting.

**Article 108** When the Company is to hold a class meeting of A shareholders or H shareholders, it shall issue a written notice in accordance with the notice period requirements for holding a general meeting stipulated in Article 64 hereof, informing all the shareholders whose names appear on the register of shareholders of such class of the matters to be considered at the meeting as well as the date and venue of the meeting.

**Article 109** The notice of a separate meeting of A shareholders or H shareholders shall only be delivered to the shareholders entitled to vote at the meeting.

A class meeting of A shareholders or H shareholders shall be held under procedures as similar as possible to a general meeting. The provisions of these Articles of Association which relate to the convening of general meetings shall apply to separate meetings of A shareholders or H



shareholders.

- Article 110** Upon approval by a special resolution of the general meeting, the Company can issue A shares or H shares separately or simultaneously within 12 months, provided that the number of A shares and H shares to be issued does not exceed 20% of the number of the issued shares of A shares and H shares. Such issuance shall not be subject to the approval by the A shareholders or H shareholders at their respective shareholders meeting by special resolution.

## **CHAPTER SIX: BOARD OF DIRECTORS**

- Article 111** The Company shall establish a board of directors. The board of directors shall be composed of 9-11 directors, among whom there shall be independent directors who represent one third or more of the total number of directors and whose number shall be no less than three, and at least one director who is an employee representative. Among the independent directors, there shall be at least one accounting professional who meets the requirements of the Relevant Regulatory Rules.

The Company shall have a chairman of the board and may have one or two Vice-chairmen of the Board. The Chairman of the Board and Vice-chairman of the Board shall be elected and dismissed by a majority of all of the directors. The term of office of the Chairman of the Board and Vice-chairman of the Board shall be 3 years. The Chairman of the Board and Vice-chairman of the Board may serve consecutive terms if re-elected upon the expiration of their original terms.

Directors (excluding those serving on the audit committee of the board of directors) can also act as senior management, however, the total number of directors who also act as senior management and directors who are employee representatives shall not exceed half of the total number of directors of the Company.

- Article 112** The board of directors shall draw up the Rules of Procedure for the Board in order to ensure that the board of directors implement the

resolutions of the general meeting, improve work efficiency and ensure scientific decision-making.

**Article 113** Directors that are not appointed as employee representatives shall be elected by the general meeting, while directors appointed as employee representatives shall be democratically elected by the employees of the Company through an employee representative meeting, an employee meeting or other democratic forms. Each session of the board of directors has a term of 3 years. The term of office of a director shall commence on the date when he/she takes office and end upon the expiry of the term of the present session of the board of directors. At the expiry of the term of office of a director, the term is renewable upon re-election. However, the term of office of an independent director shall be limited to a maximum of 6 years. A person who has served as an independent director of the Company for a consecutive period of 6 years shall not be nominated as a candidate for independent director of the Company within 36 months from the date of such event.

Newly appointed directors should assume their office immediately after the close of the relevant general meeting or employee representative meeting, employee meeting or other forms of democratic meetings, or at such time as specified in the resolution of the relevant general meeting or employee representative meeting, employee meeting or other forms of democratic meetings.

If the term of office of a director expires but re-election is not made in a timely manner, the said director shall continue to perform the duties as director pursuant to the relevant regulatory rules and these Articles of Association until the elected director assumes his office.

The general meeting may dismiss a director from his position prior to the expiry of his term of office. The general meeting may, subject to the provisions of the relevant regulatory rules, dismiss a director whose term of office has not yet expired by an ordinary resolution, which shall take effect on the date of its adoption.

Where a director is dismissed before the expiry of his term of office

without due cause, the director may request compensation from the Company. Where an independent director is dismissed before the expiry of his term of office, the Company shall promptly disclose the specific reasons and basis. If an independent director has any objection, the Company shall disclose it in a timely manner.

In the event that an independent director fails to attend in person or appoint other independent directors to attend on his behalf the Board meeting for 2 consecutive times, the board of directors shall propose to hold a general meeting to dismiss such independent director within 30 days from the date of such event; in the event that other directors fail to attend in person or appoint other directors to attend on their behalf the Board meeting for 2 consecutive times, such director shall be deemed to have failed to perform his duties and the board of directors shall propose to the general meeting to have such directors replaced.

“Attend in person” includes attending the meeting physically or by telecommunication means.

A director does not have to be a shareholder of the Company.

**Article 114** A director may resign before the expiry of his term of office. To resign, a director should submit a written resignation to the Company. An independent director must explain in the resignation report any circumstances related to his resignation or which he deems necessary to draw the attention of the Company’s shareholders and creditors. The Company shall disclose the reasons for the independent director’s resignation and the matters of concern. The Company will disclose relevant information within 2 trading days.

The resignation of a director shall take effect from the date the Company receives the notice, unless otherwise stipulated by relevant regulatory rules and these Articles of Association. If a director’s resignation results in the following circumstances, the original director shall continue to perform his duties in accordance with relevant regulatory rules and these Articles of Association until the re-elected director takes office:

(1) the term of office of a director expires and no timely re-election is made, or a director's resignation during his term of office causes the number of members of the board of directors to fall below the statutory minimum;

(2) an independent director's resignation causes the proportion of independent directors in the Company's board of directors or its special committees to not comply with relevant regulatory rules or these Articles of Association, or there is a lack of accounting professionals among independent directors;

(3) an audit committee member's resignation causes the number of audit committee members to fall below the statutory minimum, or there is a lack of an accounting professional to serve as the convener.

The Company shall complete the by-election within 60 days from the date a director submits his resignation to ensure that the composition of the board of directors and its special committees complies with relevant regulatory rules and these Articles of Association.

**Article 115** Independent directors shall, in accordance with Relevant Regulatory Rules and these Articles of Association, diligently perform their duties, play a role in decision-making, supervision and checks and balances, and professional consulting in the board of directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders.

**Article 116** Independent directors must maintain independence and shall not have, directly or indirectly, any interest in the Company, its major shareholders, or de facto controllers, nor any other relationship that may affect their ability to make independent and objective judgments. The qualifications of independent directors shall comply with the Relevant Regulatory Rules.

Independent directors shall perform their duties independently and shall not be influenced by the Company, its major shareholders, de facto

controllers, or any other entities or individuals.

The Company shall establish the working rules of independent directors, which shall specifically set out the qualifications, nomination, election and replacement, duties and rights, and performance guarantees of independent directors. Such system shall be implemented after submission to and approval by the board of directors.

**Article 117** The list of candidates for other directors other than employee representative directors shall be submitted to the general meeting by way of a proposal, and shall be adopted by an ordinary resolution. The Company shall, prior to the date of the general meeting, disclose the detailed particulars of the candidates for directorship (including their resumes and basic particulars).

Candidates for directors other than employee representative directors may be nominated by the Company's board of directors, the audit committee, or shareholders holding, individually or jointly, 1% or more of the Company's issued shares, and shall be submitted for election at the general meeting by a proposal. Investor protection institutions established in accordance with law may publicly request shareholders to entrust them to exercise the right to nominate independent directors on their behalf. The aforementioned nominators shall not nominate any person who has a conflict of interest with them or any person closely related to them in a manner that may affect the independent performance of duties as an independent director.

**Article 118** Prior to the election of candidates for directors other than employee representative directors, the following procedures shall be observed:

(1) The nominator shall obtain the consent of the nominee before nomination, fully understand the occupation, academic qualifications, position, detailed work experience, all part-time work, any adverse records such as major dishonesty etc. of the candidates, and shall also be responsible for providing the Company with the documentary proof of such particulars. Where the nominee is a candidate for independent director, the nominator shall also prudently verify whether the nominee

meets the qualifications and conditions for office, has the capability to perform the duties, and whether there exist any circumstances affecting his/her independence. The relevant director candidates shall provide written undertakings to the Company, agreeing to accept the nomination, affirming that the information of the candidates disclosed to the public is true and complete, and undertaking to faithfully perform their duties as a director if elected.

(2) Where the nominee is a candidate for independent director, the nominator shall also express opinions on whether the nominee meets the independence requirements and other conditions for serving as an independent director. The nominee shall publicly declare that he/she meets the independence requirements and other conditions for serving as an independent director. Both the nominator and the nominee shall submit statements and undertakings in compliance with the Relevant Regulatory Rules.

(3) The nomination committee under the board of directors of the Company shall review the qualifications of the nominee and provide clear review opinions.

(4) If the nomination occurs prior to the holding of a Board Meeting, the written materials regarding the nominee referred to in paragraphs (1), (2), and (3) of this Article shall be disclosed together with the resolution of the board of directors or the notice of the general meeting.

(5) If a shareholder holding, individually and jointly, 1% or more of the Company's shares submits a proposal to elect other directors other than employee representative directors prior to the general meeting, the written notice of the intention to nominate a director candidate, the consent of the nominee, and the written materials and undertakings referred to in paragraphs (1) and (2) of this Article shall be submitted to the Company no later than 10 days before the general meeting. The period granted to the nominator for submission of such notice and materials shall not be less than 10 days (such period shall commence from the date immediately following the date of issue of the notice of the general meeting).

(6) At the latest, when issuing the notice of the general meeting for the election of independent directors, the Company shall disclose the relevant information in accordance with paragraphs (1), (2), and (3) of this Article, and submit all materials relating to the independent director candidates to the domestic stock exchange where the Company's shares are listed. If the board of directors has any objections regarding the nominee, the board of directors' written opinions shall also be submitted simultaneously.

(7) The board of directors, independent director candidates, and nominators of independent directors shall truthfully respond to enquiries from the domestic stock exchange where the Company's shares are listed within the prescribed timeframe and provide supplementary materials as required. When holding the general meeting for the election of independent directors, the board of directors shall explain whether any independent director candidate has been objected to by the domestic stock exchange where the Company's shares are listed. Candidates for independent directors objected to by the domestic stock exchange where the Company's shares are listed shall not be submitted for election at the general meeting. If a proposal has already been submitted to the general meeting for consideration, such proposal shall be withdrawn.

**Article 119** Cumulative voting system shall be adopted for the election of two or more directors other than employee representative directors at the general meeting.

A cumulative voting system means that, in the election of other directors other than employee representative directors at the general meeting, the voting rights that each share carries shall equal the number of the directors to be elected and a shareholder may apply all his voting rights towards one candidate.

The detailed implementation rules of the cumulative voting system shall be specified in the Rules of Procedure for General Meetings.

In the event of any inconsistency between the Relevant Regulatory Rules and the provisions of these Articles of Association regarding cumulative voting system, the board of directors may decide to adopt an appropriate cumulative voting system without violation of the Relevant Regulatory Rules.

**Article 120** The board of directors shall exercise the following functions and powers:

(1) to be responsible for convening general meetings and to report its work to the general meeting;

(2) to implement the resolutions of the general meeting;

(3) to determine the Company's development strategy and five-year development plan;

(4) to determine the Company's business plans and investment proposals;

(5) to determine the Company's periodic reports (including financial reports);

(6) to formulate the Company's profit distribution plans (including plans for distribution of final dividends) and plans for loss recovery;

(7) to formulate the debt and financial policies of the Company, the proposals for the increase or reduction of the Company's registered capital and for the issue and listing of corporate bonds, any type of shares, warrants, corporate bonds convertible into shares or other similar securities and, within the scope provided in the Articles of Association or authorized by the general meeting, to determine the issuance of new shares, corporate bonds, or corporate bonds convertible into shares;

(8) to formulate plans for material acquisition, acquisition of the Company's shares, merger, division, dissolution of the Company or



change of corporate form of the Company, and to determine mergers where the consideration payable by the Company does not exceed 10% of the Company's net assets;

(9) to determine the repurchase of the Company's A shares for reasons set out in Article 30(3), (5) and (6) of the Articles of Association, or to determine the repurchase of the Company's H shares pursuant to authorization of the general meeting;

(10) to determine the external investment, purchase or sale of assets, mortgage of assets, entrusted wealth management, connected transactions, external donation and other matters of the Company within the scope of authority granted by the general meeting;

(11) to decide on the setup of the Company's internal management structure;

(12) to decide on the Company's risk management system, internal control system and legal compliance management system; to carry out overall monitoring and appraisal of the Company's risk management, internal control and legal compliance management systems and their effective implementation;

(13) to appoint or remove the Company's general manager and to appoint or remove the deputy general manager, chief financial officer and general legal counsel of the Company based on the nomination of general manager; to appoint or remove the Secretary to the Board; and to decide on their remuneration;

(14) to appoint or replace members of the board of directors of any wholly owned subsidiary of the Company;

(15) to decide on the setup of the Company's branch entities;

(16) to formulate the Company's basic management system;

(17) to formulate proposals for amendment of these Articles of

Association and its appendices;

(18) to consider external guarantees and financial assistance of the Company in accordance with the Relevant Regulatory Rules, and the provisions of these Articles of Association and its appendices;

(19) to manage the disclosure of information of the Company;

(20) to propose the engagement or replacement of the accounting firm serving as the auditor of the Company to the general meeting;

(21) to hear the general manager's work reports and inspect the performance of the general manager;

(22) to consider matters relating to the Company's voluntary changes in accounting policies, changes in accounting estimates, and material asset impairments;

(23) to exercise any other powers conferred by the Relevant Regulatory Rules, these Articles of Association and its appendices or granted by the general meeting.

Other than the board of directors' resolutions in respect of the matters specified in item (6), (7) and (16) of this Article which shall be passed by the affirmative votes of two thirds or more of all the directors, resolutions in respect of all other matters may be passed by the affirmative votes of a majority of the directors (matters specified in item (17) should be approved by two thirds or more of the directors attending the meeting).

Matters that, under the Relevant Regulatory Rules, are required to be determined by the general meeting shall remain subject to resolutions of the general meeting.

The Company shall not provide any guarantee for personal indebtedness.

**Article 121** The board of directors may, in accordance with the provisions of the Relevant Regulatory Rules and the actual needs of the Company, authorise the Chairman of the Board, one or more directors, the general manager or other relevant parties to exercise part of the powers mentioned in the preceding article within certain conditions and scope. However, all statutory powers of the board of directors, as well as matters involving the significant interests of the Company that require collective decision-making by the board of directors or submission to the general meeting for decision, shall not be delegated.

The Company shall formulate an authorisation management system for the board of directors, which shall stipulate specific matters such as the basic scope, procedures, supervision, amendments and responsibilities regarding authorisation by the board of directors, for implementation upon approval by the board of directors.

**Article 122** Where matters to be resolved by the board of directors involve significant issues such as the Company's reform and development direction, major objectives and tasks, and key work arrangements, the opinions of the Party organisation shall be sought in advance. When the board of directors appoints the senior management of the Company, the Party organisation shall deliberate on the candidates nominated by the board of directors or the general manager and provide opinions and suggestions, or recommend candidates to the board of directors and the general manager for nomination.

The general counsel shall present at Board meetings and provide legal opinions if the matters to be considered by the board of directors involve legal issues.

**Article 123** The board of directors shall determine the authority for external investments, acquisition and disposal of assets, asset mortgages, external guarantees, financial assistance, entrusted wealth management, connected transactions, and external donations, and shall clearly specify such authority in the Rules of Procedure for the Board, establish stringent review and decision-making procedures; and major investment projects shall be subject to review by relevant experts and

professionals and be submitted to the general meeting for approval.

**Article 124** The board of directors of the Company shall provide an explanation to the general meeting regarding any non-standard audit opinion issued by the certified public accountants on the Company's financial report.

**Article 125** The board of directors of the Company shall establish special committees such as the audit committee, nomination committee, remuneration committee, and strategy committee. It may also, in accordance with the Relevant Regulatory Rules as amended from time to time and the actual needs of the Company, establish other special committees to research professional matters and propose opinions and suggestions for the board of directors' decision-making reference.

The audit committee of the board of directors shall exercise the powers of the supervisory committee as stipulated in the Company Law.

All members of the special committees shall be directors, with a typical term of three years. The term of office for committee members shall be consistent with the term of office for directors. Among the others:

(1) The audit committee shall comprise at least three members, with independent non-executive directors forming a majority. It shall have one chairman, who shall be an independent non-executive director designated by the board of directors. All members of the audit committee must be directors not holding any senior management position in the Company, and the chairman shall be an independent non-executive director possessing accounting or relevant financial management expertise as required by the Relevant Regulatory Rules.

(2) The nomination committee and the remuneration committee shall each comprise at least three members, with independent non-executive directors forming a majority. Each committee shall have one chairman, who shall be an independent non-executive director designated by the board of directors.

(3) The strategy committee shall comprise at least five directors. It shall

have one chairman and may have one vice-chairman. Both the chairman and the vice-chairman shall be members designated by the board of directors.

**Article 126** The special committees shall be accountable to the board of directors and shall perform their duties in accordance with these Articles of Association and the authorisation of the board of directors. Proposals shall be submitted to the board of directors for consideration and decision unless otherwise stipulated by Relevant Regulatory Rules or these Articles of Association. The primary responsibilities of each specialised committee include providing opinions and suggestions to the board of directors on the following matters and undertaking other duties prescribed by Relevant Regulatory Rules or authorised by the board of directors:

(1) The audit committee is primarily responsible for reviewing the Company's financial information and its disclosures, supervising and assessing internal and external audit activities as well as internal controls, examining the Company's financial affairs in accordance with the law, supervising the compliance of directors and senior management in performing their duties, and other responsibilities stipulated in these Articles of Association and its appendices, so as to safeguard the lawful interests of the Company and its shareholders.

(2) The nomination committee is primarily responsible for establishing criteria and procedures for the selection of directors and senior management, selecting and reviewing the qualifications of candidates for directors and senior management, and evaluating the performance of the board of directors, and other related matters.

(3) The remuneration committee is primarily responsible for formulating criteria for assessing directors and senior management and conducting such assessments, developing and reviewing remuneration policies and schemes for directors and senior management, including mechanisms for remuneration decisions, decision-making procedures, payment arrangements, suspension of payments, and recovery provisions.

(4) The strategy committee is primarily responsible for studying and formulating the Company's development strategies, major investment schemes, significant investment projects, and other material matters affecting the Company's development, as well as reviewing the implementation of such matters.

The Company shall establish the rules of procedures for special committees to define matters such as the composition of committee members, terms of office, scope of responsibilities, meeting procedures, and record-keeping. The operation of the special committees shall be standardised and implemented upon approval by the board of directors.

**Article 127** In addition to the powers conferred on directors under the Company Law, other Relevant Regulatory Rules, and these Articles of Association, independent non-executive directors shall also exercise the following special powers:

(1) Independently engage intermediary institutions to conduct audits, consultations, or verification on specific matters of the Company;

(2) Propose to the board of directors the holding of an extraordinary general meeting;

(3) Propose the holding of a Board meeting;

(4) Lawfully solicit shareholder rights from shareholders;

(5) Express independent opinions on matters that may harm the interests of the Company or minority shareholders;

(6) Exercise other powers stipulated by Relevant Regulatory Rules and these Articles of Association.

The Company shall establish a mechanism for special meetings of independent non-executive directors. Connected transactions and other matters to be considered by the board of directors shall be preliminarily

approved by the special meetings of independent non-executive directors. The exercise of powers specified in items (1) to (3) of the foregoing paragraph by independent non-executive directors shall be subject to consideration and approval by the special meetings of independent non-executive directors.

The Company shall disclose information in a timely manner regarding the exercise of powers specified in the first paragraph by independent non-executive directors. If such powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

**Article 128** The Company shall hold special meetings of independent non-executive directors on a regular or ad hoc basis. The following matters shall be submitted to the board of directors for consideration only after being considered and approved by the special meetings of independent non-executive directors:

- (1) Connected transactions subject to disclosure;
- (2) Proposals relating to amendments to or waivers of undertakings by the Company and relevant parties;
- (3) Decisions and measures made by the board of directors of a listed company being acquired with respect to such acquisition;
- (4) Other powers stipulated by Relevant Regulatory Rules and these Articles of Association.

The special meetings of independent non-executive directors may research and discuss other matters of the Company as necessary.

The special meetings of independent non-executive directors shall be convened and chaired by an independent non-executive director jointly elected by a majority of independent non-executive directors. If the convener fails or is unable to perform his/her duties, two or more independent non-executive directors may convene the meeting themselves and elect a representative to chair the meeting.

Resolutions made by the special meetings of independent non-executive directors shall be passed by a majority of all independent non-executive directors. Minutes of the special meetings of independent non-executive directors shall be prepared in accordance with regulations, and the opinions of the independent non-executive directors shall be recorded in such minutes. Independent non-executive directors shall sign and confirm the minutes of the meeting.

The Company shall provide facilitation and support for the holding of the special meetings of independent non-executive directors.

**Article 129** The Chairman of the Board shall exercise the following functions and powers:

(1) to preside over general meetings and to convene and preside over Board meetings;

(2) to urge and examine the implementation of resolutions of the board of directors;

(3) to sign securities issued by the Company;

(4) to sign important documents of the board of directors and other documents required to be signed by the legal representative of the Company;

(5) to exercise the powers of the legal representative of the Company;

(6) in the event of emergencies such as significant natural disasters or other force majeure circumstances, to exercise special disposal powers over the Company's matters in accordance with legal provisions and the Company's interests, and to subsequently report to the board of directors and general meeting; and

(7) other functions and powers granted by the general meeting and the board of directors.



The Vice-chairman of the Board shall assist the Chairman of the Board with its work. Whenever the Chairman of the Board is unable to or fails to exercise his/her powers, the Vice-chairman of the Board shall perform the duties (if the Company has two or more Vice-chairmen of the Board, the Vice-chairman of the Board elected by a majority of the directors shall perform the duties); where the Vice-chairman of the Board is unable to or fails to fulfil his/her duty, a director shall be elected by a majority of the directors to perform the duties.

**Article 130** The Chairman of the Board shall, through the Chairman's Specialised Meetings, collectively discuss or make decisions on important matters within the scope of the powers granted to the directors under these Articles of Association, matters authorised by the board of directors, and other relevant important matters.

The Company shall establish a system governing the Specialised Meetings of the Chairman of the Board, specifying the scope of powers, rules of procedure, meeting organisation and document management, as well as the reporting, implementation, and supervision of meeting resolutions. Such a system shall be implemented upon approval by the board of directors.

**Article 131** The board of directors shall hold at least four regular meetings a year. Board meetings shall be convened by the Chairman of the Board by giving a notice to all directors 14 days before the meetings are held. When the Chairman of the Board, the shareholders holding 10% or more of the Company's voting shares, one third or more of the directors jointly propose, the special meeting of independent directors has considered and approved the proposal, a special board committee, or the general manager of the Company proposes to convene an extraordinary Board meeting, the Chairman of the Board shall convene and preside over the extraordinary board meeting within 10 days upon receipt of the proposal.

**Article 132** The Company shall pay the expenses incurred by a director in attending Board meeting. Such expenses shall include the fee for traveling from

the place where the director is located to the meeting venue, and the meals and accommodation expenses during the period when the meeting is held. The Company shall also pay the rental of the meeting venue, the local transportation costs and other miscellaneous expenses.

**Article 133** Notices of the Board meetings shall be given in the following ways:

(1) the notice of the Board meeting may be served by personal delivery, facsimile, telex, email, express mail service, registered mail or other means.

(2) the notice of the extraordinary Board meeting shall be delivered to the directors 5 days before the date of the meeting; in case of emergency, where an extraordinary Board meeting needs to be held as soon as possible, notice may be sent by way of telephone communication or other verbal means at any time, provided that the convener shall explain the same at the meeting and record it in the minutes of the meeting.

(3) the notice shall be written in the Chinese language and include an agenda of the meeting. An English version may be provided if necessary.

A director may waive his/her right to receive such notice of Board meetings under the preceding provisions.

If a director has attended the meeting and did not raise an objection for not receiving the meeting notice either prior to or at the time of attendance, it shall be deemed that the meeting notice has been duly given to them.

**Article 134** The notice of the Board meeting shall set out the following:

(1) the date and venue of the meeting;

(2) the duration of the meeting;

(3) the reasons and subject matters of the meeting;

(4) the date of issuance of the notice

**Article 135** The Board meetings shall be convened and held strictly in accordance with these Articles of Association and the Rules of Procedure for the Board, with prior notice given to all directors as required, along with sufficient meeting materials. Such materials shall include all information, data, and materials necessary for directors to vote on resolutions, including the relevant background information on the meeting topics, and timely responses shall be provided to directors' enquiries. Additional meeting materials shall be provided before the meeting upon request by directors.

The Company shall ensure that independent directors have the same right to information as other directors, and shall, in accordance with these Articles of Association, timely issue Board meeting notices to independent directors, provide relevant meeting materials no later than the notice period for Board meetings stipulated by related regulatory rules or these Articles of Association, and provide effective communication channels for independent directors.

If more than one quarter of the directors or two or more independent directors consider the meeting materials to be incomplete, the argument to be insufficient, or the materials to be provided untimely, they may jointly submit a written request to the board of directors to postpone the Board meeting or defer the consideration of the matter, and the board of directors shall accept such request.

Both the Company and the independent directors shall keep the information provided by the Company to the independent directors for at least 10 years.

**Article 136** Regular or extraordinary Board meetings and meetings of special committees shall in principle be held in person. Provided that all attending directors can fully communicate and express their opinions, such meetings may be held by means of video conference (or similar communication equipment), or by combining in-person meetings with

other meeting methods. If held by means of video conference (or similar communication equipment), as long as the attending directors can clearly hear other directors speak and communicate with each other, all attending directors shall be deemed to have attended the meeting in person.

While ensuring that directors still have smooth channels for communication and expressing opinions, extraordinary Board meetings may also be held by way of written resolution. However, the draft resolution shall be delivered to every director by personal delivery, fax, telex, email, express mail, or registered mail. If the board of directors has distributed the draft resolution to all directors, and the number of directors who have signed their approval has met the quorum required for making a decision, and the draft resolution is delivered to the Secretary to the Board in the aforementioned manner, then the draft resolution shall become a resolution of the board of directors. Unless otherwise recorded by the directors on the resolution, the directors' signing of the resolution shall be deemed as voting in favour.

The methods for voting on resolutions of the board of directors are: show of hands or oral vote, and written ballot. Meetings held in person shall adopt voting by show of hands or oral vote, or by written ballot. For meetings held remotely by means of video conference (or similar communication equipment), voting by show of hands or oral vote may be adopted, but the directors attending the meeting shall complete the written signing procedures as soon as possible. Directors' oral votes shall have the same effect as written ballots, provided that the original written ballot certificates (if any), subsequent written signatures and opinions must be consistent with the show of hands or oral votes at the meeting. In case of inconsistency, the voting opinion at the time of the meeting shall prevail. For meetings held by way of written resolution, voting by written ballot shall be adopted, and directors participating in the vote shall complete the corresponding written signing procedures within the period notified for the meeting.

**Article 137** Unless otherwise stipulated in Relevant Regulatory Rules and these Articles of Association, Board meetings may be held only if a majority

of all the directors (including directors appointing other directors to attend on their behalf in accordance with Article 139 of these Articles of Association) attend. Each director shall be entitled to one vote. Unless otherwise stipulated in the Relevant Regulatory Rules and these Articles of Association, resolutions of the board of directors must be adopted by the affirmative votes of a majority of all the directors.

**Article 138** Where a director has connected relations with the enterprises or individuals involved in the matters to be resolved at a Board meeting, such director shall promptly report to the board of directors in writing. If an independent director discovers that the matter under consideration may affect his independence, he shall declare it to the Company and recuse himself. Directors with connected relations shall not vote on the resolution on such matters, nor shall they act as proxies for other directors to exercise voting rights, and their voting rights shall not be included in the total number of votes. The Board meeting may be held if a majority of the non-connected directors attend, and resolutions made at such Board meeting shall be approved by a majority of the non-connected directors. Where the number of non-connected directors attending the Board meeting is less than three, the relevant matter shall be submitted to the general meeting for consideration.

**Article 139** Directors shall attend the Board meetings in person. Where a director is unable to attend a meeting in person for any reason, he may, by a written power of attorney, appoint another director to attend the meeting on his behalf, but shall review the meeting materials in advance and form clear opinions. The power of attorney shall set out the name of the attorney, the particulars and the scope of authorisation, the duration of validity of such authorisation, and shall be signed or sealed by the principal. If voting matters are involved, the principal shall clearly state in the power of attorney whether to for, against, or abstained for each matter.

Directors shall not issue or accept a power of attorney that does not indicate a voting intention, a full power of attorney, or a power of attorney with an unclear scope of authorization. A single director shall not accept proxies from exceeding two directors to attend a Board

meeting. Independent directors shall not appoint non-independent directors to attend meetings on their behalf. When consideration on connected transactions, non-connected directors shall not appoint connected directors to attend meetings on their behalf. Directors' responsibilities for voting matters shall not be exempted by appointing other directors to attend.

The directors who act as proxies of others shall exercise the rights of directors within the scope of authorisation. Where a director does not attend a Board meeting and fails to appoint a proxy to attend on his behalf, such director shall be deemed to have waived his right to vote at that meeting.

**Article 140** The board of directors shall prepare meeting minutes as required, which shall be truthful, accurate, and complete, and shall fully reflect the opinions expressed by attendees on the matters considered.

The minutes of a Board meeting shall state the following:

- (1) the date, venue and names of the convener;
- (2) the names of the attending directors and the names of directors (proxies) being appointed by another director to attend the meeting;
- (3) the agenda of the meeting;
- (4) the essential points of the directors' presentations (or, in the event of written resolutions in lieu of a meeting, the directors' feedback in writing) and the opinions of independent directors (if any); and
- (5) the voting methods and results on each proposal (the results of the voting shall set out the respective number of assenting, dissenting and abstention votes).

The Secretary to the Board shall diligently organize the recording and collation of matters discussed at the meeting. The minutes of every Board meeting shall be promptly provided to all directors for review.

Directors who wish to amend or supplement the minutes shall submit the proposed amendment to the convener in writing within a week of receiving the minutes of the meeting. After the minutes are finalized, the directors attending the meeting, the Secretary to the Board and the recorder of the minutes shall sign the minutes of that meeting. The minutes of the Board meetings shall be kept at the domicile of the Company as company files for at least 10 years.

Directors shall be liable for resolutions of the board of directors. If a resolution of the board of directors is against the Relevant Regulatory Rules or these Articles of Association or the resolutions of the general meetings, which causes the Company to suffer any severe loss, the directors who participate in passing such resolution shall assume the liability for compensation to the Company, provided that directors who prove to have cast a dissenting vote against such resolution as recorded in the minutes of the meeting may be exempted from such liability.

## **CHAPTER SEVEN: SENIOR MANAGEMENT OF THE COMPANY**

**Article 141** The Company shall have one general manager who shall be decided to be appointed or removed by the board of directors. Each term of office shall be 3 years, subject to re-appointment upon the expiry of the term.

The Company shall have several deputy general managers, and one chief financial officer who shall assist the general manager in work. The deputy general managers, chief financial officer and chief legal counsel shall be nominated by the general manager and appointed or removed by the board of directors. Each term of office shall be 3 years, subject to re-appointment upon the expiry of the term.

The general manager, deputy general managers, chief financial officer and other senior management of the Company shall be members of the Company's general manager's management team.

**Article 142** The general manager shall be accountable to the board of directors and shall exercise the following duties and powers:

(1) to be in charge of the production, operation and management of the Company and to organize the implementation of the resolutions of the board of directors and to report his work to the board of directors;

(2) to organize the implementation of the Company's annual business plans and investment proposals;

(3) to formulate the plan for establishment of the Company's internal management structure;

(4) to formulate the plans for the establishment of risk management system, internal control system and legal compliance management system, and to organize their implementation after approval by the board of directors;

(5) to formulate the Company's basic management system;

(6) to formulate the basic rules and regulations of the Company;

(7) to propose the engagement or dismissal of the deputy general managers and chief financial officer of the Company;

(8) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors; and

(9) other powers conferred by these Articles of Association and its appendices and granted by the board of directors.

**Article 143** The general manager shall formulate the working rules for the general manager for implementation upon the approval of the board of directors.

**Article 144** The Working Rules for the General Manager shall include:

(1) the requirements and procedures for the convening of a general manager's office meeting and the attendees of such a meeting;

(2) the specific duties and responsibilities of the general manager and



other senior management and the allocation of work between them;

(3) the use of the Company's funds and assets, authority to sign material contracts and the system of reporting to the board of directors;

(4) other matters as the board of directors may consider necessary.

**Article 145** The general manager shall, through a general manager's office meeting, collectively research, discuss or decide upon important matters within the scope of duties and powers conferred upon the general manager by these Articles of Association, matters authorised by the board of directors and the Chairman of the Board to the general manager, and other relevant important matters.

The Company shall formulate a system for general manager's office meetings, stipulating specific matters such as duties and powers, rules of procedure, organisation of meetings and document management, and implementation and supervision, for implementation upon approval by the board of directors.

**Article 146** The general manager may tender his/her resignation before the expiration of his/her term of office. The specific procedures and methods concerning the resignation of the general manager shall be stipulated in the employment contract between the general manager and the Company.

**Article 147** The general manager of the Company shall attend Board meetings as non-voting attendees, and be entitled to receive notices of the meetings and the relevant documents. A general manager not being a director shall have no right to vote at such meetings.

**Article 148** In the exercise of their functions and powers, the general manager and deputy general managers shall not alter any resolutions adopted by the general meeting or the board of directors, nor shall they act beyond the scope of their authorizations.

**Article 149** The Company shall have one Secretary to the Board. The Secretary to

the Board shall be a senior management officer of the Company accountable to the Company and the board of directors.

The Company shall develop a working system for the Secretary to the Board, specifying the duties of the secretary to the board and the requirements for fulfilling such duties, which shall be implemented upon approval by the board of directors.

Where necessary, the Company may establish the special working institute of the secretary to the board.

**Article 150** The Secretary to the Board shall be a natural person with the necessary professional knowledge and experience. He/she shall be nominated by the Chairman of the Board and appointed by the board of directors.

The Secretary to the Board shall be responsible for the preparation of general meetings and Board Meeting of the Company, keeping of documents, the management of shareholders' information of the Company, and handling matters such as information disclosure and investor relations management.

The Secretary to the Board shall comply with the relevant provisions of the Relevant Regulatory Rules, the Articles of Association of the Company and its appendices.

**Article 151** A director or a member of the senior management of the Company may concurrently act as the Secretary to the Board of the Company. No accountant of the accounting firm engaged by the Company may concurrently act as the Secretary to the Board of the Company.

In the case of a director acting concurrently as the secretary to the board, if an act has to be performed by a director and the Secretary to the Board separately, this director acting concurrently as the Secretary to the Board may not act in both capacities.

**Article 152** The Company implements the general legal counsel system, which shall have one general legal counsel, and the general legal counsel shall

play the role of a gate-keeper in legal review of operational and management matters to promote lawful operation and compliance management in the Company.

## **CHAPTER EIGHT: QUALIFICATIONS AND OBLIGATIONS OF THE COMPANY'S DIRECTORS AND SENIOR MANAGEMENT**

**Article 153** Directors and senior management of the Company shall be natural persons. A person may not serve as a director and a senior management of the Company if he:

(1) does not have or has limited capacity for civil conduct;

(2) has been sentenced for crimes of corruption, bribery, embezzlement or appropriation of property or disruption of the social and economic order, or has been deprived of his political rights for committing a crime where less than 5 years have lapsed since the sentence was served, or has been declared to be under suspension of sentence where less than 2 years have lapsed since the end of the period of suspension of sentence;

(3) is a former director, factory manager or general manager of a company or enterprise which has become insolvent and put into liquidation and is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of completion of the insolvency and liquidation of the company or enterprise;

(4) is a former legal representative of a company or enterprise the business licence of which was revoked or which was ordered to close down due to violation of law and is personally liable for such violation, where less than 3 years have elapsed since the date of revocation of the business licence or the making of the order to close down of such company or enterprise;

(5) has been listed as a dishonest person by the people's court due to having a relatively large amount of overdue debts which remain unpaid;

(6) has been prohibited from access to the securities market by the CSRC, where the prohibition has not expired;

(7) has been publicly determined by the stock exchanges to be not suitable to serve as a director or senior management of a listed company, and the period has not elapsed;

(8) other circumstances provided by Relevant Regulatory Rules.

The election of directors or the engagement of senior management in contravention of the provisions under this Article shall be null and void.

**Article 154** Where a director or a member of the senior management, during his/her term of office, falls within any of the circumstances set forth in Article 153 (1) to (6) of the Articles of Association, or where an independent director, after his/her appointment, ceases to possess the independence as required by Relevant Regulatory Rules, such director or senior management shall immediately cease to perform his/her duties and the Company shall remove him/her from office in accordance with the relevant provisions.

Where a director or a member of the senior management, during his/her term of office, falls within any of the circumstances set forth in Article 153 (7) to (8) of the Articles of Association, the Company shall remove him/her from office within 30 days from the occurrence of such circumstance, unless otherwise prescribed by the domestic stock exchange where the Company's shares are listed.

Where a relevant director who should have ceased to perform his/her duties but has failed to do so, or who should have been removed from office but has not yet been removed, attends and votes at Board meetings and its special committees or special meetings of independent directors, his/her vote shall be invalid and shall not be counted towards the number of attendees.

**Article 155** Where an independent director who falls within the circumstances set forth in Article 153 of the Articles of Association or fails to meet the

independence requirements has not resigned, the board of directors shall, as soon as it knows or ought to have known of the occurrence of such fact, remove him/her from office in accordance with the relevant provisions.

**Article 156** A person holding administrative positions other than directors in the Company's controlling shareholder or de facto controller shall not act as senior management of the Company.

The senior management of the Company shall only be entitled to remuneration from the Company but not from the controlling shareholders.

**Article 157** Without the lawful authorization of these Articles of Association or the board of directors, a director of the Company may not act personally on behalf of the Company or the board of directors. If a director acts in his own name, he shall declare his own position and identity in advance where his act would cause a third party to reasonably believe that he is acting on behalf of the Company or the board of directors.

**Article 158** The directors and senior management shall abide by the provisions of Relevant Regulatory Rules and these Articles of Association, perform the duties of due diligence to the Company, and exercise the reasonable care that shall be generally possessed by a manager for the best interests of the Company when performing their duties.

The directors and senior management shall perform the following duties of due diligence to the Company:

(1) to cautiously, earnestly and diligently fulfill the rights conferred by the Company to ensure that the business conduct of the Company is in conformity with laws, administrative regulations and all economic policies of the State, and its business activities shall not go beyond the business scope as registered in its business license;

(2) to treat all the shareholders fairly;

(3) to timely gain knowledge of the business operations and management of the Company;

(4) to sign written confirmation comments on the regular reports of the Company and to ensure the authenticity, accuracy and completeness of the information disclosed by the Company;

(5) to faithfully provide relevant information and data to the audit committee, and not to interfere with the audit committee in exercising its functions and powers;

(6) other duties of due diligence prescribed in the Relevant Regulatory Rules and these Articles of Association.

#### **Article 159**

The directors and senior management shall comply with the provisions of Relevant Regulatory Rules and these Articles of Association, perform their duties of loyalty to the Company, take measures to avoid any conflict between their own interests and the interests of the Company, and shall not abuse their position to obtain improper benefits.

The directors and senior management shall perform the following duties of loyalty to the Company:

(1) not to embezzle the Company's property or misappropriate the Company's funds;

(2) not to open an account for the deposit of the Company's funds in their own name or in the name of any other individual;

(3) not to abuse their position to accept bribes or other illegal income;

(4) not to enter into any contract or transaction with the Company directly or indirectly without reporting to the board of directors or the general meeting and approving by a resolution of the board of directors or the general meeting in accordance with the provisions of these Articles of Association;

(5) not to take advantage of their positions to seek business opportunities for themselves or others that should have otherwise been available to the Company, except when reported to the board of directors or the general meeting and approved by a resolution of the general meeting, or when the Company cannot utilize such business opportunities according to laws, administrative regulations or the provisions of the Articles of Association;

(6) not to engage in business of the same kind as that of the Company, either on their own or for others, without reporting to the board of directors or the general meeting and obtaining approval by a resolution of the general meeting;

(7) not to accept commissions from transactions between others and the Company for their own benefit;

(8) not to disclose the Company's secrets without authorization;

(9) not to use their connected relationship to cause any harm to the interests of the Company;

(10) other duties of loyalty as stipulated by Relevant Regulatory Rules and these Articles of Association.

Income derived by directors or senior management from a breach of this Article shall accrue to the Company. If the Company suffers any loss, they shall be liable for compensation.

The provisions of item (4) of the second paragraph of this Article shall apply to the entering into of contracts or transactions with the Company by close relatives of directors or senior management, enterprises directly or indirectly controlled by the directors or senior management or their close relatives, and related parties who have other related relationships with the directors or senior management.

**Article 160** The resignation of the senior management shall take effect upon receipt of the resignation report by the board of directors.

A director or the senior management shall, upon his/her resignation taking effect or the expiry of his/her term of office, complete all transfer procedures with the Company. His/her duty of loyalty to the Company and the shareholders shall not be automatically discharged after the end of his/her term of office, which shall continue for such period as the principle of fairness may require, depending on the length of time which has lapsed between the occurrence of the event and the termination of office and on the circumstances and terms under which the relationship between the relevant director or senior management on the one hand and the Company on the other hand was terminated. The responsibility assumed by a director or the senior management for performing his/her duties during his/her term of office shall not be waived or terminated upon leaving office.

The director or senior management's duties of confidentiality in respect of trade secrets of the Company survives upon the termination of his/her tenure until the disclosure of such trade secrets. They shall strictly perform the obligations such as non-competition agreed with the Company.

The Company shall establish a system to manage the resignation of directors or senior management, clearly specifying the accountability and compensation measures for unfulfilled public commitments and other outstanding matters. Such system shall be implemented upon approval by the board of directors.

**Article 161** The senior management of the Company shall faithfully perform their duties, and safeguard the best interests of the Company and all shareholders.

The senior management of the Company shall be liable for compensation in accordance with the law for any damage caused to the interests of the Company and the public shareholders due to their failure to faithfully perform their duties or breach of the fiduciary duty.

**Article 162** Where a director or a member of the senior management causes



damages to others in performing his/her duties, the Company shall be liable for compensation; where the director or the senior management acts with intent or gross negligence, he/she shall also be liable for compensation.

If a director or senior management has violated the Relevant Regulatory Rules or these Articles of Association and its appendices in discharging his duties, thereby causing losses to the Company, he shall be liable to pay compensation.

**Article 163** The Company shall conclude a written contract with each director of the Company concerning the remuneration schemes. Such contract shall be approved by the general meeting. Remuneration schemes for senior management shall be approved by the board of directors and explained to the general meeting.

The board of directors shall determine the remuneration of senior management based on recommendations from the Remuneration Committee regarding the assessment of the remuneration of directors and senior management. The remuneration of directors shall be subject to approval by the general meeting.

## **CHAPTER NINE: FINANCIAL AND ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT**

### **Section 1 Financial and Accounting System**

**Article 164** The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and Relevant Regulatory Rules such as the PRC accounting standards for business enterprises formulated by the relevant finance authority of the State Council.

**Article 165** The fiscal year of the Company shall be the calendar year. In other words, the fiscal year shall be from January 1 to December 31 of each calendar year.

**Article 166** The Company shall prepare the financial report after the end of each fiscal year. The above-mentioned report shall be audited by an accounting firm pursuant to law.

**Article 167** The Company shall submit and disclose its quarterly report within 1 month after the date of expiration of the first 3 months and first 9 months of each fiscal year; the interim report shall be submitted to the local branch of the CSRC and the stock exchange and published within 2 months after the expiration of the first 6 months of each fiscal year; and the annual report shall be submitted to the local branch of the CSRC and the stock exchange and published within 4 months after the expiration of each fiscal year.

The aforesaid annual report, interim report and quarterly report shall be prepared in accordance with Relevant Regulatory Rules.

**Article 168** Directors' report, financial report (including the balance sheet, each document required by Relevant Regulatory Rules to be annexed thereto, profit and loss account or income and expenditure account) or summary financial report of the Company shall be placed at the Company and made available for inspection by shareholders 20 days prior to the annual general meeting. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this Chapter.

The Company shall provide copies of the said reports to each holder of foreign shares no later than 21 days prior to the holding of the annual general meeting. Without violation of the Relevant Regulatory Rules, the aforesaid reports may be issued or provided by way of public announcement (including via the Company's website or electronic means).

**Article 169** The financial statements of the Company shall be prepared not only in accordance with the PRC accounting standards for business enterprises and relevant regulations but also in accordance with international accounting standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed. If there are major

differences in the financial statements prepared in accordance with these two sets of accounting standards, such differences shall be stated in such financial statements. For the purposes of the Company's distribution of after-tax profits in a given fiscal year, the less of the after-tax profits shown in the above-mentioned two sets of financial statement shall prevail.

**Article 170** Any interim results or financial information published or disclosed by the Company must also be prepared in accordance with PRC accounting standards for business enterprises and relevant regulations as well as international accounting standards or accounting standards of the place overseas where the Company's shares are listed.

**Article 171** The Company shall not keep separate accounting books other than those required by law. Funds of the Company will not be deposited into any account opened in the name of any individual.

**Article 172** When allocating the after-tax profits of the current year, the Company shall allocate 10 % of its profit to the statutory reserve fund. In the event that the accumulated statutory reserve fund of the Company has reached 50% of the registered capital of the Company, no further allocation is needed.

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

After allocating the after-tax profits of the Company to the statutory reserve fund, the Company may allocate its after-tax profits to the discretionary reserve fund subject to the resolution of the general meeting.

The remaining profits after making up the losses and allocating to the reserve fund shall be distributed in accordance with the proportion of shares held by the shareholders, except where these Articles of

Association specifies otherwise that distribution shall not be made in proportion to shareholdings.

Where a general meeting has, in violation of the provisions of the Company Law, distributed profits to the shareholders, the shareholders shall return the profits so distributed to the Company. If any losses are caused to the Company, shareholders and responsible directors and senior management shall be liable for compensation.

The shares held by the Company itself are not entitled to any profit distribution.

**Article 173** The Company's profits distribution policy is as follows:

(1) The Company shall place emphasis on delivering reasonable return on investments to the investors. The profits distribution policy of the Company shall be consistent and stable, taking into account the long-term interests of the Company, the overall interests of all shareholders and the Company's sustainable development. The Company shall pay due attention to the opinions of minority shareholders through various channels when allocating its profits.

(2) The Company may distribute dividends in the following forms: cash, shares or other forms provided by Relevant Regulatory Rules. The Company shall give priority to the distribution of profits in cash. The Company may make interim dividends distribution.

(3) When the Company makes profit within the reporting period of its annual report and the cumulative undistributed profits are positive, and the Company has adequate cash inflows to fulfill the requirements of normal operation and sustainable development, the Company should distribute cash dividends, and the profits distributed in cash every year shall be no less than 40% of the realized net profit attributable to the shareholders of the Company's parent for the corresponding period. The distribution of dividends in shares shall be subject to the following requirements: when the Company is performing well and the board of directors considers that the Company's share price does not match the

size of its share capital and that the distribution of dividends in shares would be in the best interests of all shareholders of the Company, the Company may formulate a proposal for the distribution of dividends in shares subject to the abovementioned conditions for distributing cash dividends. When making profit distribution, the proportion of cash distribution in such profit distribution should be at least 20%.

(4) The Company may adjust its profits distribution policy referred to in item (2) to (3) of this Article in case of war, natural disasters and other force majeure, or where changes to the external environment of the Company result in a material impact on the production and operation of the Company, or where there are significant changes in the Company's own operations or financial conditions, or where the Company's board of directors considers it necessary. The board of directors shall discuss the rationality of such adjustment in detail and form a resolution which shall be submitted to general meeting for consideration by special resolution. The holding of the general meeting shall comply with regulatory requirements of the place where the Company's shares are listed.

(5) The management of the Company shall formulate the annual profits distribution plan and submit such plan to the board of directors for consideration, and the board of directors shall form a resolution which shall be submitted to general meeting for consideration. If the conditions for the distribution of cash dividends have been satisfied and the Company does not propose a cash dividends distribution plan or does not propose such plan in compliance with the item (3) of this Article, and the board of directors shall give specific explanations regarding the reasons for such arrangement and form a resolution which shall be submitted to general meeting for consideration and make relevant disclosures. The plan for half-yearly dividends distribution of the Company shall comply with Article 175 of these Articles of Association. Where independent directors consider that a specific cash dividends distribution plan may prejudice the interests of the listed company or minority shareholders, they shall have the right to issue their independent advice. Where the board of directors does not adopt or fully adopt the recommendations of the independent directors, it

shall record in a resolution of the board of directors the opinion of the independent directors and the specific reasons for non-adoption and make relevant disclosure.

**Article 174** The Company shall inform the shareholders when distributing dividends.

Cash dividends and other distributions declared by the Company to shareholders shall be calculated and declared in Renminbi and paid to shareholders in accordance with Relevant Regulatory Rules.

**Article 175** When the Company holds an annual general meeting to consider the annual profits distribution plan, it may consider and approve the distribution of dividends for the interim period of the next year. The dividend cap for the interim period of the next year considered at the annual general meeting shall not exceed the net profit attributable to shareholders of the Company for the corresponding period. The board of directors shall formulate a specific interim dividend distribution plan in accordance with the resolutions of the general meeting and subject to the conditions of profit distribution.

**Article 176** Unless otherwise stipulated in the Relevant Regulatory Rules, for any payment of cash dividend and other distributions in Hong Kong dollars, the average of the daily reference exchange rate last published by China Foreign Exchange Trade System for the five working days preceding the date of declaration of such dividend and other distributions shall be adopted as the exchange rate.

**Article 177** In distributing dividends to its shareholders, the Company shall, in accordance with the provisions of the tax laws of the PRC, withhold and pay on behalf of the individual shareholders the taxes payable on the dividend income received by such shareholders.

**Article 178** The Company shall appoint a receiving agent for holders of overseas-listed foreign shares to collect on behalf of the relevant shareholders the dividends distributed and other funds payable in respect of the overseas-listed foreign shares.

The receiving agent appointed by the Company shall meet the requirements of the Relevant Regulatory Rules.

**Article 179** The capital reserve fund shall include the following funds:

(1) the premiums obtained from the issue of shares in excess of the par value; and

(2) other items required by the State Council's authority in charge of finance to be included in the capital reserve fund.

**Article 180** The reserve fund of the Company shall be used to make up the losses, expand the production and operation of the Company, or be capitalized to increase the registered capital of the Company.

The reserve funds shall be used to make up the losses of the Company on the basis of the audited individual financial statements for the preceding year of the Company and to the extent of reducing the negative number of undistributed profits at the end of the period to zero. The discretionary reserve funds and the statutory reserve funds shall be used first in sequence; if they fall short, the capital reserve funds may be used in accordance with the regulations.

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

## **Section 2 Internal Audit**

**Article 181** The Company shall implement internal audit system, which clarify the leadership system, duties and authorization, staffing, financial security, the application of audit results and accountability for internal audit. The internal audit system of the Company shall be implemented upon the approval from the board of directors and disclosed to the public.

**Article 182** The Company shall have an internal audit organization staffed with

professional auditors, which shall supervise and inspect the Company's business activities, risk management, internal control and financial information. The internal audit organization shall have 1 director and a number of internal audit officers.

The internal audit organization is accountable to the board of directors. During the supervision and inspection of the Company's business activities, risk management, internal control and financial information, the internal audit organization shall be subject to the oversight and guidance of the audit committee. If the internal audit organization discovers any significant issues or leads, it shall immediately report directly to the audit committee.

The audit committee shall participate in the assessment of the person in charge of internal audit (director).

**Article 183** The internal audit organization shall be responsible for the specific organization and implementation of the evaluation of the Company's internal control. The Company shall issue an annual internal control evaluation report based on the evaluation report and relevant information issued by the internal audit organization and considered by the audit committee.

**Article 184** The internal audit organization shall actively cooperate and provide necessary support and collaboration when the audit committee communicate with the external audit organization such as accountants' firms and national audit authorities.

### **Section 3 Engagement of Accounting Firm**

**Article 185** The Company shall engage an accounting firm that complies with the provisions of the Securities Law to perform services such as auditing of accounting statements, verification of net assets, and other related consulting services for a period of one year, which may be renewed.

**Article 186** The Company warrants that the Company will provide the engaged accounting firm with true and complete accounting vouchers,



accounting books, financial accounting reports and other accounting information, and the Company shall not refuse to provide or conceal or falsify such documents.

**Article 187** The audit fee of an accounting firm shall be decided by the general meeting.

**Article 188** The Company's appointment, removal or non-renewal of an accounting firm shall be decided by the general meeting. The board of directors shall not engage an accounting firm before the decision at the general meeting is made.

**Article 189** Prior notice should be given to the accounting firm 30 days in advance if the Company decides to remove such accounting firm or not to renew the appointment thereof. Such accounting firm shall be allowed to make representations during the voting on its dismissal at the general meeting. Where the accounting firm resigns from its position, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.

## **CHAPTER TEN: EMPLOYMENT**

**Article 190** The Company perseveres in a human-centered principle and integrates the corporate development with a perpetual intention to ensure returns to shareholders, contribute to the society and benefit the employees. In compliance with the State's laws and regulations and local government's relevant provisions, the Company shall establish a sound employees management system, and effectively develop and utilize human resources.

**Article 191** Based on its business development needs and subject to its own internal rules and bylaws, the Company shall, to the extent provided by the laws, regulations and relevant provisions of local governments, employ, dismiss employees or terminate labor contracts with employees at its discretion.

**Article 192** Pursuant to the State's laws, regulations, local government's relevant

provisions and these Articles of Association, the Company shall establish the salary, insurance, benefits systems. In light of the economic and social development and economic performance of the Company, the Company shall make endeavors to enhance the overall salary level and benefits for its employees, and improve their working conditions.

- Article 193** Pursuant to the State's and local government's relevant provisions, the Company shall develop an employee training system based on its business development and employees' needs and clear the path for employees' career and professional development.

## **CHAPTER ELEVEN: TRADE UNION**

- Article 194** The Company's employee shall have the right to form a trade union in accordance with the law and organize trade union activities to safeguard the legal rights of the staff. The Company shall provide the trade union with necessary conditions for its activities. The trade union of the Company shall enter into collective contracts with the Company according to law with regard to the remuneration, working hour, rest and holidays, labour safety and hygiene, insurance and benefits etc. of the staff. The Company supports the trade union to take part in the Company's democratic management through employee representatives' meetings and other forms and to exercise its powers according to the law.

- Article 195** The Company shall allocate 2% of the total wages of the Company's employee as the operating cost of the trade union. The trade union shall manage and utilize such funds on an independent basis. The use of the funds for the trade union shall be monitored by the State.

## **CHAPTER TWELVE: MERGER AND DIVISION OF THE COMPANY**

- Article 196** The merger of the Company may take the form of either merger by absorption or merger by consolidation.

The merger by absorption means that one company takes over another

one and the company being taken over shall be dissolved. The merger by consolidation means that two or more companies are merged into a new company, where the original companies shall be dissolved after their merger.

In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's merger resolution which is passed and shall publish a public announcement in a newspaper that meets the requirements of the securities regulatory authority of the place where the Company's shares are listed or the National Enterprise Credit Information Publicity System within 30 days of the date of the Company's merger resolution. The creditors may, within 30 days of its receipt of the notice or, if no notice has been received, within 45 days of the date of the announcement, ask the Company to discharge its debts or provide relevant guarantee.

Upon the merger, the credits and debts of each of the parties to the merger shall be inherited by the company which survives the merger or the newly established company.

**Article 197** Where there is a division of the Company, its assets shall be divided up accordingly.

In the event of division of the Company, the parties to such division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's division resolution which is passed and shall publish a public announcement in a newspaper that meets the requirements of the securities regulatory authority of the place where the Company's shares are listed or the National Enterprise Credit Information Publicity System within 30 days of the date of the Company's division resolution.

Debts of the Company prior to division shall be severally and jointly assumed by the companies which exist after the division, unless

otherwise provided for in the written agreement regarding discharge of debts that has been entered into by the Company and its creditors before the division.

**Article 198** Where the merger or division of the Company involves a change in registered particulars, such change shall be registered with the companies registry according to law. Where the Company is dissolved, it shall cancel its registration according to law. Where a new company is established, its establishment shall be registered according to law.

### **CHAPTER THIRTEEN: DISSOLUTION AND LIQUIDATION OF THE COMPANY**

**Article 199** The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

(1) the term of its operations specified in the Articles of Association has expired or any other cause for dissolution specified in the Articles of Association arises;

(2) a resolution regarding the dissolution is passed by the general meeting;

(3) dissolution is necessary due to a merger or division of the Company;

(4) business license is revoked lawfully or the Company is ordered to be closed down or is wound up;

(5) where the Company has experienced material difficulties in operation and management and its continuation may cause substantial loss to the interest of the shareholders, and there are no other solutions, the shareholders holding 10% or more of all the voting shares petition to the people's court for dissolution of the Company.

If the Company encounters the cause for dissolution as stipulated in the preceding paragraph, it shall publicize the cause for dissolution through the National Enterprise Credit Information Publicity System within 10

days.

**Article 200** Under the circumstances set out in items (1) and (2) of the preceding Article, and the property has not been distributed to shareholders, the Company may survive through amendment of the Articles of Association or by a resolution of the general meeting.

Amendments to the Articles of Association or resolutions of the general meeting pursuant to the preceding paragraph shall be approved by two-thirds or more of the voting rights held by the shareholders attending at the general meeting.

**Article 201** Where the Company is dissolved pursuant to item (1), (2), (4), or (5) of the Article 199 of these Articles of Association, liquidation must be carried out. The directors shall act as liquidation obligors of the Company and are required to form a liquidation committee to conduct liquidation within 15 days from the date on which the dissolution occurs. The liquidation committee shall be composed of directors unless otherwise decided by the general meeting to appoint other personnel. Where the liquidation obligors fail to fulfill their obligations of liquidation in a timely manner, they shall bear compensation liability for any loss caused to the Company or its creditors.

**Article 202** The liquidation committee shall, within 10 days of its establishment, send notices to creditors and shall, within 60 days of its establishment, publish a public announcement in a newspaper that meets the criteria prescribed by the securities regulatory authorities of the place where the Company's shares are listed, or on the National Enterprise Credit Information Publicity System. The creditors who have received the notice shall, within 30 days of receipt of the notice, and the creditors who do not receive the notice shall within 45 days of the date when the announcement was made, declare their creditor's rights to the liquidation team.

When declaring the creditor's rights, the creditors shall specify the relevant matters about the creditor's rights and provide corresponding evidence. The liquidation committee shall register such creditor's rights.

During the period of declaration of the creditor's rights, the liquidation committee shall not settle any debt with the creditors.

**Article 203** During the liquidation period, the liquidation committee shall exercise the following functions and powers:

(1) to liquidate the Company's assets and prepare a balance sheet and an inventory of assets respectively;

(2) to notify the creditors by notice or by public announcements;

(3) to dispose of any unfinished businesses of the Company relating to liquidation;

(4) to pay all outstanding taxes and taxes incurred during the liquidation proceedings;

(5) to settle claims and debts;

(6) to distribute the assets remaining after repayment by the Company of its debts;

(7) to represent the Company in any civil proceedings.

**Article 204** After it has liquidated the Company's assets and after it has prepared the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to a general meeting or to the people's court for confirmation.

After payment of the liquidation costs, salary of the staff, social insurance expenses and legal compensation, repayment of tax arrears and discharge of the Company's debts, the remaining assets of the Company shall be distributed among the shareholders in accordance with the classes and proportions of shares held by them.

The Company may, during the liquidation period, remain to exist, but

shall not carry out business activities irrelevant to the liquidation.

The Company's assets shall not be allocated to the shareholders before being applied towards the payments set forth in the preceding sentence.

**Article 205** After liquidation of the Company's assets and preparation of a balance sheet and an inventory of assets in connection with the liquidation of the Company, if the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall immediately apply to the people's court in accordance with laws for insolvency and liquidation.

After the people's court accepts the bankruptcy application, the liquidation committee shall hand over all matters relating to the liquidation to the bankruptcy administrator designated by the people's court.

Where the Company is declared bankrupt according to law, it shall carry out an insolvency liquidation according to the laws concerning insolvency liquidation.

**Article 206** Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, which shall be submitted to the general meeting or relevant court for confirmation, as well as submit such documents to the companies registry and apply for cancellation of registration of the Company.

**Article 207** Members of the liquidation committee shall fulfill their liquidation duties with loyalty and diligence.

Members of the liquidation committee who fail to perform liquidation duties and cause losses to the Company shall be liable for compensation; Where a member of the liquidation committee causes loss to the Company or the creditors with intent or gross negligence, he (she) shall bear the relevant compensation liability.

## **CHAPTER FOURTEEN: AMENDMENT OF THESE ARTICLES OF**

## **ASSOCIATION**

**Article 208** The Company shall amend these Articles of Association and its appendices on the occurrence of any of the following events:

(1) the Company Law or the relevant laws or administrative regulations are amended and these Articles of Association and its appendices are in conflict with the amended laws or administrative regulations;

(2) the Company has experienced any change which makes its status not consistent with that recorded in these Articles of Association and its appendices;

(3) it has been decided by the general meeting to amend these Articles of Association and its appendices.

**Article 209** The board of directors shall amend these Articles of Association and its appendices pursuant to the resolution of the general meeting on amendment of these Articles of Association and the approval opinions of the competent authorities (if relevant).

**Article 210** If the amendment of these Articles of Association and its appendices, as resolved by the general meeting, involves any registered particulars of the Company, such change shall be reregistered in accordance with law. If the amendment to these Articles of Association and its appendices is a matter which is required to be disclosed by the Relevant Regulatory Rules, an announcement shall be made in accordance with the provisions of those laws and regulations.

## **CHAPTER FIFTEEN: NOTICES**

**Article 211** Unless otherwise provided by these Articles of Association, subject to laws, regulations and listing rules of the place where the Company's shares are listed and these Articles of Association, notices of the Company shall be issued in any of the following manners:

(1) by personal delivery;



(2) by post;

(3) by public announcement;

(4) any other manner as recognized by the Relevant Regulatory Rules, securities regulatory authority at the place where the Company's shares are listed or as provided in these Articles of Association.

If a notice of the Company is issued by public announcement, it shall be deemed as duly received by the relevant officers once announced.

Unless otherwise provided in these Articles of Association, the Company may, subject to compliance with the Relevant Regulatory Rules, issue corporate communications as required by the Hong Kong Stock Exchange via the Company's website, the Hong Kong Stock Exchange website, or by electronic means.

**Article 212** Notices of the Company sent by mail shall be deemed to have been received 48 hours after an envelope containing the notice, with address legibly written and postage pre-paid, is posted into a mailbox.

If a notice of the Company is issued by hand, the date when the recipient signs (or stamps) on the return receipt shall be regarded as the date of service of the notice.

If a notice of the Company is issued by public announcement, the date of the first publication of the announcement shall be regarded as the date of service of the notice.

If the notice of the Company is sent out in electronic form, the sending date shall be regarded as the date of service of the notice.

Without violation of the Relevant Regulatory Rules, if a corporate communication is sent by way of announcement via the website, the service date shall be regarded as follows:

- (1) on the date when the notice in accordance with the Relevant Regulatory Rules is sent to the intended recipient;
- (2) if later, the date on which the corporate communication first appears on the website after that notice is sent.

If a notice of the Company is sent by personal delivery or by pre-paid mail, the recipient's address shall be the address registered in the register of shareholders.

Notices, instructions, documents, materials or written statements which are issued by the shareholders, directors or senior management to the Company shall be deposited or delivered by registered mail to the Company's legal address. If the address is clearly written and postage pre-paid, then it can be proven that the notice, instruction, document, material or written statement was delivered within the time limit stipulated by the Company under normal postal conditions, according to the mailing date.

**Article 213** A meeting and the resolutions adopted thereat shall not be solely invalidated as a result of the accidental omission to give notice of the meeting to, or the failure to receive such notice by, a person entitled to receive such notice.

## **CHAPTER SIXTEEN: SUPPLEMENTARY PROVISIONS**

**Article 214** Any reference to "general manager" and "deputy general manager" in these Article and its appendices shall mean "manager" and "deputy manager" as defined under the Company Law.

**Article 215** These Articles of Association and its appendices are written in Chinese. Where versions in other languages or different versions are in conflict with these Articles of Association and its appendices, the latest Chinese version verified and registered at the companies registration authority shall prevail.

**Article 216** In these Articles of Association and its appendices, the expressions of

“more than” and “within” shall include the numbers that follow them whilst the expressions of “exceeding”, “beyond”, “below”, “over” and “above” shall not include the numbers that follow them.

**Article 217**      The power to interpret these Articles of Association and its appendices shall be vested to the board of directors of the Company.

**Article 218**      Any matter which is not covered in these Articles of Association or its appendices in conflict with provisions of the Relevant Regulatory Rules promulgated from time to time, the Relevant Regulatory Rules shall prevail.

**Article 219**      The appendices to these Articles of Association include the Rules of Procedure for General Meetings and the Rules of Procedure for the Board.